



# GRAN CANARIA TOURIST BOARD

TOURISM FACTS.  
AUGUST 2002.

BEGINNING FOR THE  
SUMMER SEASON AND  
FORECASTS FOR THE  
WINTER SEASON.

**TOURISM FACTS. AUGUST 2002.  
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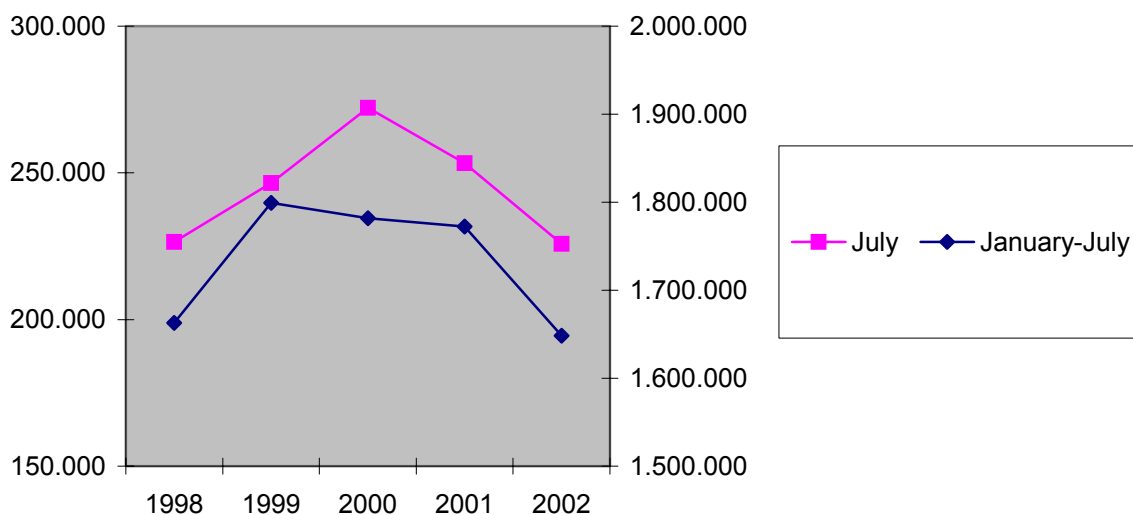
### 1. Inbound tourism.

#### 1.1 Gran Canaria. Inbound Tourism. July. January-July 2002.

**INBOUND VISITORS TO GRAN CANARIA. JANUARY-JULY 2001-2002**

COUNTRY OF ORIGIN	2001	2002	Difference	Percentage
GERMANY	526.388	465.251	-61.137	-11,61%
AUSTRIA	30.155	29.442	-713	-2,36%
BELGIUM	29.183	29.294	111	0,38%
DENMARK	80.683	68.945	-11.738	-14,55%
RUSSIAN FEDERATION	416	710	294	70,67%
FINLAND	60.678	54.663	-6.015	-9,91%
FRANCE	8.169	8.961	792	9,70%
UNITED KINGDOM	473.567	447.847	-25.720	-5,43%
NETHERLANDS	123.738	125.113	1.375	1,11%
IRELAND	71.400	70.440	-960	-1,34%
ITALY	20.236	20.861	625	3,09%
NORWAY	86.437	90.907	4.470	5,17%
CZECH REPUBLIC	18.560	15.000	-3.560	-19,18%
POLAND	6.601	3.303	-3.298	-49,96%
SWEDEN	148.347	136.653	-11.694	-7,88%
SWITZERLAND	42.219	34.740	-7.479	-17,71%
OTHER COUNTRIES	45.563	46.375	812	1,78%
<b>TOTAL.....</b>	<b>1.772.340</b>	<b>1.648.505</b>	<b>-123.835</b>	<b>-6,99%</b>

