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Fakulta managementu v Jindřichově Hradci

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**Role cestovního ruchu
ve Španělsku a jeho přínos
do celkového rozpočtu španělského
hospodářství**

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Prohlášení

Prohlašuji, že bakalářskou práci na téma
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Jindřichův Hradec, duben 2008

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„Role cestovního ruchu ve Španělsku a jeho přínos do celkového rozpočtu španělského hospodářství“

Práce se pokusí podat přehled o rozvoji a roli cestovního ruchu ve Španělsku v posledních 15ti letech a celkový pohled na jeho přínos pro další vývoj španělského hospodářství.

Duben, 2008

Poděkování

Za cenné rady, náměty a inspiraci

bych ráda poděkovala

PhDr. Bohumilu Kopřivovi

z Vysoké školy ekonomické v Praze,

Fakulty managementu v Jindřichově Hradci.

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Introduction

“Interest in tourism has grown substantially over the last quarter century as the industry has become a significant economic and social phenomenon.”¹

I have chosen this subject of my study, because I am interested in travelling and I like Spain. I am fond of Spanish culture, architecture, language etc. I have been in Spain several times. These are the reasons that brought me to choose this topic.

I have stated two main aims of this study. The first one is to characterize tourism theoretically. At first I would like to present Spain as a country. Next, I will deal with the history of travelling, forms of tourism, definitions of important concepts, new trends and problems that are connected with tourism, interesting places in Spain etc. These topics will be included in the theoretical part of this study.

The second aim is to make a survey of the role and development of tourism in Spain in the last 15 years. I would like to find out how much tourism contributed to Spain's economy in the period from 1995 to 2006. I will deal with the money amounts connected with tourism and its percentage share in the individual years. It will be included in the practical part.

The interim aims are to detect the share of tourism to the Spanish GDP, examine the inbound and outbound tourism and find out how it has changed. The last aim is to predict which role tourism in Spain may play in the future.

In the practical part I would like to deal with data from the “Spanish Tourism Satellite Account” that comes from accounting series 1995–2003. It is a wide set of statistical data that is published on the websites of the Spanish Institute of Statistics that is originally called “Instituto Nacional de Estadística”.

A supposed contribution of this study will be the description of the role of tourism in Spain's economy. I will examine the figures in the respective years from the period 1995–2006. Then I will compare them and comment the changes.

¹ ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT. *Measuring the Role of Tourism in OECD Economies: The OECD Manual on Tourism Satellite Accounts and Employment*. p. 13.

The Spanish Economy

According to the World Bank, Spain's GDP has grown by 36 % in the last ten years and so the Spanish economy is the ninth largest worldwide and the fifth largest in Europe.²

In January 1986 Spain joined the European Community - now the European Union (EU). So the Spanish economy had to open its economy for purposes of trading and making investments. Next, Spain had to modernize its industries, better infrastructure and adjust the economic legislation to assimilate to the direction of the EU. Spain heightened the gross domestic product (GDP) growth, lowered the public debt to the GDP ratio, the unemployment rate decreased from 23 % in 1986 to 8.47 % in the first quarter of 2007 and the inflation was shortened to under 3 %. The essential challenges of Spain's economy are ongoing lowering of the unemployment rate, reforming labour laws in order to shorten the inflation and increasing per capita GDP.

In the late 1980's the Spanish economy was peaking, but in mid-1992 stepped into a recession. The economy was restored from 1996 to 2000. This period reflects the first Aznar administration. It was characterized by a comeback of the consumer confidence, raising private consumption despite the economic growth that has decelerated in recent years.

Spanish exports were made more competitive during the 1990s, because in this period the peseta was several times over devaluated. But the strength of the Euro since its adoption has raised recent concerns that Spanish exports are being priced out of the range of foreign buyers.³

Spain's economy has been considered lately as one of the most driving country within the EU that magnetizes large amounts of foreign investments. One of the biggest achievements represents producing more than half of all the new jobs in the European Union over the five years ending 2005.

During the last 40 years Spain has become the second world's top tourism destination. It has been caused by growing Spanish tourism industry that became the second biggest in the world, worth approximately 40 billion Euros in 2006. More

² URL: <<http://en.wikipedia.org/wiki/Spain#Politics>> [cit. 2008-02-04].

³ URL: <<http://www.state.gov/r/pa/ei/bgn/2878.htm>> [cit. 2008-02-04].

recently, the global real estate boom considerably contributed to the Spanish economy. The construction has constituted 16 % of the GDP and 12 % of the employment. In accordance with the estimation by the German newspaper Die Welt, Spain will have got ahead countries like Germany in per capita income by 2011.

The real estate boom has been accompanied by the increase in the level of personal debts. The average level of household debt has tripled in less than a decade. In 2005 the median ratio of indebtedness to income among lower income groups was 125 %.

A persistent problem is represented by unemployment. At the beginning of the year 2007 the unemployment rate was 8.47 %. But this figure still signifies a considerable improvement compared to previous levels.

Into the future the Spain's economy is expected to continue growing. This prospective growth will be based on a few factors. They are the strengthening of industry, the growth of the global economy and the increasing trade with Latin America and Asia.⁴

⁴ URL: <<http://en.wikipedia.org/wiki/Spain#Politics>> [cit. 2008-02-04].

I. Theoretical part

1. Spain and the Tourism Industry

Spanish coastline is well-known because of its beauty and pleasant climate. These factors have conduced to a developed tourism industry. It is focused especially on the Mediterranean coast and the islands that belong to the Kingdom of Spain. Such significance of tourism causes that Spain is the second most important tourist destination all over the world while the first place is held by France.

In the 1960s and 1970s the tourism industry quickly extended. At this time Spain used to be the first mass-market holiday destination in Europe. But the stagnation came in the late 1980s. Prices were rising, tourists were travelling into other countries and competition from these countries amplified. The competitiveness was provisionally renewed by the peseta devaluation in the early 1990s when tourists returned to Spain.

Since 2003 the tourism industry has faced another stagnation. Other destinations in the Mediterranean and all over the world have been developing. The prices have been rising again and other factors have been responsible for this weakness of Spain.

Over recent years prices in tourism and catering services have moved far ahead of Spain's headline rate of inflation, which is itself already above the EU average.⁵

⁵ URL: <<http://www.viewswire.com/article1802611365.html?pubtypeId=930000293&text=spain%20tourism>> [cit. 2008-03-17].

2. Country Profile⁶

Official name: Kingdom of Spain (Spanish: Reino de España)



Picture No. 1: The Spanish flag

2.1 Geography

Area: 504,750 sq. km., including the Balearic and Canary Islands

Density: 87.2 inhabitants per km²

Capital: Madrid (5.5 million inhabitants)

Other large cities: Barcelona, Valencia, Seville, Málaga, Zaragoza, Bilbao etc.

*Subdivisions*⁷: 47 peninsular and 3 island provinces (1 province on the Balearic Islands and 2 provinces on the Canary Islands)

2 enclaves on the Mediterranean coast of Morocco (Ceuta and Melilla)

3 island groups along that coast: Alhucemas, Peñón de Vélez de la Gomera, and the Chafarinas Islands



Picture No. 2: Map of the Kingdom of Spain

⁶ URL: <<http://www.state.gov/r/pa/ei/bgn/2878.htm>> [cit. 2008-02-04].

⁷ URL: <<http://www.businessinfo.cz/cz/sti/spansko-zakladni-informace-o-teritoriu/1/1000541/>> [cit. 2008-02-04].

2.2 People⁸

Population (2007 est.): 45,116,894 inhabitants

Annual growth rate (2007 est.): 0.116 %

Rate of economically active people: 21.6 million

Estimated rate of foreigners: 4.14 million

Age structure of inhabitants: 0 - 16 years.....15.6 %

16 - 44 years.....44.2 %

Above 45 years.....40.2 %

Average age: 39.1 years (men: 37.8 years; women: 40.5 years)

Ethnic groups: 73 % Spaniards

18 % Catalans

2.5 % Basques

Galicians etc

Religion: 83.6 % Roman Catholic

11.9 % without faith

2.0 % Protestant

1.8 % Islamic

0.7 % other

Languages: 74 % Spanish (official)

17 % Catalan-Valenciana

7 % Galician

2 % Basque

Education: literacy (2003 est.): 98 %.

Work force (19.2 million people): 65.1 % services

5.2 % agriculture

12.5 % construction

17.2 % industry (2005 est.).

2.3 Government

Type: Constitutional monarchy (Juan Carlos I proclaimed King on the 22nd November 1975)

⁸ URL: <<http://www.businessinfo.cz/cz/sti/spanelsko-zakladni-informace-o-teritoriu/1/1000541/>> [cit. 2008-02-04].

Constitution: since 1978

Branches:

- Executive: president of the government appointed by the monarch.
- Legislative: bicameral Cortes (it means a Parliament): a 350-seat Congress of Deputies and a Senate (208 senators: 4 senators are elected in each of 47 peninsular provinces, 16 are elected from the three island provinces, and Ceuta and Melilla elect two each. The parliaments of the 17 autonomous regions also elect one senator as well as one additional senator for every 1 million inhabitants within their territory - about 20 senators).
- Judicial: Constitutional Tribunal has jurisdiction over constitutional issues. Supreme Tribunal heads system comprising territorial, provincial, regional, and municipal courts.

