European turmoil helps stall trans-Atlantic tourism
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* Europe economic troubles deters tourism to North America
* Caribbean countries suffering drop in European tourists

By Michelle Nichols

NEW YORK, July 15 (Reuters) - A bumpy European economic recovery and battered currency have helped stall European tourism to North America especially the Caribbean and Mexico, though Canada is faring better, tourism experts say.

The number of Europeans visiting the United States and Canada fell 10 percent last year, according to government data, as cash-strapped consumers opted for vacations nearer home and business travel froze.

Despite the debt crises buffeting Greece and some other European countries and a euro which has weakened up to 15 percent against the U.S. dollar this year, the number of Europeans visiting the United States remained flat for January and February, said the U.S. Office of Travel and Tourism Industries.

The Office described March, for which figures have not yet been released, as "generally positive," but said April figures would be hurt by flight cancellations due to an ash cloud from a volcano eruption in Iceland.

"It may take a while for people to feel good enough about their future job prospects to get back into the vacation cycle that they had enjoyed," said Rich Harrill, director of the International Tourism Research Institute at the University of South Carolina.

"Everybody checks exchange rates," he said. "People are going to continue to look at how much will they get for their money and consider alternatives."

The U.S. Travel Association said European tourism to the United States has never fully recovered since the Sept. 11, 2001, hijacked airliner attacks.

"The perception that the United States is not as welcoming as it was pre-9/11 continues to drive visitors away," said the association's Geoff Freeman, adding that Washington needed to overhaul visa and entry processes.

"These visitors are walking stimulus packages," Freeman said. "They come, they spend their money, they go home, and often with a better impression of the United States."

ROUGH CARIBBEAN SUMMER

Canada appears to be faring a little better with the number of Europeans visiting rising 6.4 percent for the first quarter of 2010 compared to last year boosted by the Winter Olympics in Vancouver in February.

"I don't think we're seeing any decline, but we just hosted the Olympics so we're sort of the hot commodity," said Amber Sessions, a manager of media relations at Tourism Vancouver.

However, 16 of the 22 countries in the Caribbean Tourist Organization saw a decline in European visitors between January and April. Several suffered a double digit fall. European overall arrivals fell 4.3 percent in the first half of 2010.

"This situation is not expected to ease up in the coming summer as unemployment in these economies remains high and consumer confidence is low," the group said. "Those countries heavily dependent on the European market are in for a bumpy ride as in light of the current European economic realities."

In Mexico some hotel and restaurant owners in the beach resort of Playa del Carmen, a few miles south of Cancun, were also

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suffering from a lack of European visitors.

"European tourism has dipped significantly this year. There are fewer Italians, Spaniards and Germans," said Cesar Navarro, president of the local chapter of the National Restaurant Chamber. Mexican tourists failed to make up the shortfall.

"There is national tourism now, but they generally spend 30 percent less than foreigners," he said.

Spanish tourist Manuel Arroyo, 42, went ahead with a vacation to Mexico with his wife and two children, but complained about how expensive it was.

"It's more costly now," said Arroyo, a municipal employee. "I have to spend more because the euro has devalued and the European economy is in crisis, while it is improving in the United States." (Additional reporting by Vivianne Rodrigues in New York, Allan Dowd in Vancouver, Jose Cortazar in Cancun and Dan Whitcomb in Los Angeles) (Editing by Mark Egan and Alan Elsner) michelle.nichols@reuters.com; +1 646 223 6117; Reuters Messaging: michelle.nichols.reuters.com@reuters.net)

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