**VISITORS IN GRAN CANARIA. 1998-2002. JULY.  
JANUARY-JULY.**

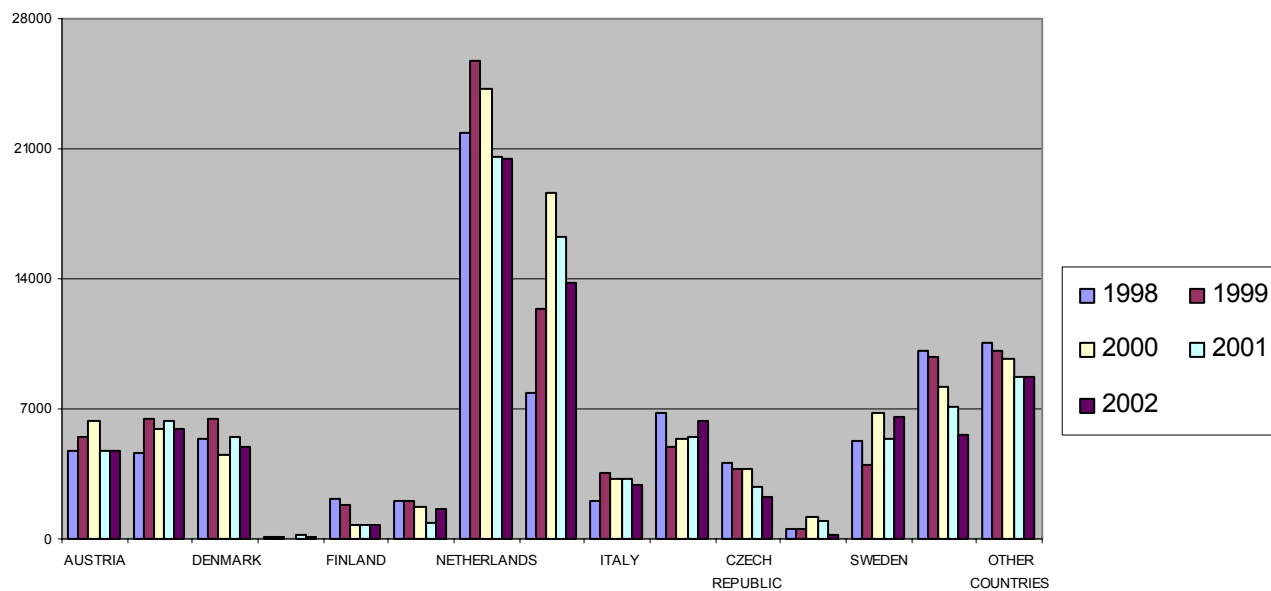


## INBOUND TOURISM IN GRAN CANARIA, BY GROUPS. JULY 2002.

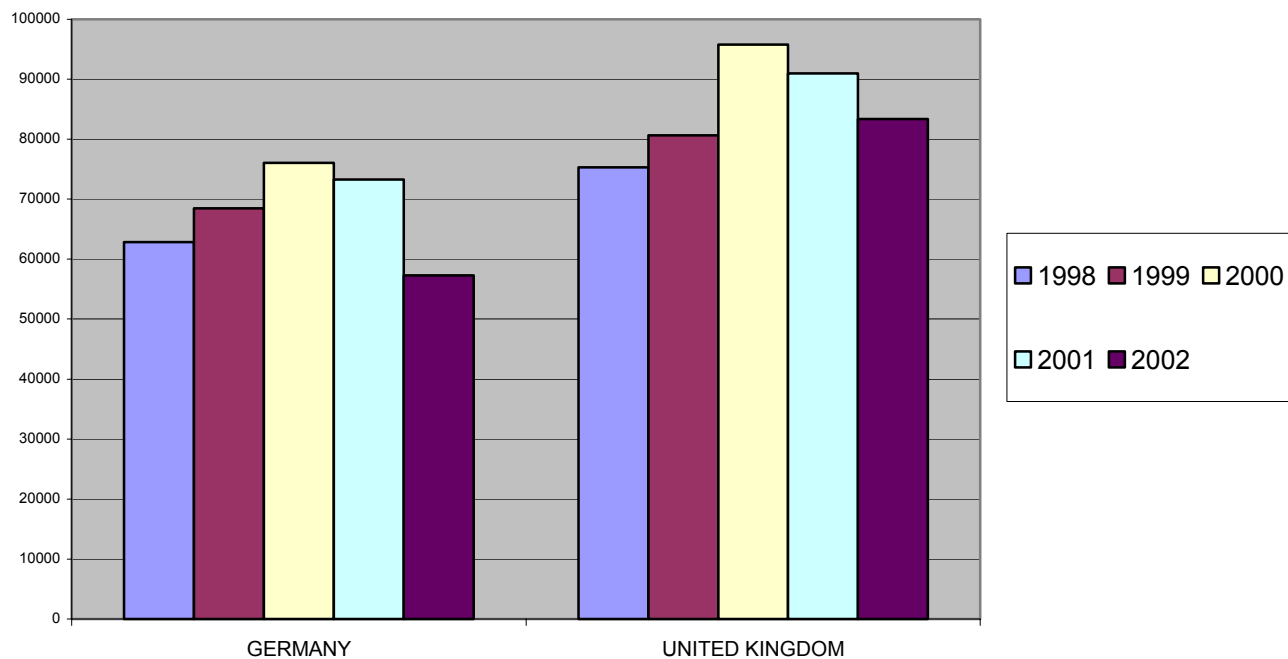
		jul-02	jul-01	VAR OVER YEAR \	may-02	MONTHLY VAR	MKT SHARE
<b>GERMAN SPEAKING COUNTRIES</b>	GERMANY	57.308	73.288	-21,80%	55.732	2,83%	25,38%
	AUSTRIA	4.774	4.789	-0,31%	3.832	24,58%	2,11%
	SWITZERLAND	5.653	7.074	-20,09%	4.493	25,82%	2,50%
	<b>total</b>	<b>67.735</b>	<b>85.151</b>	<b>-20,45%</b>	<b>64.057</b>	<b>5,74%</b>	<b>30,00%</b>
<b>ENGLISH SPEAKING COUNTRIES</b>	UNITED KINGDOM	83.367	90.950	-8,34%	73.751	13,04%	36,92%
	IRELAND	13.739	16.286	-15,64%	15.659	-12,26%	6,08%
	<b>total</b>	<b>97.106</b>	<b>107.236</b>	<b>-9,45%</b>	<b>89.410</b>	<b>8,61%</b>	<b>43,00%</b>
<b>SCANDINAVIAN COUNTRIES</b>	SWEDEN	6.574	5.407	21,58%	5.006	31,32%	2,91%
	NORWAY	6.306	5.484	14,99%	4.665	35,18%	2,79%
	DENMARK	4.998	5.519	-9,44%	3.986	25,39%	2,21%
	FINLAND	737	738	-0,14%	558	32,08%	0,33%
	ICELAND	0	0	-	0	-	0,00%
	<b>total</b>	<b>18.615</b>	<b>17.148</b>	<b>8,55%</b>	<b>14.215</b>	<b>30,95%</b>	<b>8,24%</b>
<b>BENELUX</b>	NETHERLANDS	20.467	20.516	-0,24%	13.989	46,31%	9,06%
	BELGIUM	5.972	6.351	-5,97%	3.642	63,98%	2,64%
	<b>total</b>	<b>26.439</b>	<b>26.867</b>	<b>-1,59%</b>	<b>17.631</b>	<b>49,96%</b>	<b>11,71%</b>
<b>SPAIN &amp; PORTUGAL</b>	SPAIN(*)			-		-	0,00%
	PORTUGAL	3.055	2.462	24,09%	329	828,57%	1,35%
	<b>total</b>	<b>3.055</b>	<b>2.462</b>	<b>24,09%</b>	<b>329</b>	<b>828,57%</b>	<b>1,35%</b>
<b>EASTERN EUROPE</b>	CZECH REPUBLIC	2.254	2.801	-19,53%	2.038	-100,01%	1,00%
	POLAND	269	960	-71,98%	418	-35,65%	0,12%
	RUSSIAN FED.	90	206	-56,31%	156	-	0,04%
	<b>total</b>	<b>2.613</b>	<b>3.967</b>	<b>-34,13%</b>	<b>2.612</b>	<b>0,04%</b>	<b>1,16%</b>
<b>MEDITERRANEAN COUNTRIES</b>	FRANCE	1.588	906	75,28%	826	92,25%	0,70%
	ITALY	2.945	3.262	-9,72%	1.931	52,51%	1,30%
	<b>total</b>	<b>4.533</b>	<b>4.168</b>	<b>8,76%</b>	<b>2.757</b>	<b>64,42%</b>	<b>2,01%</b>
<b>OTHER</b>	<b>total</b>	<b>5.707</b>	<b>6.274</b>	<b>-9,04%</b>	<b>4.092</b>	<b>39,47%</b>	<b>2,10%</b>
	<b>TOTAL</b>	<b>225.803</b>	<b>253.273</b>	<b>-10,85%</b>	<b>195.103</b>	<b>15,74%</b>	<b>100,00%</b>