Principal Government Officials:

Chief of State, Commander in Chief of the Armed Forces: King Juan Carlos I

President of the Government (Prime Minister): José Luis Rodríguez Zapatero

First Vice President and Minister of Presidency: María Teresa Fernández de la Vega

Second Vice President and Minister of Economy and Finance: Pedro Solbes

Minister of Foreign Affairs: Miguel Ángel Moratinos

Ambassador to the United States: Carlos Westendorp y Cabeza



Picture No. 3: King Juan Carlos I (right) and the Prime Minister José Luis Rodríguez Zapatero

Political parties: Spanish Socialist Workers Party (PSOE)
Popular Party (PP)
the United Left (IU) coalition

– key regional parties: the Convergence and Union (CIU) in Catalonia
the Basque Nationalist Party (PNV) in the Basque country

2.4 Economy

Monetary unit: Euro (from 2002, before: peseta)

Natural resources: Coal, lignite, iron ore, uranium, mercury, pyrites, fluorspar, gypsum, zinc, lead, tungsten, copper, kaolin, hydroelectric power

Agriculture and fisheries: products: grains, vegetables, citrus fruit, wine, olives and olive oil, sunflowers, livestock

Industry: types: food processing, textile, shoe manufacturing, petrochemical, steel, automotive field, consumer goods, electronics

Trade: exports: automobiles, fruit, minerals, metals, clothing, footwear, textiles
imports: petroleum, oilseeds, aircraft, grains, chemicals, machinery, transportation equipment, fish, consumer goods

2.5 Foreign Relations

Spain is a member of all important international organizations. The base of its multilateral foreign policy is the participation in the European Union, NATO, UNO and all of its specialized organizations. Spain is also a member of OSCE, OECD, Council of Europe, African Development Bank (AfDB), Asian Development Bank (AsDB), Inter-American Development Bank (IADB), the observer of the Organization of American Banks and other relevant international organizations including international control regimes. In Madrid there is a headquarters of UNWTO.

3. Definitions Related to the Spanish Market for Travel and Tourism

Unified conceptions and definitions are necessary for getting uniform statistical data. They can serve as initial values for the purposes of tourism statistics and for drawing up a prognosis of its next development.

3.1 Tourism

“Tourism is a complex social phenomenon that represents the summary of activities of the participants in tourism. It is a summary of actions of constructing and exercising arrangements with services for participants in tourism. There are also included activities of persons who offer and provide these services, activities connected with the use, development and protection of the sources for tourism and the summary of political and public-administrative activities. According to the WTO tourism means activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes.”⁹

3.2 International Tourism

“International tourism is the sum of incoming tourism of all countries all over the world. It means the activity of people visiting destinations outside their own country's boundaries.”¹⁰ It subsumes:

- *Inbound tourism* that involves non-residents travelling in the given country.
- *Outbound tourism* that takes in residents travelling into another country.

3.3 Foreign Tourism

“Foreign tourism is a kind of tourism distinguished by crossing the country's boundaries. This term is used from the point of view of a given country and it is expressed as a summary of the incoming and outgoing tourism. According to its

⁹ PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 45.

¹⁰ PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 175.

impact on the balance of payments of the country we can discriminate active and passive tourism.”¹¹

3.4 Domestic Tourism

“Domestic tourism represents travelling and stays of the citizens except the place of their usual residence in order to spend their leisure, recreation, knowledge or other unprofitable purposes that do not last more than one year. Such activities have to be completely carried out in the domestic country.”¹²

3.5 National Tourism

“National tourism is the total tourism implemented by the citizens of the particular country. It means a summary of the domestic tourism and the tourist departures.”¹³

3.6 Incoming Tourism

“Incoming tourism is represented by international arrivals. It is tourism of a given country performed by the residents of other countries, one-day visitors and tourists. According to the WTO the incoming tourism means activities of foreign visitors in a given area who get round their usual environment. Such visitors stay here for a period not exceeding 12 months in order to spend here their leisure, entrepreneurial activities or other purposes.”¹⁴

3.7 Outgoing Tourism

“Outgoing tourism is represented by international departures. It refers to the number of trips undertaken by national residents to another country for any other reason than carrying out an activity remunerated in the country of destination.”¹⁵

¹¹ PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 327.

¹² PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 65.

¹³ PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 188.

¹⁴ PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 234.

¹⁵ PÁSKOVÁ, M., ZELENKA, J. *Výkladový slovník cestovního ruchu*. p. 319.

4. The Spanish Travel and Tourism Market¹⁶

I would like to focus on two key sectors of this market. They are the Spanish market for travel accommodation and tourist attractions.

4.1 Travel Accommodation

Principal kinds of accommodation represent parts of the travel accommodation market. They are used by incoming tourists and domestic tourists. We can divide this market into a few main branches. They are mentioned in the alphabetical order¹⁷:

- campsites – represent areas placed beside for camping and caravans;
- cottages and chalets – i.e. rented accommodation in rural areas or in the mountains;
- guesthouses - rooms that are rented to tourists for a night or a few days;
- hostels – this kind of accommodation market ensures low-cost accommodation often in lodging houses, they are dormitories and temporary buildings; this category also comprises youth hostels;
- hotels – they provide night quarters and meals; they are mostly more expensive than other kinds of accommodation;
- motels – these roadside hotels are predominantly used by motorists;
- private accommodation – is represented by privately-owned houses or individual rooms rented to tourists on an unofficial basis;
- self-catering apartments – they are ensuring lodging in tourist apartments, but they do not provide meals;
- other – means less important types of accommodation – e. g. holiday camps.

¹⁶ URL: <<http://www.euromonitor.com/mrm/default.asp>> [cit. 2008-02-09].

¹⁷ HORNER, S., SWARBROOKE, J. *Cestovní ruch, ubytování a stravování, využití volného času*. p. 281–282.

4.2 Tourist Attractions

Places visited by tourists are included in the attractions market. They are producing sales to both incoming and domestic tourists. This market is divided into several branches. They are mentioned in the alphabetical order:

- ❑ amusement parks;
- ❑ art galleries;
- ❑ casinos;
- ❑ circuses;
- ❑ historic buildings (places);
- ❑ industrial tourism;
- ❑ museums;
- ❑ national parks (areas of natural beauty);
- ❑ theatres;
- ❑ zoos and aquaria;
- ❑ others.



Picture No. 4: Prado Museum in Madrid



Picture No. 5: Amusement park in Madrid



Picture No. 6: Aquarium in Valencia called L'Oceanografic (The Oceanographic Park)

5. History of Travelling^{18 19}

5.1 Antiquity

The first historically documented descriptions of journeys round the Mediterranean Sea, descriptions of the places of interest and monuments, citizens, gastronomy etc. date from 480 to 425 BC. Known is also the itinerary of the emperor Diocletian. This study also mentions the expenses.

5.2 The Middle Ages

Travelling belongs to the education and decorum of young aristocrats. They are accompanied by students. The aim is to learn other countries, cultures and foreign languages. Businessmen and artists travel too.

In the 13th century mercantile voyages to Asia are arranged by Marco Polo, the well-known traveller who spends 11 years in China, writes about his travels a book called “Million”.

In the 15th century a lot of great sea routes are carried out. Christopher Columbus makes 4 expeditions in the Spanish king’s service. In 1492 he discovers America. Another seafarer Amerigo Vespucci makes a description of nature and citizens of the new continent and America gets its name after him. From 1519 to 1522 colonial settlements are founded. Motives of these voyages are trade (with spices, precious metals, minerals) and colonization.

5.3 Modern Period

In the 17th century the England’s industry is quickly developing. There is a freedom of movement of the labour force. In 1785, forty thousand Englishmen travel to Europe and the epoch called “Grand Tours” begins. In Europe originates the system of accommodation and catering according to the English standard.

In 1841, Thomas Cook organizes the first collective trip for 570 persons from Lancaster to Loughborough. Thomas Cook establishes the first travel agency. In

¹⁸ JAKUBÍKOVÁ, D., JEŽEK, J., PAVLÁK, M. *Cestovní ruch*. p. 9–24.

¹⁹ RUSKOVÁ, D., ŠTYRSKÝ, J. *Geografie cestovního ruchu a dějiny kultury pro cestovní ruch*. p. 9–86.

1855 he organizes the first trip abroad to the World exhibition in Paris. His organizational aspects are made full use of to this day.²⁰

In 1827 Karl Baedeker brings out the first guidebook. It describes landmarks, possibilities of accommodation, catering, transport and it also quotes the prices. It enables travelling for the middle class and without attendants too.

From 18th to 19th century the rich and middle classes execute a lot of tours to the bath houses and spas and to the Alps. The working class travel to the countryside.

5.4 Period before World War I

Rich people and the middle classes travel with the whole families and their domestic servants. Lots of new hotels are built.

5.5 Period after World War I

The mass tourism is developing. It is statistically recorded and the patterns of the development are studied. Working hours are cut down up to 8 hours a day. It means that people have more free time. Major travel agencies are established and so the services connected with the tourism are advancing. The world depression in the thirties means the damping of tourism.

5.6 Period after World War II

The economy in Europe and all over the world has been reconstructed. Tourism is negatively influenced by the cold war. The world is divided into two political and economic systems. It is developing in each system in a different way. In the countries of the western block dominates the individual tourism. On the other hand, in the countries of the eastern block prevails especially the mass tourism inside the unit with a strong control of journeys behind the “iron curtain”.

²⁰ NĚMČANSKÝ, M. *Odvětví cestovního ruchu: Vybrané kapitoly I. díl.* p. 11–12.

6. Forms of Tourism²¹

Tourism can be represented in various forms. They can often overlap each other. The most important and widespread forms are mentioned below.

6.1 Cultural and Educational Tourism

This kind of tourism includes participation in cultural activities such as festivals, exhibitions, performances etc. This category comprises educational journeys and students' traineeships.

6.2 Entertainment and Attraction Tourism

Entertainment centres are chiefly built in places where natural conditions are not suitable for other forms of tourism. This kind of tourism is defined by pleasure grounds, world and national exhibitions.

6.3 Sporting Tourism

It includes active and passive sports. Doing sports actively means regular exercising, jogging or attending the fitness-centres. Sports centres are popular too, and they usually include solariums, saunas, workout gyms, swimming pools. On the other hand doing sports passively means watching favourite sports on TV or during contests and matches.

