

MADEIRA TOURISM CONCERNED ABOUT BREXIT



Brexit and the devaluation of the pound are reasons for concern in Madeira tourism, the archipelago's main economic agent. Last year, the United Kingdom lost the first position in the ranking of the main tourist source markets, with Germany assuming that position, representing a 1.2% drop in the total number of guests to 1.6 million.

The numbers of the two first months of the current year reveal a decrease of 1.7% in the number of guests from the United Kingdom, according to the Regional Directorate of Statistics of Madeira. **The income from accommodation also dropped by 4%.**

Roberto Santa Clara, executive director of the Madeira Promotion Bureau, acknowledges the Brexit-related concern, particularly "its never-ending postponement" and its effect capable of generating "instability for the consumer", not to mention the plummeting pound. All this "is a subject that requires plenty of attention", given that the British are traditionally the main source market for Madeira tourism.

To tackle this tendency, the promotion plan in the United Kingdom reinforced its budget by 1.2 million euros, according to Roberto Santa Clara. At the same time, the bureau is working with consolidated markets such as the German and the Portuguese, while developing efforts in countries such as Sweden, Norway and Denmark. Brazil and the United States are also part of the market diversification.

The Porto Santo island, which, last year, welcomed slightly more than one hundred thousand tourists, is making an attempt to offset the effects of seasonality. Hotel Vila Baleira, from the Portuguese chain Ferpinta, is one of the few units that keep its doors open throughout the year. Bruno Martins, the resort's director, focused his efforts on Denmark and managed to maintain the occupancy rates between October and May. During this period, the Danish account for 85% of the business, which is also consubstantiated by Germans and English.

To ensure growth, and taking into consideration the characteristics of Porto Santo – the sand, water and clay are considered beneficial to health – Vila Baleira opted to commit 3.5 million euros in the expansion of a project focused on health and well-being. The project will be developed over the next three winters, without jeopardizing the operation.

For this year, Bruno Martins admits a slight tourism revenue drop. "The national market [the most relevant during the high season] has slowed down. **The offer is quite wide-ranging for other destinations, nations such as Tunisia and Turkey are recovering, the Spanish are quite aggressive and there's also Cuba, Punta Cana and of course the Algarve.**" In tourism, "the competition is fierce".

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