

Editor's comment from *City Profiles* No. 21 – August/September 2004

Turisme de Barcelona: a model case of public- private partnership?

When the European craze for city breaks really took off in the late-1980s, Barcelona ranked well down the list of favourite destinations. In fact, Spain's second-largest city – like its capital, Madrid – was considered too far away from the key European source markets to be in serious contention. But the 1992 summer Olympic Games were to change all that.

A massive urban renewal programme involving more than 100 new development projects, as well as the upgrading/revitalisation of all parts of the city, transformed Barcelona into one of Europe's most attractive cities, complete with urban beach, Olympic port and other coastal resort facilities. But it was the creation of the Turisme de Barcelona public-private sector consortium in the following year – aimed at maximising the potential of Barcelona as a tourism destination – which probably had the greater impact on tourism demand.

Set up at the beginning of 1994, the city tourist office (CTO) has become a model of public-private sector partnership, not to mention one of the most successful CTOs in the world at generating income and employment from tourism. This in turn has boosted the city's gross metropolitan product (GMP), thereby enhancing quality of life for its residents.

Record growth by all tourism measures

Over the nine years from Turisme de Barcelona's launch in 1994 to 2003, the Catalan capital was the fastest-growing city destination in Europe by virtually all measures. In terms of international tourist overnights, for example, it attracted almost three times the growth of its closest contender, Berlin.

Other statistics reinforce the message. In the nine-year period, the number of hotels in Barcelona increased by 47%, while the respective room- and bedcounts were up 41% and 44%. Tourist arrivals overall rose by 45% and overnights by 93% – or 130% for foreign markets alone. Average hotel occupancy increased by 41% to 76.7%.

While the leisure tourism sector recorded the stronger growth in demand – 174% in terms of overnights as against a 'mere' 31% for business and MICE travel – the MICE sector overall is extremely important for the city, accounting for some 38% of total overnight volume and a similar share of revenues.

However, Barcelona's success in the leisure sector has been unprecedented. Just take the cruise business. Prior to 1994, cruise ships passing through Barcelona were relatively few and far between, with a modest 130,000 cruise passengers counted in 1992. After the 1992 Olympics and the development of the new cruise harbour, the city lost little time in establishing itself as Europe's leading cruise port. In 2003, the number of cruises either calling at Barcelona, or originating/terminating in the city totalled 716, up 148% over 1994, and these brought 1.1 million cruise passengers to the city, up 506%.

Political independence and self-funding have been key ingredients to success

In addition to the obvious advantage of having a good product to sell, to what does Turisme de Barcelona attribute its widely acclaimed success? First and foremost, it cites the close partnership between its public and private stakeholders. This means shared funding – the Municipal Council and the local Chamber of Commerce each contributed 9% of the CTO's euro 12.7 million budget in 2003 – and shared responsibilities. The interests of both are respected, and both contribute their knowledge and ideas as well as resources.

But, most importantly, Turisme de Barcelona is largely self-funding. Some 82% of the budget comes from commercial activities, such as the sale of products and services. These include the city tourist bus, the Barcelona Card, the city pass, walking tours, etc. This means that Turisme de Barcelona has been able to retain its political independence, thereby ensuring that its efforts are all geared towards meaningful goals – maintaining and enhancing tourism share and making the city's tourist attractions more cost-effective. Political interests hold virtually no sway.