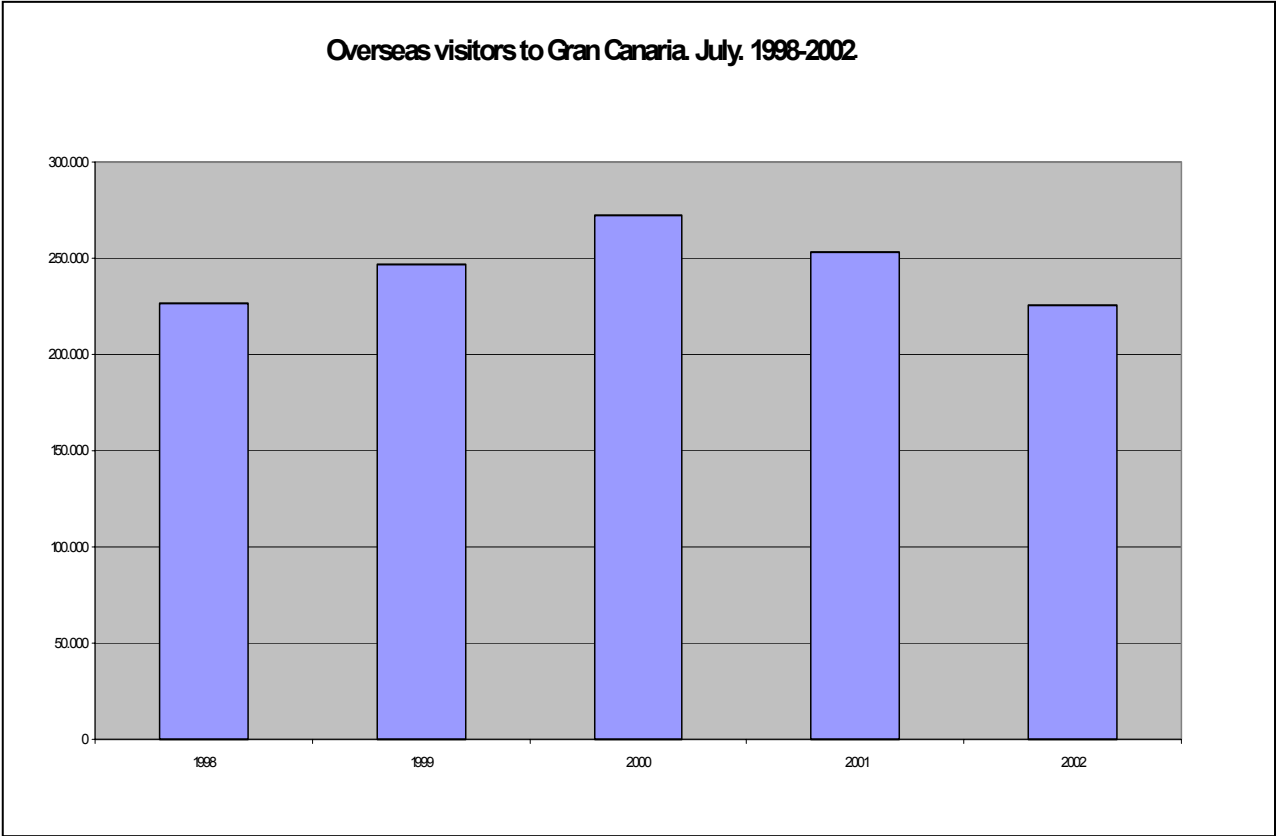
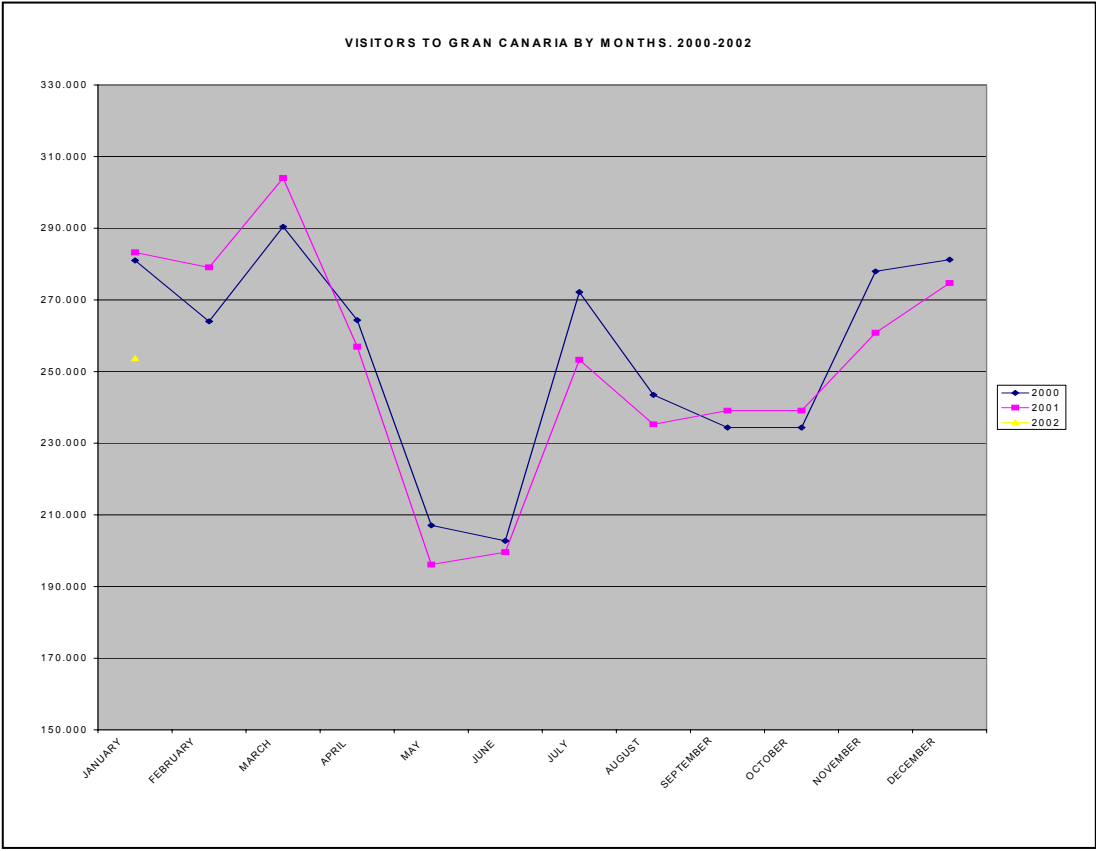
SOURCE: AENA, CANARY ISLANDS GOVERNMENT.