6.4 Health Tourism

It involves travelling to holies which have recovering effects, spa tourism and stays at the seaside. This kind of health tourism is very popular because of the curative effects of the sun and seawater which can heal skin diseases.

6.5 Gastronomic Tourism

This form of tourism is focused on getting known of food and drinks in foreign countries. Exotic meals are often a way of learning a local culture and the standard of living. Gastronomic tourism is mostly practised by the wealthy clientele.

²¹ JAKUBÍKOVÁ, D., JEŽEK, J., PAVLÁK, M. *Cestovní ruch*. p. 101–115.



↑ Picture No. 8: Churros – Spanish dessert pastries

↓ Picture No. 7: Paella – traditional Spanish food



6.6 Congressional Tourism

Conferences, workshops and congresses have two goals - professional and social. Professional goal means organizing scientific and expert discussions. By contrast social goal means personal contact among specialists and scientists. A venue of a conference has to offer sufficient capacity facilities of accommodation and catering, it has to have cultural and aesthetic high end. Congressional places arise in small towns with nice surrounding suitable for excursions all over the world.

6.7 Incentive Tourism

It is also called business tourism. This form of tourism represents the support of companies, firms and institutions aimed at acquainting the employees with each other in a spare-time environment. It can have a short form (for a weekend) or a longer form (when an employer enables the employees to spend their holidays together).

6.8 City Tourism

It takes place in an urban environment and is generally connected with other forms of tourism. Such tourists often enjoy shopping, walking in the cities and admiring the architecture etc.

6.9 Rural Tourism - Agritourism

This form of tourism is developing especially in industrial countries where the majority of citizens live in big cities without any contact with nature. These people are looking for a peaceful place for the rest and relaxation. They want to have an everyday contact with the nature and original rural residents. For agritourism purposes villagers and farmers prepare accommodation in their houses. They often hire their houses for the whole year for townspeople. It is necessary here to maintain and increase the eye-appeal of the surroundings – e. g. building up nature trails, tourist paths, possibilities of riding on horseback or cycling tracks, places for bathing etc.

6.10 Religious Tourism

The faithful wander to the holies (e. g. Santiago de Compostela, Mecca, Les Lourdes, the river Ganges) or to ecclesiastical festivals. They often visit the places where an eminent ecclesiastical personality such as the Pope or a bishop is.

6.11 Tourism for Seniors

The number of seniors in the tourism is steadily increasing. For this form of tourism it is very important a sensitive treatment. The so-called dynamic senior is physically fit, does not need any further or special regimen, but sometimes he overestimates his abilities. By contrast a passive senior demands to be helped during a hard physical exertion. It is very useful to ensure a doctor for seniors. Organizers have to provide comfortable transportation and accommodation and respect less adaptability regarding catering and the daily programme. Seniors prefer off-seasonal tours because of the calm and lower prices. They should know the discounts.

6.12 Tourism for Young People

The young choose generally challenging, less comfortable and cheaper forms of tourism. They are easy adaptable to new conditions of the staying in foreign countries. The advantage of the young is that they can easily get acquainted. They are able to make a compact group of people in a short time period. On the other hand, the disadvantage is that they can be very noisy. Much like the seniors they prefer off-seasonal tours because of the lower prices.

6.13 Tourism for Handicapped People

For this form of tourism appropriately modified means of transportation are necessary (e. g. hoisting platforms in trains and buses). In the accommodation facilities and catering establishment no barriers to entry are very important and required. Transparent informative symbols are effective too. During the tour a guardian should be present. These services are expensive, so the tourism for handicapped people is as a rule organized only by major travel agencies, which can afford to subsidize these activities.

6.14 Hunting Tourism

It applies more likely to individuals or small groups of people. The aim is some kind of hunting - pig sticking, ground-fishing, big game hunting, wild-goose chase etc. High fees are given for the hunted animals. A long-term preparation is required. Hunters have to be good at searching for animals, observing their habits, time of pasture, they should know how and where to lay the bait etc. The hunter pays the fee, the celebration of the hunting and gets the trophy. In Europe there is a lack of suitable places for this form of tourism. Fishing is developed mostly in Norway, Finland and Russia.

7. Approaches to Tourism²²

The complexity and variety of forms of tourism enable us to apply lots of various approaches. In the theory and practice there are in most cases exercised the following aspects.

7.1 Economic Approach

It examines tourism in terms of economic processes which are necessary for ensuring the participation of people in tourism. It also envisages the effects of tourism in the economy of the state, regions or the world's economy.

7.2 Ecological Approach

It applies to the evaluation of the territorial potential for tourism and its mutual relation to the environment. The protection of the environment is also included.

7.3 Geographical Approach

This approach is noticing tourism and its relationship to the geographical environment, its importance to the development of the tourism industry. Further, it is engaged in the relationship between the places of living and the destinations.

7.4 Sociological and Psychological Approach

They are concerned with tourism, especially in the relation to people, their wants, motives of their participation in tourism, interaction among them, particularly relations among the tourists and local inhabitants.

Tourism is related to a lot of sciences - e. g. climatology, hydrology, demography, epidemiology and hygiene. Tourism is also connected with several sectional branches of economy, mainly with the traffic, business, juristic, cultural and financial economy.

²² INDROVÁ, J., et al. *Cestovní ruch I*. p. 8.

8. New Trends and Problems Connected with Tourism²³

8.1 Varying Habits of New Tourists

So-called “sun, sea and sand” type of holidays represents the majority of visits to Spain. But its significance and role is still diminishing. In 2006, there was noted a considerable decrease in such type of holidays. On the other hand, more and more tourists prefer rural and cultural tourism, including city breaks. More popular are also becoming sporting holidays. In 2006, rising number of tourists were demanding for traditional forms of holidays combined with modern ones.

8.2 Adventure Holidays Attract Tourists

The biggest growth is related to adventure types of holidays. This growth is continuously building up. It is connected with the increase in rural tourism. Village areas are available for more and more tourists and they offer a lot of activities and quality accommodation for them. The number of hotels has risen in recent years too. It is easy to find favourable accommodation conditions concerning the rural, sporting and adventure holidays. The rural destinations offer a raising number of interesting activities, so the tourists can enjoy their holidays in the best way.

8.3 The Importance of the Internet is still Rising

In 2006, most Internet sales were connected with travelling or tourism. These sales include sales related to holidays and insurance, hiring cars, booking hotels etc.

The number of people who consult the offers of holidays on the Internet is still increasing. In 2006, according to the Office of Statistics, 40 % of people were likely to book their holidays before previously comparing the offers on the Internet.

8.4 Increasing Competition in Hotels

Chains of hotels represent a keen competition for individual hotels. In 2006, price reductions meant a serious danger for smaller hotels.

²³ URL: <http://www.euromonitor.com/Travel_And_Tourism_in_Spain> [cit. 2008-03-01].

Large chains of hotels are able to satisfy increasingly high expectations of modern tourists. They can offer to sophisticated tourists the luxury and comfort, not only rooms. The growth of chained hotels in 2006 was about 9 %.

8.5 Drought in Spain²⁴

The worst droughts are affecting Spain in decades. In former times three extreme periods troubled Spain. The last two were in 1979–1982 and 1990–95. According to some experts, Spain is drawing near into another cycle. The Spanish government says that one third of the country is jeopardized by turning into desert.

Tourism industry and raising number of tourists are using so much water in the coastal areas whilst the vegetable fields are dehydrating the inland. The advancement of the tourism and agricultural industry water supply depend on digging of illegal boreholes. Estimations show that in Spain there are about 510,000 of them. The government was attempting to reduce the number of illegal boreholes, but it has been accompanied by a furious opposition.

Relearning the canny irrigation techniques to high technology solutions could prevent from further desertification. Other solutions that could restrict the desertification are restrictions in water use and restrictions on irrigation. Seven autonomous regions have already acknowledged them.



Picture No. 9: Dry soil

²⁴ URL: <http://www.iberianature.com/material/spain_drought.htm> [cit. 2008-02-05].

8.6 Forest Fires in Spain

Forest fires represent very serious problem of this country, because they discourage tourists from travelling here. They are closely connected with the drought.

During the last 15 years the worst year for Spain as a whole was 1994, because 314,215 hectares of forests have burnt. The most extreme forest fires threatened Spain from January to August 1994. Up to 20,000 forest fires are said to be in Spain per year. On the average, more than 80 % of fires are caused intentionally. Every year some inhabitants and firefighters die in the forest fires. A lot of people had to be evacuated from their homes.²⁵

Cold and moist summer of the year 2006 in most areas of Spain has helped to bring forest fires down to their lowest level for 10 years. Maybe it has been caused by improved fire-fighting measures too.²⁶



Picture No. 10: Forest fires in Spain: Situation before and after the fire

²⁵ URL: <<http://www.iberianature.com/material/fire.html>> [cit. 2008-02-05].

²⁶ URL: <<http://www.iberianature.com/spainblog/2007/09/08/forest-fires-in-spain-at-lowest-level-for-ten-years/>> [cit. 2008-02-05].

9. Terrorism and Its Effects on the Inbound Tourism

9.1 Terrorism in Spain

I would like to mention the most important terrorist groups that act in the Kingdom of Spain.

9.1.1 ETA²⁷

The best known terrorist group in Spain is Basque Fatherland and Liberty – ETA. It is the abbreviation of “Euskadi Ta Askatasuna”. ETA was founded in 1959 and its main aim is to promote Basque independence. Other goals are connected with the sovereignty and self-determination for the Basque Country.²⁸

Motto of this terrorist group is “Bietan jarrai” which means "Keep up on both". Its symbol is a snake that represents politics twined around an axe that represents armed fight. ETA’s ideology is Marxist-Leninist.