**INBOUND VISITORS TO GRAN CANARIA. JULY.  
1998-2002.**



**INBOUND VISITORS TO GRAN CANARIA. UNITED KINGDOM AND GERMANY.  
JULY. 1998-2002.**





## 1.2 Canary Islands. Inbound Tourism. July. January-July 2002.

### Canary Islands. Inbound tourism. July 2001-2002.

ISLAS	2001	2002	Diferencia	Porcentaje
GRAN CANARIA	253.273	225.803	-27.470	-10,85%
FUERTEVENTURA	114.158	121.883	7.725	6,77%
LANZAROTE	153.627	149.427	-4.200	-2,73%
TENERIFE	301.084	279.751	-21.333	-7,09%
LA PALMA	8.826	6.981	-1.845	-20,90%
CANARIAS	830.968	783.845	-47.123	-5,67%

### Canary Islands. Inbound tourism. January-July 2001-2002.

ISLAS	2001	2002	Diferencia	Porcentaje
GRAN CANARIA	1.772.340	1.648.505	-123.835	-6,99%
FUERTEVENTURA	773.665	754.646	-19.019	-2,46%
LANZAROTE	1.043.098	1.013.056	-30.042	-2,88%
TENERIFE	2.205.138	2.102.724	-102.414	-4,64%
LA PALMA	80.872	71.074	-9.798	-12,12%
CANARIAS	5.875.113	5.590.005	-285.108	-4,85%

SOURCE: AENA. CANARY ISLANDS GOVERNMENT.

### 1.3 Canary Islands. Inbound Tourism, per target markets. July. January-July 2002.

#### GERMANY

ISLANDS	JULY		JANUARY-JULY	
	TOTAL Var.	Var. %	TOTAL Var.	Var. %
GRAN CANARIA	-15.980	-21,80%	-61.137	-11,61%
FUERTEVENTURA	-1.719	-2,78%	-25.893	-6,48%
LANZAROTE	-8.075	-18,53%	-29.642	-10,68%
TENERIFE	-5.309	-10,59%	-42.992	-9,74%
LA PALMA	-1.831	-26,38%	-10.929	-18,01%
CANARIES	-32.914	-13,96%	-170.593	-10,00%

#### UNITED KINGDOM

ISLANDS	JULY		JANUARY-JULY	
	TOTAL Var.	% Var.	TOTAL Var.	% Var.
GRAN CANARIA	-7.583	-8,34%	-25.720	-5,43%
FUERTEVENTURA	6.258	17,25%	6.499	2,68%
LANZAROTE	1.264	1,77%	10.575	2,19%
TENERIFE	-5.976	-3,75%	-5.736	-0,55%
LA PALMA	0	0,00%	414	12,57%
CANARIES	-6.037	-169,00%	-13.968	-0,62%

#### SWEDEN

ISLANDS	JULY		JANUARY-JULY	
	TOTAL Var.	Var. %	TOTAL Var.	Var. %
GRAN CANARIA	1.167	21,58%	-11.694	-7,88%
FUERTEVENTURA	234	16,33%	-1.155	-4,81%
LANZAROTE	684	74,75%	-4.748	-16,74%
TENERIFE	-234	-6,26%	-9.320	-9,13%
LA PALMA	0	0,00%	0	0,00%
CANARIES	1.851	16,07%	-26.917	-8,89%

## 1.4 TOURISM ON-LINE STATISTICS (\*)

### Inbound visitors in tourism on-line 's hotels and apartments. Gran Canaria. July 2002.

COUNTRY	%
GERMANY	30.26
AUSTRIA	2.19
BELGIUM	2.22
DENMARK	0.55
SPAIN	19.11
FINLAND	0.21
FRANCE	0.07
IRELAND	0.77
ITALY	0.07
NORWAY	3.39
NETHERLANDS	0.96
UNITED KINGDOM	9.01
SWEDEN	21.96
SWITZERLAND	1.10
OTHER	2.76
TOTAL	3.90

### Inbound visitors in Tourism on-line 's hotels and apartments, by age groups. Gran Canaria. July 2002.

Age	%
0-12	15.78
13-16	2.16
17-24	23.56
25-30	13.36
31-45	35.49
46-60	18.27
Over 60	0.40

### Inbound visitors in tourism on-line 's establishments, by municipality. Gran Canaria. July 2002.

Municipality	%
Las Palmas de Gran Canaria	0.79
Mogán	3.20
San Bartolomé de Tirajana	95.35

Average length of stay	
COUNTRY	Average length of stay
GERMANY	12
IRELAND	11
ITALY	9
NETHERLANDS	12
UNITED KINGDOM	11
SWEDEN	10
TOTAL	10

**SOURCE: GRAN CANARIA TOURISM BUSINESSMEN ASSOCIATION.  
CARRIED OUT BY THE GRAN CANARIA TOURIST BOARD.**

\*Tourism on-line: statistics collecting method, based on a multiple connection between the establishments via Intranet. This is a project developed in Gran Canaria, in co-operation with the Gran Canaria Tourism Businessmen Association and the Gran Canaria Tourist Board.

## 2. Target Markets: Trends and Prospects

**Scandinavia (Denmark):** During the summer season, Bulgaria and Turkey were the most popular destinations for families, with My Travel's sales increasing by 50%. However, discounts of up to 50% were offered in August, being motivated by the commencement of the school term as well as the difficulties that were being encountered in making sales.

Due to the good weather conditions that have continued even up to now, significant numbers of people have chosen to spend their holidays in camping sites or summer houses within their own respective countries.

Winter: Companies are becoming concerned that the charter market could become saturated. Consequently, they have started to curtail new investments, especially in the sector of airline companies that provide budget air fares.

The rate of winter bookings is still lower than in the previous year. My Travel is offering significant discounts in order to encourage advanced bookings. My Travel's main competitor, namely Star Tour, and other smaller companies do not want to enter a price war, and therefore there is little activity in the market, while people are also waiting to see how demand will be affected by the first anniversary of September 11.

**Germany:** The difficult macroeconomic scenario, which complicated even further by the recent floods (leading to the suspension of tax cuts, an increase in the public deficit, etc.), is hampering the tourism market to a great extent, and it is forecast that the tourism industry will see an even greater slowdown during the following winter months.

However, the fact that the areas which have been worst affected by the catastrophe (the southern and eastern parts of Germany) account for a smaller tourism market share in Gran Canaria may mean that Gran Canaria will be less affected by these events or, at least, that Gran Canaria will not be hit by the worst-case scenario.

**United Kingdom:** In view of the UK's economic prospects at present, it is certain that the outlook for this country is among the best of all the countries. Sales are strong and interest and unemployment rates are at historic lows, while inflation is also under control thanks to the strength of the Sterling Pound. Consequently, the purchasing power of the Sterling Pound has remained steady in Spain, although it has begun to show a slight weakening point against the Euro as a result of the high parity between this currency and the Dollar.

With this macroeconomic scenario being so extremely positive for outbound tourism, we find that most of the tour operators have reacted late in the launching of their catalogues for the current winter season and they have therefore been less effective than in the previous year.

Demand may still be affected by a trend to make late reservations, although the "winter sun" bookings are traditionally made towards the end of August. Nevertheless, operators maintain that winter bookings will not recover this winter until after the anniversary of September 11.

A survey carried out by ABTA, which covered the main operators that deal with the Canary Islands, shows significant optimism for the "winter sun" season. The results of that survey basically show that demand will be distributed equally among the islands, with Tenerife and Gran Canaria losing their dominant position, while demand for Lanzarote, Fuerteventura, La Gomera and La Palma is expected to increase.

**The Mediterranean area:** According to tour operators, Italy has shown a significant increase in sales (around 9%) compared to the previous year. This is a much higher rate than that of 3.09% released by AENA (The Spanish Airports and Air Navigation Administration), providing evidence of an increased activity in this market. All the tour operators have made promising projections for the winter season. In France, all the tour operators have registered increased sales –as high as 100% in some cases– in relation to Gran Canaria, while some operators have increased their quotas for the winter season and there is still a possibility of further increases depending on demand.

### **Benelux:**

**The Netherlands:** The increase up to date this year has been calculated at 2%, which indicates a reversal of the negative trend that started in 2001. According to hoteliers and tour operators, the projections for the winter season remain valid.

**Luxemburg:** As this is a very stable market, sales have continued to be good, and it is estimated that sales would have increased by approximately 2%.

**Belgium:** A majority of the Belgian population is choosing nature-related tourism for their so-called "family holidays" and they prefer spending their summer holidays within their own and/or neighbouring countries. Despite this trend, figures for the last few months have remained steady, showing an increase of around 0.5%.

**Spain and Portugal:** There has been a really notable increase in the national market during this summer which is partly due to its success in the promotional campaigns and price policies of tour operators.

**Portugal:** While there has been a steady growth in the continental regions, Madeira has outstripped all the other markets, with sales doubling those of Gran Canaria in the year 2001. According to the estimates for this summer, approximately 11,000 passengers will travel to Gran Canaria on the daily flights that have been implemented for the summer season, as well as the scheduled flights that operate on a weekly basis. Since demand is currently steady, it ensures a constant flow of such flights throughout the winter.

### 3. Number of hotel beds and apartments in Gran Canaria.

#### 3.1 Hotel beds and apartments in Gran Canaria. Geographical distribution.

AUTHORISED HOTEL BEDS AND APARTMENTS IN GRAN CANARIA MUNICIPALITY	AUGUST 2002		TOTAL
	HOTELS	APARTMENTS	
AGAETE	63	40	
AGUIMES	10	0	103
ARTENARA	0	0	10
ARUCAS	0	0	0
FIRGAS	0	0	0
GALDAR	12	0	0
INGENIO	0	0	12
LAS PALMAS DE GRAN CANARIA	6111	2006	0
MOGÁN	7301	22317	8117
MOYA	0	0	29618
SAN BARTOLOMÉ DE TIRAJANA	21727	75442	0
SAN NICOLÁS DE TOLENTINO	47	0	97169
SANTA BRIGIDA	131	0	47
SANTA LUCIA DE TIRAJANA	56	0	131
SANTA MARIA DE GUIA	0	0	56
TEJEDA	14	0	0
TELDE	56	0	14
TEROR	0	0	56
VALLESECO	0	0	0
VALSEQUILLO	0	0	0
VEGA DE SAN MATEO	0	0	0
<b>TOTAL</b>	<b>35528</b>	<b>99805</b>	<b>0</b>

<b>ESTABLISHMENTS OTHER THAN HOTELS BY CATEGORY</b>			
<b>CATEGORY</b>	<b>ESTABLISHMENTS</b>	<b>UNITS</b>	<b>ROOMS AND BEDS</b>
<b>1 KEY</b>	291	14.072	42.691
<b>2 KEYS</b>	249	16.069	50.553
<b>3 KEYS</b>	37	3.632	11.008
<b>TOTAL</b>	<b>577</b>	<b>33.773</b>	<b>104.252</b>

**HOTEL ESTABLISHMENTS BY CATEGORY**

<b>CATEGORY</b>	<b>ESTABLISHMENTS</b>	<b>UNITS</b>	<b>BEDS</b>
<b>1 STAR</b>	48	1.178	2.438
<b>2-STAR</b>	22	1.838	3.786
<b>3-STAR</b>	34	6.449	13.908
<b>4-STAR</b>	29	6.710	13.236
<b>5-STAR</b>	5	1.327	2.508
<b>TOTAL</b>	<b>138</b>	<b>17.502</b>	<b>35.876</b>