ETA has killed 821 people and committed a number of kidnappings since 1968. It carried out a lot of bomb attacks against the Spanish government. In 1995, it also put a bomb in the car of the politician Aznar. Fortunately, he was unhurt, but his armoured car was totally destroyed. Spain, France, the European Union, the United States and the United Nations consider Eta as a terrorist group. More than 500 of its members are imprisoned in Spain, France and other countries.

In November 1999, ETA terminated an armistice declared in September 1998. Then the group started carrying out a bloody campaign of violence. About 46 Spanish inhabitants and officials were killed. Each attack was followed by demonstrations of lots of people who condemned ETA’s actions. Another armistice was declared in March 2006, but ended in June 2007.

The Spanish government is steadily working on enfeebling this terrorist group and is attempting to prevent suspected ETA attacks.



Picture No. 11: ETA symbol

²⁷ URL: <<http://en.wikipedia.org/wiki/ETA>> [cit. 2008-02-07].

²⁸ URL: <<http://www.state.gov/r/pa/ei/bgn/2878.htm>> [cit. 2008-02-04].

9.1.2 GRAPO²⁹

Another important rebellious group in Spain is commonly known as GRAPO. It is an urban left-wing terrorist group. Its main aim is to overthrow the Spanish Government in order to establish a Marxist state. During the 1970s and 1980s GRAPO carried out a number of bomb attacks, kidnappings and assassinations. They were in the majority of cases launched against Spanish interests.



Picture No. 12: Grapo symbol

In June 2000, GRAPO alleged in an official announcement the responsibility for several terrorist attacks that were carried out in Spain during the past year. The group has been responsible for two unsuccessful armoured car robberies and four bomb attacks on the offices of political parties. These bombings happened during the election campaign from 1999 to 2000. Spain and France were effective in curtailing their activities from 2002 to 2003.

9.1.3 Al Qaeda³⁰

This worldwide terrorist group and its branches operate in Spain too. The group's most shocking attack happened on the 11th March, 2004. This date is also known as 11-M. Ten bombs went off virtually simultaneously in trains carrying commuters into Madrid. During these bloody attacks 191 people died and 1,755 people were wounded.

The authorship of the bomb attacks was very controversial, because they happened only three days before national elections. After the extensive investigation evidence surfaced that the jihads' terrorists with possible ties to the al Qaeda network were responsible for it.

In September 2005, 18 people were convicted by the Spanish court because of supporting al Qaeda.

²⁹ URL: <<http://www.state.gov/r/pa/ei/bgn/2878.htm>> [cit. 2008-02-04].

³⁰ URL: <http://en.wikipedia.org/wiki/2004_Madrid_train_bombings> [cit. 2008-02-07].

10. Interesting Places in the Kingdom of Spain

I would like to focus on the most important cities that attract lots of tourists every year and so they represent considerable contribution to the Spanish budget. They are Barcelona, Santiago de Compostela, Granada, Toledo, Seville, Madrid, Córdoba, Zaragoza, Segovia, Ávila etc. These tourist destinations are well-known all over the world. I have chosen some of them that I consider to be the most favourite and I would like to describe them in more detail.

10.1 Santiago de Compostela

Santiago de Compostela is situated in Galicia and is surrounded by the rivers Tambre and Ulla. In this town, according to the legend, the remains of the apostle Saint James were found. It was in the 9th century and after it the town was founded. The name of this town originated from the Latin word “Compositum” that means cemetery. In former times people used to think that the name originated from the words "Campus Stellae" that means the star field, but it was a mistake.³¹

Every year Santiago de Compostela is the destination of millions of people from all over the world. Most of the tourists are pilgrims, because this town represents the end of the famous pilgrimage route. Many thousands of pilgrims hit the road generally on foot. Some of them prefer going by bike, or they travel even on horseback. The route originated in the 9th century and connected Santiago de Compostela with the rest of Europe. It is about 900 km long. The route starts in France and finishes in Santiago de Compostela. It takes about 30 days. The final destination is the Cathedral in Santiago. The Cathedral was



Picture No. 13: The Cathedral in Santiago de Compostela

³¹ URL: <<http://www.virtourist.com/europe/santiago/>> [cit. 2008-03-12].

modified in the 17th and 18th centuries and represents the historical centre of the town.

Every seven years, in Santiago de Compostela a Saint Year is celebrated. It means that lots of special activities take place here throughout the year. The most suitable day for visiting this town is on the 24th of July. The day is called "Día de la Patria Galega" and it means the Galician National day. This festival is accompanied by fairs, parties and fireworks.

Santiago de Compostela is also well-known because of the local university.

10.2 Barcelona

This city is situated on the north-eastern coast of the Iberian Peninsula. It is the second largest city in Spain and the capital of Catalonia. The inhabitants speak two official languages – Catalan and Castilian Spanish.

Barcelona is a favourite tourist destination thanks to its geographic location and history tradition. It is also a major port and the centre of industry. The

documented history is dated to the 2nd century B.C. The most significant growth of the modern city took place in the 19th century.³²



↑ Picture No. 15: Sagrada Família

↓ Picture No. 14: Casa Milá



³² URL: <<http://www.aboutbarcelona.com/>> [cit. 2008-03-12].

To the most imposing architectural heritage of Barcelona belong the Gothic Quarter with its cathedral from the 13th century, the City History Museum and medieval buildings. Tourists can find in Barcelona a lot of museums, e. g. the Picasso Museum and the Museum of Catalan Art. The architectural heritage also includes the Episcopal Palace or the old Town Hall Building.

In 1999, Barcelona was awarded a Royal Gold Medal for Architecture from the Royal Institute of British Architects. The most important artist connected with this city is Antonio Gaudi. He is the architect of the unfinished masterpiece, the cathedral called Sagrada Familia. The works started in 1882 and have not finished yet. His other most noted works are the Parque Güell, Casa Milá and La Pedrera.³³

10.3 Granada

This town is the capital of the province Granada. It is situated in the eastern part of the region of Andalusia, at the foot of the Sierra Nevada Mountains. Granada lies at the junction of the rivers Darro and Genil.³⁴ The name "Granada" was given to this town by the Arabs who attacked it in the 8th century.

This town's history is represented by Moorish palaces and Christian Renaissance treasures. But the most spectacular architectural monument is the Alhambra, Qal'at al-ḥamrā' or "The Red Fortress", so called for its reddish stone. It is a series of magnificent palaces and gardens with fountains. They were built under



the rule of the Nasrīd dynasty in the 14th century. The summer palace is called Generalife. The Palace of Charles V is situated at the centre of this complex of buildings. It was built in the Renaissance style.

Picture No. 16: Alhambra

³³ URL: <<http://www.spain-info.com/barcelona/barcelona.htm>> [cit. 2008-03-12].

³⁴ URL: <<http://www.aboutgranada.com/>> [cit. 2008-03-12].

In Granada tourists can visit e. g. the Cathedral including the Royal Chapel, the Monastery of La Cartuja and a lot of churches. They were built by Moorish craftsmen after the Reconquest.

The Albayzín is the hill that rises opposite the Alhambra. We can see there a number of narrow streets. For Albayzín are also typical whitewashed houses with secluded inner gardens. These kinds of gardens are known as "cármenes". The Albaicin's folklore is varied. The monument called the Christ of the Clamps is situated in the Plaza de San Miguel. At the highest point of this hill there is situated the Plaza de San Nicolás.

Next hill that is guarding Granada is the Sacromonte Hill. It is known because of its cave dwellings that represent the home of a large gypsy community.³⁵



Picture No. 17: Alhambra

10.4 Toledo

Toledo is situated in the autonomous region Castile-La Mancha and is famed as the "city of the three cultures". It is because Christians, Arabs and Jews used to live there for centuries. That is the reason why in this town a lot of cultures are blended together and so the tourists can admire very diverse architecture. It is represented by palaces, churches, synagogues, fortresses and mosques. The best known mosque in Toledo is The Mosque of Cristo de la Luz and it is a copy of the Mosque in Córdoba.

The most significant monument in Toledo is the Cathedral. It has a basilica floor plan and five naves. The construction started in the 13th century. It is the work of many artists who took part in the construction of this building. One of the most impressive parts of the Cathedral is the doorway that consists of three doors: Infierno (Hell), Perdón (Forgiveness) and Juicio (Judgement). The dominating factor of the Cathedral is represented by two cathedral towers. One of them was built in the flamboyant Gothic style and the other in Gothic-Renaissance.

³⁵ URL: <<http://www.andalucia.com/cities/granada.htm>> [cit. 2008-03-12].

Other gothic monuments are the San Martín Bridge, which was built in the 13th century with its two characteristic defensive towers, and the Monastery of San Juan de los Reyes.



Picture No. 18: The Cathedral in Toledo

Next important building in Toledo is the Hospital de Tavera. At the present time it is a museum of art and tourists can admire here pictures by El Greco, Ribera, Titian etc.

In this town there are a lot of buildings from the period of baroque. They are e. g. the palaces of Lorenzana, the site of the University and Fuensalida.

The Fortress from the medieval ages contains a military museum and one of the largest public libraries in Spain.³⁶

³⁶ URL: <<http://www.spain.info/TourSpain/Destinos/TipoII/MasInfo/0/Toledo.htm?Language=en>> [cit. 2008-03-12].

11. Summary of the Theoretical part

In the theoretical part I have firstly mentioned some basic information connected with the tourism industry in Spain. Secondly, I have presented essential data about the country – its geography, people living there, government, economy and foreign relations with other countries.

Next, I have defined the main terms related to the Spanish market for travel and tourism. They are tourism as a whole and some kinds of tourism such as the international, foreign, domestic, national, incoming and outgoing tourism.

Further, I have specified a few possibilities of the travel accommodation and tourist attractions that are closely connected with tourism.

In my opinion, history is also very important, so I have decided to describe briefly the history of travelling. I have started in the antiquity then I have advanced to the Middle Ages, modern period and period before and after World War I. I have stopped in the period after World War II.