**Source: Gran Canaria Tourist Board.**

**GRAN CANARIA. NUMBER OF HOTEL BEDS (1997-2002)**

<b>APARTMENTS</b>			
<b>YEAR</b>	<b>NEW REGISTRATIONS</b>	<b>CANCELLATIONS</b>	<b>HOTEL BEDS</b>
AT 31/12/97	---	---	111,193
01/01/98 to 31/12/98	402	2,566	109,129
01/01/99 to 31/12/99	0	2,097	106,932
01/01/00 to 31/12/00	267	907	106,292
01/01/01 to 31/12/01	0	3,807	102,485
01/01/02 to 30/08/02	484	3,164	99,805
<b>HOTELS</b>			
<b>YEAR</b>	<b>NEW REGISTRATIONS</b>	<b>CANCELLATIONS</b>	<b>HOTEL BEDS</b>
AT 31/12/97	---	---	34,613
01/01/98 to 31/12/98	810	72	35,351
01/01/99 to 31/12/99	1,000	392	35,959
01/01/00 to 31/12/00	0	80	35,879
01/01/01 to 31/12/01	0	24	35,855
01/01/02 to 30/08/02	0	327	35,528

#### 4. Occupancy rate survey in hotels.

##### Visitors, overnight stays, average length of stay. July 2002.

Provinces	Travellers			Overnight stays			Average length of stay
	Total	Spanish residents	Foreign residents	Total	Spanish residents	Foreign residents	
<b>TOTAL</b>	6.442.517	3.358.477	3.084.041	27.802.400	9.955.433	17.846.968	4,32
<b>Andalusia</b>	1.053.723	612.228	441.494	3.919.296	2.004.241	1.915.055	3,72
Málaga	341.295	159.292	182.004	1.742.234	645.810	1.096.424	5,10
<b>The Balearics</b>	971.919	124.714	847.205	8.047.991	646.956	7.401.035	8,28
<b>The Canaries</b>	414.890	173.121	241.769	3.203.788	793.641	2.410.146	7,72
Palmas (Las)	189.511	62.744	126.767	1.653.850	288.414	1.365.435	8,73
Santa Cruz de Tenerife	225.379	110.378	115.002	1.549.938	505.227	1.044.711	6,88
<b>Catalonia</b>	1.289.466	470.770	818.696	5.689.801	1.421.227	4.268.574	4,41
Barcelona	620.437	186.887	433.550	2.126.418	436.287	1.690.131	3,43
Girona	371.030	114.823	256.208	2.022.395	392.961	1.629.434	5,45
Tarragona	230.775	116.163	114.612	1.372.748	453.026	919.723	5,95
<b>Valencian Community</b>	505.333	368.764	136.569	2.216.157	1.548.846	667.311	4,39
Alicante	295.199	207.801	87.398	1.442.915	907.825	535.090	4,89
Valencia	137.256	101.524	35.732	374.860	298.400	76.459	2,73
<b>Madrid (Community)</b>	474.270	249.168	225.102	1.006.047	502.333	503.714	2,12

##### Stablishments open, hotel beds, occupancy rate, reservations, personnel employed. July 2002.

Category	Number of establishments open	Number of hotel beds estimated in the survey	Occupancy rate		Reservations		Personnel Employed
			per hotel beds	per rooms	in 2 month time	in 3 months' time	
<b>TOTAL</b>	15.286	1.324.110	65,38	66,78	26,23	18,02	190.881
<b>Andalusia</b>	2.229	195.752	61,57	62,77	19,99	14,40	32.627
Malaga	521	70.823	74,65	74,65	23,67	15,08	13.468
<b>The Balearics</b>	1318	304.504	82,86	82,03	54,88	34,60	40.906
<b>The Canaries</b>	444	146.132	68,48	68,70	25,60	22,26	25.484
Palmas (Las)	194	71.581	71,11	71,82	39,92	36,96	12.336
Santa Cruz de Tenerife	250	74.551	65,95	65,67	11,86	8,14	13.148
<b>Catalonia</b>	2.382	242.895	71,42	73,46	19,84	12,61	31.155
Barcelona	948	914.03	72,12	78,51	20,83	16,25	12.848
Girona	806	85.382	73,09	72,00	26,22	14,95	10.366
Tarragona	323	50.634	78,62	77,45	10,78	5,01	6.012
<b>Valencian Community</b>	985	100.079	68,42	70,45	24,34	20,57	14.561
Alicante	458	56.429	78,35	78,55	34,39	29,36	8.150
Valencia	296	23.647	50,69	57,22	6,54	4,08	3.694
<b>Madrid (Community)</b>	1099	63.838	50,59	59,58	11,72	10,87	10.631

**Establishments, rooms/apartments and hotel beds, occupancy rate, reservations, personnel employed. July 2002.**

**Average length of stay, occupancy rate, reservations and personnel employed. July 2002.**

	OCCUPANCY RATE		RESERVATIONS		AVER. LENGTH OF STAY	PERSONNEL EMPLOYED
	BED PLACES	ROOMS	2 MONTHS' TIME	3 MONTHS' TIME		
GRAN CANARIA						
Island of Gran Canaria	67,69	67,68	40,37	37,98	8,44	6.692
San Bartolomé Tirajana	75,53	74,63	44,71	40,98	10,02	4.870
TENERIFE						
Island of Tenerife	66,39	66,29	11,84	8,24	6,98	12.498
Adeje	69,58	66,77	13,88	8,21	8,79	4.473
Arona	64,85	68,01	10,94	9,31	6,12	3.329
BALEARICS						
Ibiza-Formentera	84,80	83,40	64,87	36,81	8,16	7.875
Island of Majorca	82,04	81,11	51,93	33,67	8,32	29.463
ANDALUSIA						
Costa del Sol	78,27	78,29	24,81	15,66	5,39	12.539
VALENCIA						
Costa Blanca	80,37	80,41	36,46	31,14	5,14	7.804
Benidorm	88,15	86,30	49,61	44,34	7,54	4.819
CATALONIA						
Costa Brava	74,74	73,61	27,40	15,61	5,66	9.783

**Source: National Statistics Institute.**

## 5. Prices figures: consumption, hoteliers.

GENERAL PRICE INDEX. JULY 2002. HOTEL PRICE INDEX. CANARY ISLANDS-SPAIN. 2002-2001.