Tourism represents a very wide conception, so I have presented several forms of tourism. They are cultural and educational, entertainment and attraction, sporting, health, gastronomic, congressional, incentive, city, rural (agritourism), religious and hunting tourism, tourism for seniors, young and handicapped people. The complexity of tourism enables the existence of a few approaches to tourism. They are economic, ecological, geographical, sociological and psychological approaches.

At present, tourism has to face a lot of problems such as drought and forest fires in Spain or the increasing competition in hotels. New trends connected with tourism are represented by varying habits of new tourists, rising interest in adventure holidays and ascending importance of the Internet. A huge problem is constituted by terrorism. So I decided to present some basic information about the main terrorist groups that act in Spain. They are ETA, GRAPO and al Qaeda.

In the end, I have mentioned some interesting places in the Kingdom of Spain that attract lots of tourists every year. I have chosen cities such as Santiago de Compostela, Barcelona, Granada and Toledo.

II. Practical part

The main aim of the practical part is to make a survey of the role and development of tourism in Spain in the last 15 years. I would like to find out how much tourism contributed to Spain's economy in the period from 1995 to 2006. I will deal with money amounts connected with tourism and its percentage share in individual years. Interim aims are to detect the share of tourism to the Spanish GDP, examine the inbound and outbound tourism and find out how it has changed. The last aim is to predict which role tourism in Spain may play in the future.

I will deal with data from the "Spanish Tourism Satellite Account" that comes from accounting series 1995–2003. It is a wide set of statistical data that is published on the websites of the Spanish Institute of Statistics that is originally called "Instituto Nacional de Estadística".³⁷

So I have chosen a suitable sample of data that are connected with the topic of this study. I have made some tables, graphs and diagrams in order to implement the aims which I had set in advance. Then I have examined the figures. I have compared and assessed them, observed the changes etc.

Firstly, I would like to focus on the contribution of tourism to the Spanish economy's GDP. From my point of view, this case is the most important, because both the table and graphs reflect total amounts and percentage by which tourism contributes to the Spanish GDP.

Secondly, I will mention the GDP and its components. The table serves as a view of particular items that form the Spanish GDP. Next, I would like to give account of the balance of tourist flows in Spain and the rest of the world. The balance is represented by the difference between inbound and outbound tourism.

Other cases that will be described in the practical part are tourist sector incomes and expenditure to the current account. I will focus on the balance that is formed by the difference between incomes and payments.

Finally, I would like to observe the contribution of tourism to economy. I will target the direct and indirect effects that tourism has to the production and employment.

³⁷ URL: <<http://www.ine.es/>> [cit. 2008-03-01].

1. Contribution of Tourism to the Spanish Economy's GDP

The tables below illustrate how tourism contributed to Spain's economy in the period 1995–2006. The following data are expressed in millions of Euros.

	1995	1996	1997	1998	1999(P)	2000
Current prices (millions of Euros)						
Inbound tourism	21,009.2	23,422.9	26,455.2	29,792.5	33,709.0	36,414.5
Others components of tourism	24,117.3	26,008.4	27,812.3	30,076.1	32,642.9	36,573.8
Total	45,126.5	49,431.3	54,267.5	59,868.6	66,351.9	72,988.3
Current prices (percentage regarding GDP)						
Inbound tourism	4.8	5.0	5.4	5.6	6.0	5.8
Others components of tourism	5.5	5.7	5.6	5.7	5.7	5.8
Total	10.3	10.7	11.0	11.3	11.7	11.6

	2001	2002(P)	2003(P)	2004(P)	2005(P)	2006(A)
Current prices (millions of Euros)						
Inbound tourism	38,572.6	38,252.8	39,675.7	41,432.1	44,243.5	47,205.4
Others components of tourism	39,499.3	42,877.9	46,104.2	50,083.0	54,285.1	59,168.8
Total	78,071.9	81,130.7	85,779.9	91,515.1	98,528.6	106,374.2
Current prices (percentage regarding GDP)						
Inbound tourism	5.7	5.2	5.1	4.9	4.9	4.8
Others components of tourism	5.8	5.9	5.9	6.0	6.0	6.0
Total	11.5	11.1	11.0	10.9	10.9	10.8

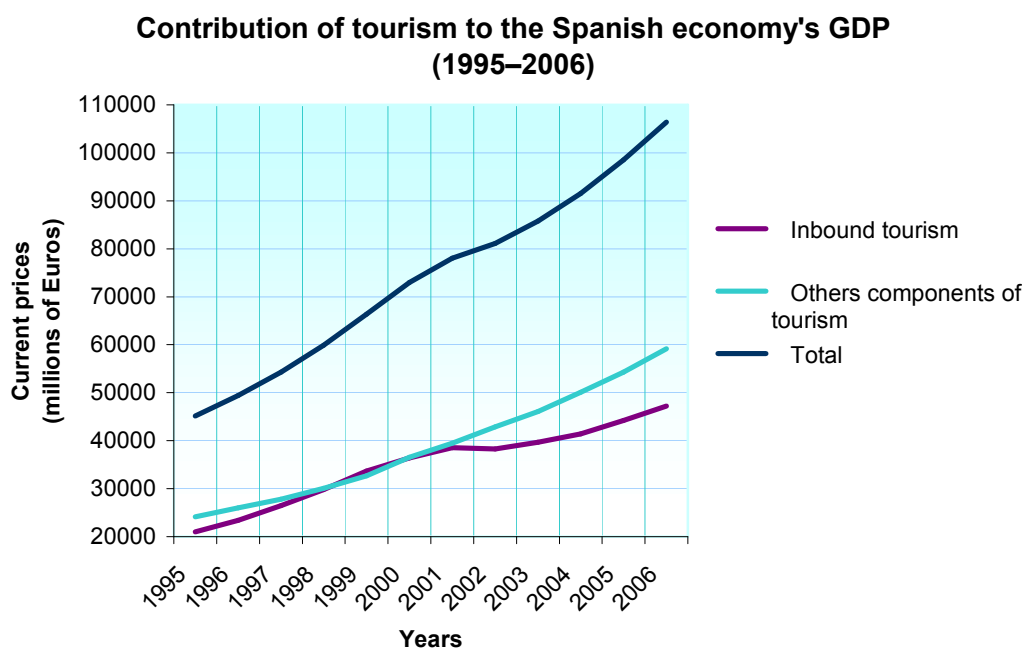
(Note: (P): Provisional estimate, (A): Advanced estimate)

Table No. 1: Contribution of tourism to the Spanish economy's GDP (1995–2006), Instituto Nacional de Estadística

Inbound Tourism

The tables record that the contribution of the inbound tourism in current prices rose from 21,009.2 million Euros in 1995 to 47,205.4 million Euros in 2006. The figures show us that the amount has more than doubled. The biggest increase was noted in 1998 when the amount of the inbound tourism rose from 29,792.5 million Euros in 1998 to 33,709.0 million Euros in 1999. The growth was 3,979.5

million Euros. On the other hand, the only decline from this period of time was registered in 2002 when the amount decreased from 38,572.6 million Euros in 2001 to 38,252.8 million Euros in 2002. This decrease was 319.8 million Euros. Graph No. 1b illustrates this fall. We can see it on the violet line in 2002.



Graph No. 1a: Contribution of tourism to the Spanish economy's GDP (1995–2006), Instituto Nacional de Estadística

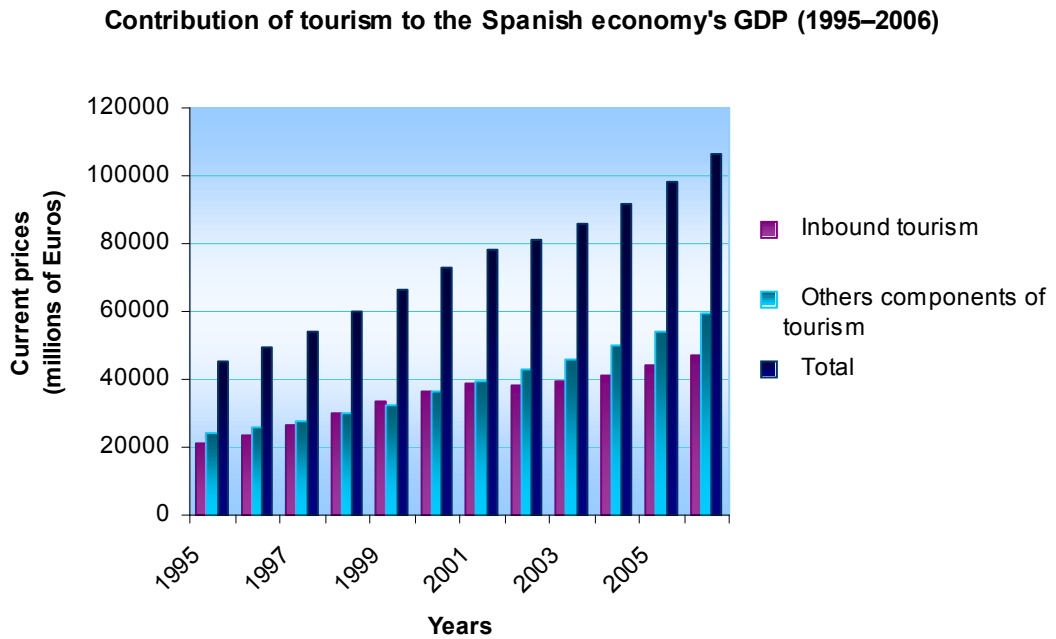
Other Components of Tourism

As the graphs display the contribution of other components of tourism to the Spanish economy's GDP is still increasing. Dark blue line in graph No. 1a and columns in diagram No. 1b reflect this fact. The most evident accrual came about in 2006. The amount of other components of tourism advanced from 54,285.1 million Euros in 2005 to 59,168.8 million Euros in 2006. The increase was 4,883.7 million Euros. By contrast, the minimal increase was noted in 1997 and was only 1,803.9 million Euros.

Total

Both graphs and tables reflect that the total amount of contribution to the GDP is steadily rising. The biggest increase is represented by the year 2006 and it

reached 7,845.6 million Euros when the amount boomed from 98,528.6 million Euros in 2005 up to 106,374.2 million Euros in 2006. The tiniest increase is represented by the year 2002. It was only 3,058.8 million Euros. The increase of tourism contribution to the GDP is especially due to the dynamism of the inbound and other components of tourism consumption.



Graph No. 1b: Contribution of tourism to the Spanish economy's GDP (1995–2006), Instituto Nacional de Estadística

As regards the percentage contribution, the table shows us that it is slightly varying within 10 to 12 percent.

2. Gross Domestic Product at Market Prices and its Components in Current Prices

In this table I would like to show which items make the Spanish GDP. It is important for the following case that describes the percentage share of tourism to the Spanish GDP.

This study is concerned with tourism, so I will focus on the item of service activities where it is included. The following data are expressed in millions of Euros.

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (P)	2005 (P)	2006 (A)
Final consumption expenditure	349,268	368,474	388,373	414,158	444,982	484,359	518,484	550,490	587,127	636,835	688,611	741,194
- Household final consumption expenditure	265,046	279,725	296,561	316,662	340,613	370,573	396,307	418,613	444,465	479,820	516,818	554,495
- Final consumption expenditure of NPISHs	3,354	3,508	3,764	4,096	4,753	5,426	5,987	6,480	6,743	7,259	8,053	8,721
- Final consumption expenditure by government	80,868	85,241	88,048	93,400	99,616	108,360	116,190	125,397	135,919	149,756	163,740	177,978
Gross capital formation	97,926	102,849	111,185	126,529	145,695	165,618	179,385	194,188	214,399	237,806	267,938	300,036
- Gross fixed capital formation	96,250	101,463	109,992	124,333	142,462	162,806	176,966	191,611	212,800	235,805	266,624	298,189
- Changes in inventories	1,676	1,386	1,193	2,196	3,233	2,812	2,419	2,577	1,599	2,001	1,314	1,847
Exports of goods and services	100,104	111,945	132,556	143,860	154,677	182,992	194,142	199,280	206,084	218,201	233,460	255,315
Imports of goods and services	100,093	109,413	128,193	145,054	165,412	202,706	211,333	214,752	224,681	251,800	281,559	315,591
GROSS DOMESTIC PRODUCT AT MARKET PRICES	447,205	473,855	503,921	539,493	579,942	630,263	680,678	729,206	782,929	841,042	908,450	980,954
Agriculture and fishing	18,568	22,199	23,153	23,910	23,470	24,984	26,310	26,586	28,008	27,365	25,877	25,114
Energy	16,159	16,593	16,785	15,915	15,304	15,802	16,488	17,193	19,088	21,090	25,352	26,775
Industry	74,147	78,906	85,532	91,049	96,766	103,415	108,985	111,846	115,154	119,293	124,568	132,419
Construction	30,874	31,431	32,848	36,139	41,252	47,584	54,970	62,452	70,265	80,480	94,042	106,361
Service activities	272,599	286,786	303,364	324,703	348,283	378,775	411,499	443,440	474,417	508,441	543,595	583,034
- Market services	208,841	219,422	233,772	251,381	270,259	295,087	322,717	349,189	372,812	399,094	425,776	455,643
- Non-market services	63,758	67,364	69,592	73,322	78,024	83,688	88,782	94,251	101,605	109,347	117,819	127,391
Other net taxes on products	34,858	37,940	42,239	47,777	54,867	59,703	62,426	67,689	75,997	84,373	95,016	107,251
GROSS DOMESTIC PRODUCT AT MARKET PRICES	447,205	473,855	503,921	539,493	579,942	630,263	680,678	729,206	782,929	841,042	908,450	980,954
Compensation of employees	218,493	232,195	250,153	267,173	287,425	312,176	334,707	355,261	378,561	401,102	427,402	456,059
Operation surplus, gross / Mixed income, gross	190,409	200,427	208,224	221,686	235,308	255,488	280,393	303,245	325,728	352,121	381,903	415,644
Net taxes on production and imports	38,303	41,233	45,544	50,634	57,209	62,599	65,578	70,700	78,640	87,819	99,145	109,251
GROSS DOMESTIC PRODUCT AT MARKET PRICES	447,205	473,855	503,921	539,493	579,942	630,263	680,678	729,206	782,929	841,042	908,450	980,954

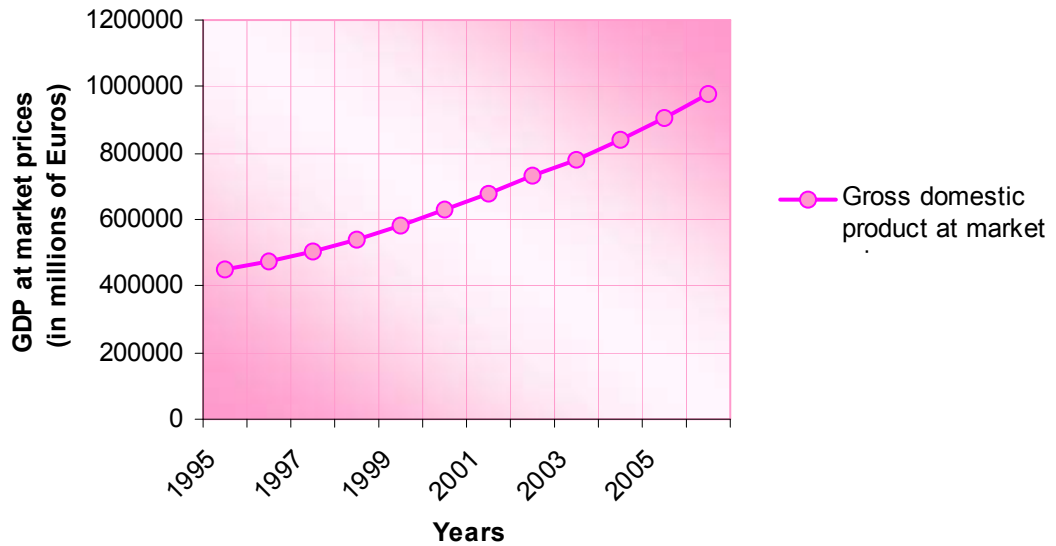
(Note: (P): Provisional estimate, (A): Advanced estimate)

Table No. 2: Gross domestic product at market prices and its components in current prices (1995–2006), Instituto Nacional de Estadística

We can see that service activities make a significant item in the GDP. The sum of them is about 272,599 million Euros whereas market services constitute the majority of these activities. They amount to 208,841 million Euros. On the other

hand, non-market services reach only 63,758 million Euros. This sum represents only less than a quarter of all the service activities.

Gross domestic product at market prices (1995–2006)



Graph No. 2: Gross domestic product at market prices (1995–2006), Instituto Nacional de Estadística

As the pink curve in the graph shows, the GDP is steadily rising. It has grown from 447,205 million Euros in 1995 to 980,954 million Euros in 2006. It has approximately doubled.

3. Percentage Share of Tourism to the Spanish GDP

The subsequent tables record the percentage share of tourism to the Spain's economy in the period 1995–2006. The following data are expressed in millions of Euros.

	1995	1996	1997	1998	1999	2000
GDP at market prices	447,205	473,855	503,921	539,493	579,942	630,263
Total contribution of tourism	45,126.5	49,431.3	54,267.5	59,868.6	66,351.9	72,988.3
Percentage of GDP	10.09	10.43	10.77	11.10	11.44	11.58

	2001	2002	2003	2004 (P)	2005 (P)	2006 (A)
GDP at market prices	680,678	729,206	782,929	841,042	908,450	980,954
Total contribution of tourism	78,071.9	81,130.7	85,779.9	91,515.1	98,528.6	106,374.2
Percentage of GDP	11.47	11.13	10.96	10.88	10.85	10.84

(Note: (P): Provisional estimate, (A): Advanced estimate)

Table No. 3: Percentage share of tourism to the Spanish GDP (1995–2006), Instituto Nacional de Estadística

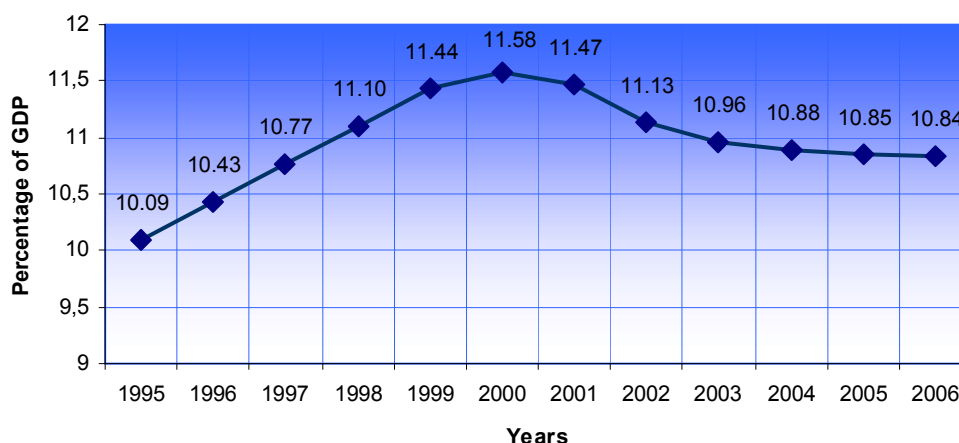
GDP at Market Prices

The tables show us that the Spanish GDP had been yearly increasing. The most significant growth of the GDP at market prices was noted in 2006 when the GDP rose from 908,450 million Euros in 2005 to 980,954 million Euros in 2006. The growth was 72,504 million Euros. By contrast, the least growth was recorded from 1995 to 1996. The GDP at market prices increased from 447,205 million Euros to 473,855 million Euros and the growth was only 26,650 million Euros.