GENERAL PRICE INDEX. JULY 2002.

CANARY ISLANDS			
JULY	MONTH VAR	12 MONTHS VAR.	YEAR-OVER-YEAR
TOTAL	-0,70	1,70	2,40
Hotels, cafeterias and restaura	0,50	3,90	4,40

SPAIN		
MONTH VAR	12 MONTHS VAR.	YEAR-OVER-YEAR
-0,70	1,80	3,40
0,70	5,30	5,80

LAS PALMAS			
JULY	MONTH VAR	12 MONTHS VAR.	YEAR-OVER-YEAR
TOTAL	-1	2,60	1,50
Hotels, cafeterias and restaura	0,40	4,90	4,90

SANTA CRUZ DE TENERIFE		
MONTH VAR	12 MONTHS VAR.	YEAR-OVER-YEAR
-0,40	2,30	1,90
0,60	4,00	2,80

HOTEL PRICE INDEX. CANARY ISLANDS-SPAIN. 2002-2001.

JULY	MONTH VAR	YEAR-OVER-YEAR
CANARY ISLANDS	1,40	-1,50
BALEARICS	7,30	3,10
ANDALUSIA	3,90	1,30
SPAIN	5,30	2,40

Source: National Statistics Institute.

## 6. Employment facts and figures.

### TOURIST EMPLOYMENT FIGURES

WORK FORCE SURVEY. APRIL-JUNE 2002.

GENERAL FIGURES (IN THOUSANDS)

	CANARIES	SPAIN
EMPLOYED	733,5	16240,7
JAN-MAR VAR.	0,49%	1,15%
YEAR-OVER-YEAR VAR.	6,80%	2,29%
UNEMPLOYED	92,0	2026,2
JAN-MAR VAR.	3,40%	-2,64%
YEAR-OVER-YEAR VAR..	14,59%	10,52%
UNEMPLOYMENT RATE	11,14%	11,09%

	LAS PALMAS	S/C DE TFE.
EMPLOYED	380,6	353
JAN-MAR VAR.	1,09%	-0,11%
YEAR-OVER-YEAR VAR.	6,73%	6,87%
UNEMPLOYED	47,5	44,4
JAN-MAR VAR.	10,21%	-3,06%
YEAR-OVER-YEAR VAR.	47,06%	-7,31%
UNEMPLOYM. RATE	11,10%	11,18%

PERSONNEL UNEMPLOYED RECORDED IN THE PUBLIC OFFICES. JULY 2002.

	CANARIES	SPAIN MAINLAND
UNEMPLOYED	94.562	1.548.450
MONTHLY VAR.	0,11%	-1,21%
YEAR-OVER-YEAR VAR.	1,31%	6,68%

ISLAND	GRAN CANARIA	
	TOTAL	TOURIST SECTOR
UNEMPLOYED	46.294	5.656
MONTH VAR.	-0,74%	-2,97%
YEAR-OVER-YEAR VAR.	4,36%	3,40%
% OVER TOTAL	-	12,22%

TOURIST MUNICIPALITIES	SAN BARTOLOMÉ	LAS PALMAS G.C.	MOGÁN
PEOPLE UNEMPLOYED IN TOURISM IN	778	1.847	277
MONTH VAR.	-4,07%	-0,43%	-7,36%
YEAR-OVER-YEAR VAR.	14,41%	3,24%	7,78%

Source: National Statistics Institute.

## CONCLUSIONS

This report enables us to determine the real situation of the tourism sector in our region. There are clear signs of slowdown evidenced by the employment figures. We can observe, for example, an increase in the unemployment rate within the hotel and restaurant service this year as compared to the year 2001.

Furthermore, the prospects for Central Europe in the wake of the severe floods that have ravaged the region are somewhat uncertain, especially in Germany, which is our main target market.

Due to the fact that Germany is faced with huge reconstruction costs, there is hardly any doubt that the country's public deficit will increase, which will make it difficult to meet the economic convergence criteria that apply to the member states of the EU. This fact, together with the economic slowdown, raise serious doubts about the prospects of a short or medium term recovery.

However, some people believe that the reconstruction process will generate strong demand. This demand could trigger the reaction that the German industry has been waiting for during the last few years, and therefore the country may see a great turnaround in less time than expected.

Consequently, it is evident that the negative trend in the German tourism market will continue during the lead-up to the winter season. However, it should be pointed out that the regions which have been worst-affected by the floods are Eastern Germany as well as the South of Germany (Bavaria), which are precisely the regions that account for the shortest number of tourists who visit Gran Canaria. Our main target markets are situated in the regions of the Ruhr, Bremen and Hamburg, which have not suffered any floods.

In essence, the outlook for the coming winter season is complicated, but it is not yet possible to tell to what degree we will be affected. What we do know is that the reduction in the number of incoming tourists for the period leading up to the month of July has been strongly influenced by the German market (-11.61%), as well as the Scandinavian markets, all of which needs to be seen against the background of a deep economic crisis.

During the course of 2002, Gran Canaria has shown very similar trends, although it is significant that the decrease in the number of incoming tourist experienced at the beginning of the year has remained steady, as opposed to other destinations where the situation has clearly become worse. There are also other features that should be highlighted, such as the weaker performance of the aforementioned markets, the oscillating performance of the English-speaking markets and a remarkable stronger demand in a series of new niches.

Thus, countries such as The Netherlands, France, Italy, Belgium or Norway have all registered higher growth rates in relation to Gran Canaria, despite the current worldwide crisis, which has led to a substantial decrease in demand by more than 10% for all destinations (for example, Morocco registered a decrease of 14% for the first two quarters of 2002).

While the Canary Islands, and Gran Canaria in particular, are the main beneficiaries on a worldwide scale, having registered the best results internationally, it must be said that Gran Canaria is consolidating its medium and long term position in a number of key countries:

**INBOUND TOURISM TO GRAN CANARIA. JANUARY-JULY 2001-2002.  
SHARE MARKET**

<b>COUNTRY</b>	<b>VAR.</b>	<b>2001</b>	<b>2002</b>
<b>BELGIUM</b>	0,38%	1,65%	1,78%
<b>FRANCE</b>	9,70%	0,46%	0,54%
<b>NETHERLANDS</b>	1,11%	6,98%	7,59%
<b>ITALY</b>	3,09%	1,14%	1,27%
<b>NORWAY</b>	5,17%	4,88%	5,51%
<b>TOTAL</b>	<b>2,75%</b>	<b>15,11%</b>	<b>16,69%</b>

While a special effort needs to be made to strengthen our position in our main markets (the United Kingdom and Scandinavia) in order to counteract the situation in Germany during this difficult period, it is also necessary to continue with these efforts to consolidate the process of market diversification.

With regard to the projections for the winter season, and despite the uncertainty that envelopes the German market, some tour operators have reported a recovery in booking rates for the last few months of the year. This has essentially been the result of the solidarity campaigns that have been launched in Germany by interests within the archipelago, having awakened a feeling of sympathy towards the Canary Islands and Gran Canaria in particular. However, despite the fact that this recovery is now confirmed, the goal would be to maintain the reduced rates that have been registered to date this year.

The winter season bookings that are received from the Scandinavian market (especially Denmark) are still less than the previous year, which is why some tour operators are offering substantial discounts as incentives for making advanced bookings.

Lastly, the projections for the British market, whose macroeconomic outlook is extremely favourable for tourist travel to Gran Canaria, suggest that demand during the upcoming winter season may still be strongly affected by a tendency to make late bookings. Operators maintain that winter bookings will not be recovered until

after the anniversary of September 11, although the results of a survey have shown extremely positive prospects for the market in the Canary Islands.

Other statistics that should be mentioned are related to the results of Hotel Occupancy Survey published by the National Statistics Institute. The latest statistics (for the month of July) once again place Gran Canaria and San Bartolomé de Tirajana as the leading tourist destinations when it comes to reflecting sustainability and profitability, namely occupancy rates and average length of stay. Thus, while the hotels in both areas have registered the highest occupancy rates of all the Canary Island destinations that were surveyed, they have also registered the longest average length of stay in the whole of Spain, being 8.44 days in Gran Canaria and 10.02 days in San Bartolomé de Tirajana.

Furthermore, the Survey of Tourist Expenditure (conducted by ISTAC) shows that, after Fuerteventura, Gran Canaria has the longest average length of stay on a general level (which includes hotel and other tourist accommodation), accounting to 11.54 days, which represents a 2% increase as compared with the previous year (in other words, during the year 2001, the same number of visitors accounted for an extra 2% in terms of occupancy). Furthermore, the island continues to hold the first place in relation to this indicator for the winter season.

Consequently, the occupancy levels in Gran Canaria are higher than in other destinations, but with the difference that it is possible for us to maintain the level of activity in this sector without having to attract new visitors, and the reason is that the current demand is entirely sufficient to achieve this, in addition to the fact that there is a high level of continuity.

To all this must be added the fact that Gran Canaria has, in all probability, registered the smallest increase in the number of hotel beds during recent years, which is why the island has avoided the need to implement aggressive price policies during crisis periods in order to fill newly created hotel beds. As is reflected by the official statistics of the Tourist Board, the number of hotel beds in Gran Canaria has actually fallen during recent years, this reduction has been mainly caused by the closure of tourist accommodation other than hotels.

If we have outlined some positive aspects, the favourable picture will be completed by the figures relating to average expenditure: According to the aforementioned Survey of Expenditure, Gran Canaria has registered the largest increase in tourist expenditure (amounting to 6.72%) of all the islands in the year 2001.

Furthermore, the tourists who visit Gran Canaria are the ones who spend most money after their arrival on the island, which means that Gran Canaria is the island that obtains the highest income from complementary tourist services, such as transport, shopping, leisure and restaurants.

It is clear, therefore, that Gran Canaria is a tourist destination that has a number of positive indicators in its favour (despite being in the midst of a serious economic crisis), with some elements having been established (tourists who spend most money and stay the longest), while improvement is still needed in other areas.

We believe, in this regard, that mechanisms such as the Guidelines for the Organisation of the Tourism Industry should provide the stimulus required to prompt the private sector and the institutions to define a proper model for island tourism and, especially, to clarify the means for solving certain problems, such as the re-conversion of the accommodation supply to meet the changing demands of tourism.

Provinces
TOTAL
Andalusia

### 8. Tourist spending survey 2001. Key figures.

	TOTAL	ORIGIN	in destination
LANZAROTE	98,78	63,00	35,78
FUERTEVENTURA	94,26	63,65	30,61
GRAN CANARIA	100,87	61,65	39,21
TENERIFE	102,69	64,15	38,54
LA PALMA	82,63	56,50	26,14
THE CANARIES	99,96	62,94	37,02

Tourist expenditure, per person and day. Var. % 2001-2000.			
	TOTAL	ORIGIN	IN DESTINY
LANZAROTE	6,43%	7,04%	5,38%
FUERTEVENTURA	0,60%	-1,19%	4,53%
GRAN CANARIA	6,72%	4,04%	11,21%
TENERIFE	5,79%	6,03%	5,41%
LA PALMA	-1,63%	-2,39%	0,05%
CANARIES	5,46%	4,79%	6,62%

Average length of stay in the Canary Islands. 2001.			
	WINTER	SUMMER	TOTAL
LANZAROTE	10,09	12,56	11,07
FUERTEVENTURA	11,04	13,33	12,37
GRAN CANARIA	11,33	12,04	11,54
TENERIFE	10,73	11,34	10,95
LA PALMA	-	-	13,62
CANARIES	10,91	12,16	11,37

Average length of stay in the Canary Islands. Var. % 2000-2001			
	WINTER	SUMMER	TOTAL
LANZAROTE	-3,17%	0,72%	-2,47%
FUERTEVENTURA	-0,27%	0,98%	4,56%
GRAN CANARIA	4,91%	-0,99%	2,03%
TENERIFE	0,47%	-4,55%	-0,99%
LA PALMA	-	-	-
CANARIES	1,30%	-1,06%	0,35%