Total Contribution of Tourism

The tables also illustrate that the total contribution of tourism had been continuously rising too. As well as the GDP at market prices the total contribution of tourism increased from 45,126.5 million Euros in 1995 to 106,374.2 million Euros in 2006. The most evident accrual of 7,845.6 million Euros was noted in 2006. On the other hand, the tiniest growth occurred in 1995 and it was only 4,304.8 million Euros.

Percentage share of tourism to the Spanish GDP (1995–2006)



Graph No. 3: Percentage share of tourism to the Spanish GDP (1995–2006), Instituto Nacional de Estadística

Percentage of the GDP

The share of tourism in the GDP had been from 1995 to 2000 steadily increasing. As the graph illustrates, the year 1995 represents the lowest point of the curve that is 10.09 %. The year 2000 is the peak of the curve. The percentage share during this monitored period of time constantly sways around 11 %. The tables illustrate that the most significant increases of the percentage came about in 1996, 1997 and 1999. Each year represents the accrual of 0.34 %. The tiniest growth was recorded in 2002 when the percentage of GDP diminished from 11.47 % in 2001 to 11.13 % in 2002. The decrease was 0.34 %. The curve displays that the percentage share of tourism in the GDP is steadily dropping, but it decreases very slightly.

4. Balance of Tourist Flows in Spain and the Rest of the World

The tables below reflect tourism flows in the period 1995–2006. The following data are expressed in millions of Euros.

	1995	1996	1997	1998	1999(P)	2000
Current prices (millions of Euros):						
Inbound tourism	21,009.2	23,422.9	26,455.2	29,792.5	33,709.0	36,414.5
Outbound tourism	4,711.0	5,571.0	6,144.0	6,885.0	7,948.0	9,789.0
Balance	16,298.2	17,851.9	20,311.2	22,907.5	25,761.0	26,625.5
Current prices (percentage regarding GDP):						
Inbound tourism	4.8	5.0	5.4	5.6	6.0	5.8
Outbound tourism	1.1	1.2	1.2	1.3	1.4	1.6
Balance	3.7	3.8	4.2	4.3	4.6	4.2

	2001	2002(P)	2003(P)	2004(P)	2005(P)	2006(A)
Current prices (millions of Euros):						
Inbound tourism	38,572.6	38,252.8	39,675.7	41,432.1	44,243.5	47,205.4
Outbound tourism	11,019.0	11,430.0	11,625.0	13,694.0	16,668.0	18,105.0
Balance	27,553.6	26,822.8	28,050.7	27,738.1	27,575.5	29,100.4
Current prices (percentage regarding GDP):						
Inbound tourism	5.7	5.2	5.1	4.9	4.9	4.8
Outbound tourism	1.6	1.6	1.5	1.6	1.8	1.8
Balance	4.1	3.6	3.6	3.3	3.1	3.0

(Note: (P): Provisional estimate, (A): Advanced estimate)

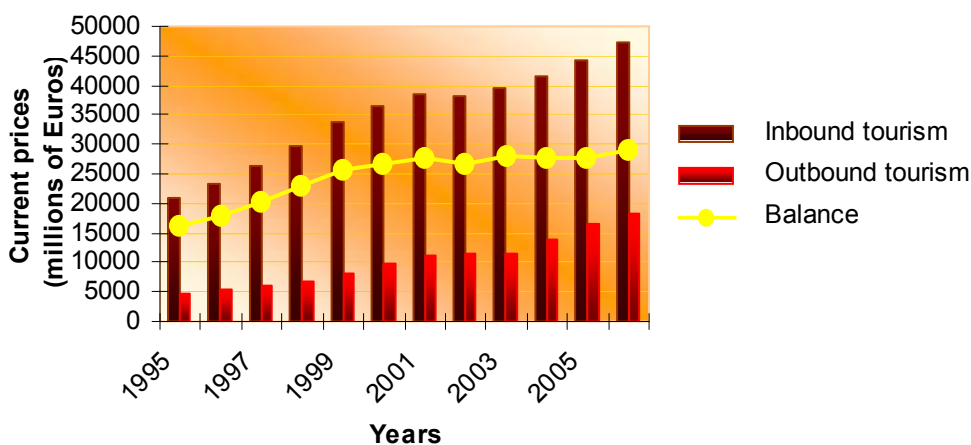
Table No. 4: Balance of tourist flows in Spain and the rest of the world (1995–2006), Instituto Nacional de Estadística

Inbound and Outbound Tourism

The revenues from the inbound tourism, as a result of non-resident consumption in Spain, from 1995 to 1999 exceeded more than four times payments related to outbound tourism. In the following years, the rate of outbound tourism is rising. From 2004 to 2006 the inbound tourism exceeds only about three times the outbound tourism in comparison to the previous years.

The highest increase of the outbound tourism was recorded in 2005. It increased from 13,694 million Euros in 2004 up to 16,668 in 2005. The increase reached to 2,974 million Euros. It might have been caused by the terrorist attack on the 11th March, 2004 in Madrid. The Spaniards could have been afraid of other attacks or next terrorist actions, so they preferred travelling or spending their holidays abroad to being in Spain. On the other hand, the tiniest growth of the outbound tourism came about in 2003. It rose from 11,430 million Euros in 2002 to 11,625 million Euros in 2003. So the accrual was only 195 million Euros.

Balance of the tourist flows in Spain and the rest of the world (1995–2006)



Graph No. 4: Balance of tourist flows in Spain and the rest of the world (1995–2006), Instituto Nacional de Estadística

Balance

The graph reflects that the balance is increasing from 1995 to 2001. It ran high from 16,298.2 million Euros to 27,553.6 million Euros. The accrual was 11,255.4 million Euros. A moderate slump was registered in 2002. The balance decreased to 26,822.8 million Euros, but in 2003 rose again. Next slumps occurred in 2004 and 2005. Fortunately, both the graph and the table show that in 2006 the balance rose again. In this year the balance reached 29,100.4 million Euros.

As regards the percentage figures, the balance of inbound and outbound tourism is slightly varying within 3 to 5 percent.

5. Tourist Sector Income and Expenditure to the Current Account

The subsequent tables tab tourism sector income and expenditure in the period 1995–2006. The following data are expressed in millions of Euros.

	1995	1996	1997	1998	1999	2000
Current account INCOME	18,913.001	20,697.000	23,197.001	26,096.001	29,408.001	32,446.000
Current account PAYMENT	3,392.293	3,850.468	4,134.822	4,734.893	5,516.669	6,453.634
Balance	15,520.708	16,846.532	19,062.179	21,361.108	23,891.332	25,992.366

	2001	2002	2003	2004	2005	2006
Current account INCOME	34,222.000	33,557.000	35,047.152	36,376.282	38,558.278	40,709.915
Current account PAYMENT	7,296.258	7,686.918	8,009.905	9,772.089	12,125.215	13,265.658
Balance	26,925.742	25,870.082	27,037.247	26,604.193	26,433.063	27,444.257

(Note: (P): Provisional estimate, (A): Advanced estimate)

Table No. 5: Tourist sector income and expenditure to the current account (1995–2006), Instituto Nacional de Estadística

Current Account Incomes

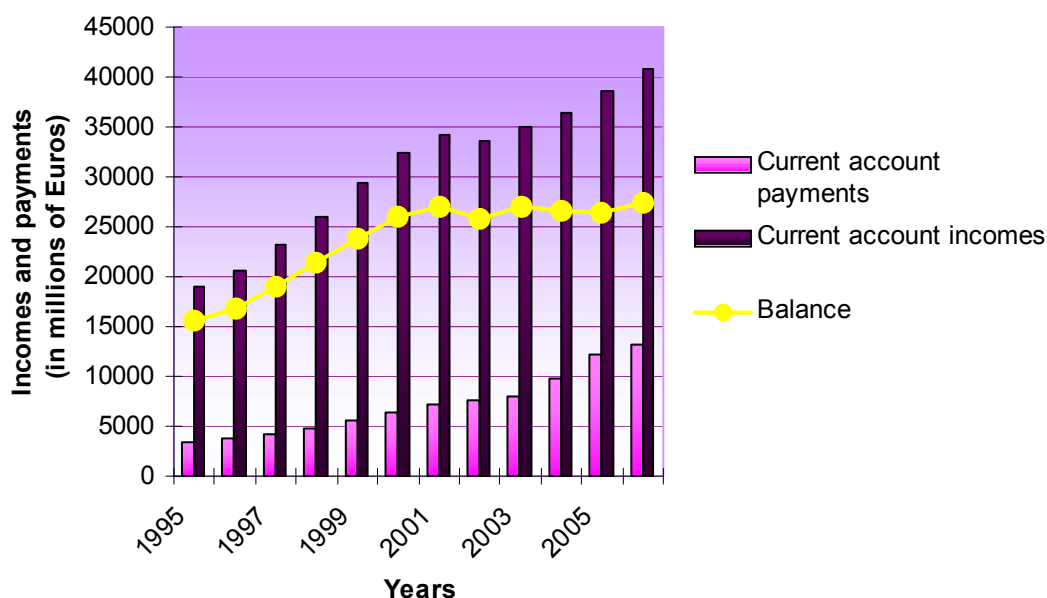
The graph displays that incomes to the current account had been in the monitored period of time except the year 2002 rising. They increase from 18,913.001 million Euros in 1995 up to 40,709.915 million Euros in 2006. It means that they more than doubled. The most significant growth turned up in 1998 when the current account income in 1997 rose from 23,197.001 million Euros up to 26,096.001 million Euros in 1998. This growth was 2,298.929 million Euros. On the other hand, the biggest slump occurred in 2002. The income decreased from 34,222.000 million Euros in 2001 to 33,557.000 million Euros in 2002. This slump was 1,055.66 million Euros.

Current Account Payments

Current account payments had been slightly increasing every year. They grew from 3,392.293 million Euros in 1995 up to 13,265.658 million Euros in 2006. It means that they almost multiplied four times. The most evident increase in current account payments was recorded in 2005 when they grew from 9,772.089 million Euros in 2004 up to 12,125.215 million Euros in 2005. The increase reached

2,353.126 million Euros. By contrast, the tiniest growth occurred in 1997. Payments to the current account rose from 3,850.468 million Euros in 1996 only to 4,134.822 million Euros in 1997. The accrual was only 284.354 million Euros.

Tourist sector income and expenditure to the current account (1995–2006)



Graph No. 5: Tourist sector income and expenditure to the current account (1995–2006), Instituto Nacional de Estadística

Balance

The chart illustrates that the balance of incomes and payments to the current account had been continuously increasing from 1995 to 2001. In 2002, the most significant slump was recorded. The balance of incomes and payments to the current account diminished from 26,925.742 million Euros in 2001 to 25,870.082 million Euros in 2002. The decline was 1,055.66 million Euros. The other falls came about from 2003 to 2004 and then from 2004 to 2005. But they were not as big as the slump in 2002. While the most evident growth in balance of current account payments and incomes happened in 1999 when the balance increased from 21,361.108 million Euros in 1998 up to 23,891.332 million Euros in 1999. The accrual was 2,530.224 million Euros.

6. Contribution of Tourism to Economy – Direct and Indirect Effects to Production and Employment

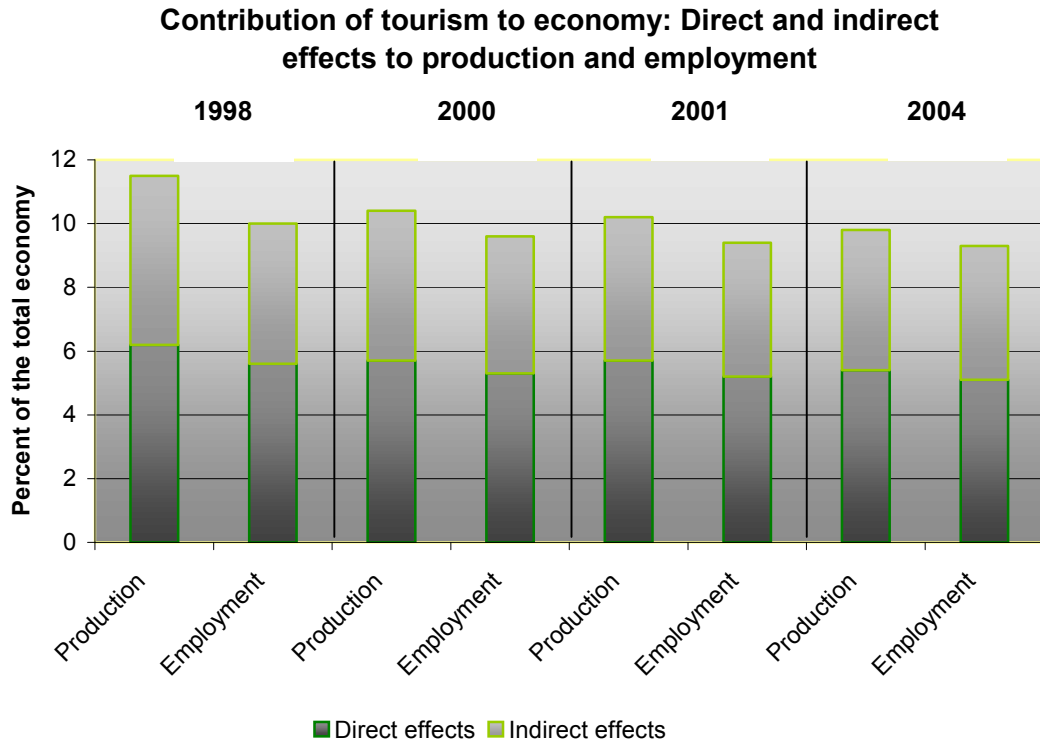
For the volume of production, indirect effects of tourism are almost as important as direct effects, and this is also applicable for employment. Direct effects are generated by companies that supply goods and services directly to visitors, while indirect or “multipliers” effects are the result of the activity generated in other companies of the economic system due to the demand of tourism related companies. The table below records the percentages of the total economy that are represented by direct and indirect effects.

	1998		2000		2001		2004	
	Direct effects	Indirect effects	Direct effects	Indirect effects	Direct effects	Indirect effects	Direct effects	Indirect effects
Production	6.2	5.3	5.7	4.7	5.7	4.5	5.4	4.4
Employment	5.6	4.4	5.3	4.3	5.2	4.2	5.1	4.2

Table No. 6: Contribution of tourism to economy: Direct and indirect effects to production and employment (1998, 2000, 2001, 2004), Instituto Nacional de Estadística

Production

In 1998, thanks to the multiplier effects there is a boost from an initial contribution to production of 6.2 % to 11.5 % of the total economy. This figure represents the sum of direct and indirect effects. The chart shows us that in the following years the contribution of tourism to production is steadily decreasing. In 2000, the contribution was 10.4 % of the total production. One year later the contribution made 10.2 % and in 2004, it reached only about 9.8 % of the total production. Fortunately, such slumps are not so significant.



Graph No. 6: Contribution of tourism to economy: Direct and indirect effects to production and employment (1998, 2000, 2001, 2004), Instituto Nacional de Estadística

Employment

As well as the contribution of tourism to production, the contribution to employment is dropping too. This fact is displayed in the chart. In 1998, a contribution to employment was 5.6 % and 10.0 % of the total employment in the economy. The figure 10.0 % means the sum of direct and indirect effects in 1998. In 2000, the contribution was 9.6 % of the total employment. One year later the contribution made 9.4 % and in 2004, it reached only about 9.3 % of the total employment.

These contributions of tourism to employment point out the outstanding role of this activity as an intensive user of the labour force.

But it does not mean that these figures are bad. They represent only a petty decrease so we do not have to be afraid that the role of tourism in Spain's economy is becoming worse. Such contributions about 10 % of the economy signify a substantial part and importance.

7. Discussion of the Results

All the results come from the period 1995–2006. The total amount of revenues from the inbound and other components of tourism is steadily rising. So it can be expected that the amount will still increase in the future.

The Spanish gross domestic product at market prices is also continually accruing. The percentage share of tourism to the Spanish GDP has been rising in the initial years of this period, but after its peak it has been slightly declining. Nowadays it has a relatively constant trend.

The same was as the inbound tourism revenue, the outbound tourism payments to the Spanish economy are growing too. The balance of the tourist flows in Spain and the rest of the world is also swaying. At first it has been rising, but in recent years it is approximately constant.

Tourist sector income and expenditure to the current account have been, except one year, increasing. This fact is very important for the Spanish economy, because it can grow rich and become stronger than economies of other countries. The balance of tourist sector incomes and expenditure has been accruing at the beginning of the period. In recent years it is relatively constant much like the percentage share of tourism to the Spanish GDP or the balance of the tourist flows in Spain and the rest of the world.

We can see that a few balances connected with tourism industry or the tourist sector are in recent years approximately constant. Naturally, it would be much better if this trend were growing. But much worse situation could happen if it decreased. In my opinion, this situation is relatively stable for Spain as a whole.

The figures also show us that production and employment are closely connected with tourism. The tourism industry significantly contributes to these two economic factors. Although the percentage of direct and indirect effects is continuously diminishing, tourism still has a great importance for the whole economy of Spain.

Conclusion

I have specified all the theoretical information that I set at the beginning of this study. In the theoretical part I have mentioned the most important information about Spain as a whole, history of travelling, forms of tourism, definitions of important concepts, new trends and problems that are connected with tourism, interesting places in Spain etc.

In the practical part I have found out how much tourism contributed to the Spanish economy in the period from 1995 to 2006. I have detected the share of tourism to the Spanish GDP, examined the inbound and outbound tourism and described how it has changed during the monitored period.

Now, I would like to predict which role tourism in Spain might play in the future. Thanks to the results of the practical part we can see that the Spanish economy has a stable position and so can compete with other countries. Spain has invested much money in the construction of hotels. The investments are for the investors very lucrative, because thousands of tourists visit Spain every year.

The bloom of tourism started in 1975. In this year the dictator Franco died and so the period of the dictatorship ended. From my point of view, the tourism industry will further flourish and develop. It will bring lots of money to the owners of hotels, investors, the government and Spain as a whole.

So my vision into the future is optimistic in agreement with the present situation and the results of the practical part. I believe that the Spain's tourism industry will be growing step by step. But I think that the rate will not be so rapid as in the late 90's.

The contribution of this study is the description of the role of tourism in Spain's economy. I have examined the figures in individual years from the period 1995–2006. I have compared them and observed how it has changed. So if someone might be interested in the development of tourism in Spain and its role in Spain, they can find the necessary data in this study.

Finally, I dare recommend something that could improve the role of tourism in Spain. An idea that crosses my mind is to improve the promotion of Spain. In my opinion, this country is able to attract more tourists by advertising interesting places of Spain in countries all over the world. They should not focus only on the most

developed countries, but also on some smaller states such as the Czech Republic. From my point of view, it would be very efficient to make some spot about Spain and its beauties and broadcast it on television. It could lure more tourists to spend their holidays there.

Next recommendation may be useless, but I would like to mention it anyway. In recent years, prices of the holidays in Spain are more and more expensive. That can be the reason why people with lower incomes travel rather to cheaper countries such as Italy, Croatia, Bulgaria or Montenegro. In my opinion, the owners of hotels and other providers of accommodation or catering should cut the prices down. The consequence would certainly be an increase in the tourist demand after holidays in Spain.

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