

# THERMALISM IN SPAIN



LEVICO 2005

The background of the slide is a photograph of an indoor swimming pool. The pool is large and rectangular, with several lanes marked by dark lines. The water is clear and blue. In the background, there are lounge chairs and large windows. The ceiling has exposed wooden beams and several pendant lights. A central pillar is visible in the middle of the pool.

## ■ Sector Profile

## ■ The Spanish System

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# Thermal Resort

- Only those with mineral and medical waters declared as such by the Spanish Government
  - Facilities that allow the practice of thermalism.
  - Medical resources so as to prescribe and control the application of thermal waters.
  - What is not: Spas, thalassotherapy, etc.
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# The sector in Spain (I)

- 920.000 thermalists
  - 128 operating Thermal Resorts in all the country.
  - Global revenues (2004): 220 MM Euros
  - Employment: 7.000 direct employees
  - Number of hotel rooms:
    - 15.000 in hotels that belong to the thermal resort
    - 7.500 in hotels that are not part of the thermal resort but that work exclusively for them
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# The sector in Spain (II)

## Number of resorts

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128 thermal resorts

101 spas

31 thalasso

260 total resorts

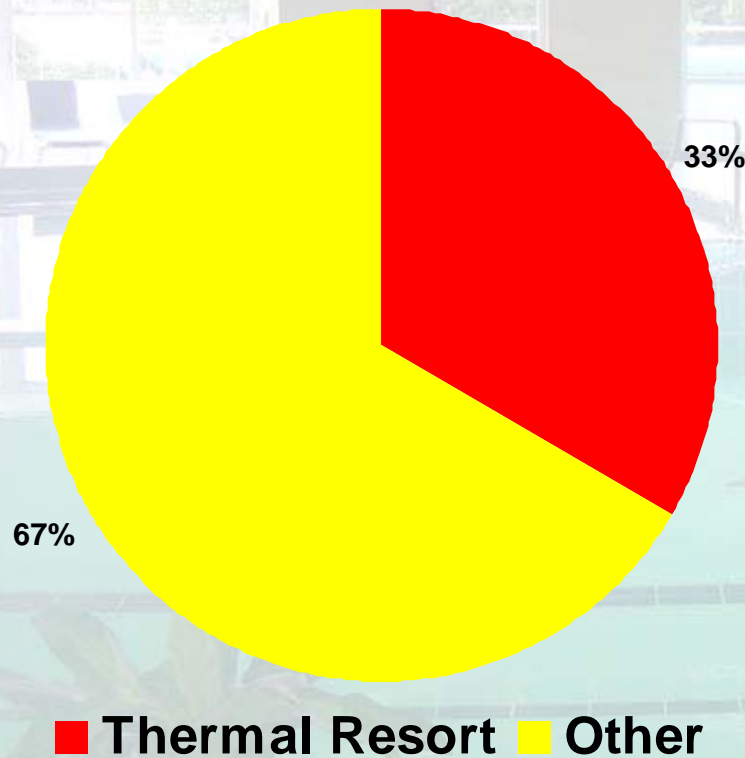


**■ Thermal Resort ■ Talasoterapia ■ Spas**

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# The sector in Spain (III)

## Revenues (Mill Euros)



220 thermal resorts

440 spas

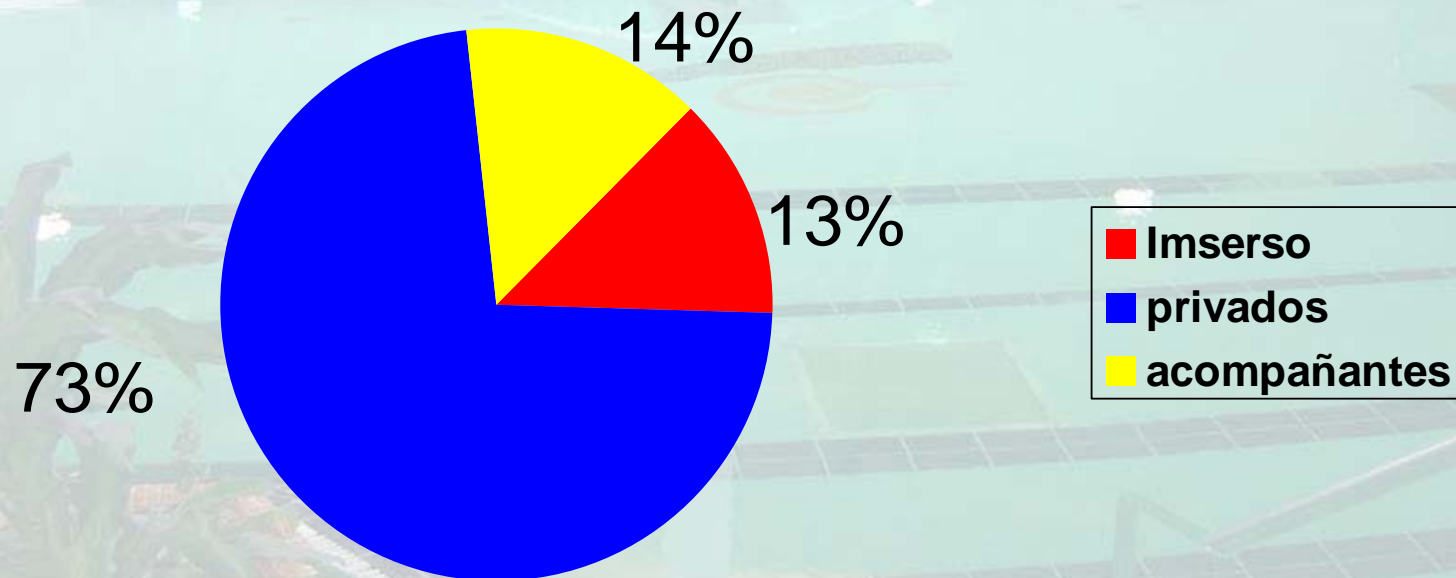
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# The sector in Spain (IV)

- Both public and private resorts exist:
    - Public: Usually owned by the town where waters are located
    - Private: Increasing number of them. Recovery of old ones, new spa and thalasso centres built
  - No large chains
  - In a country where tourism is the first industry, only 1% of thermalists are international.
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# Who are the clients

- 670.000 Private Thermalists.
- 120.000 Government sponsored clients (IMSERSO).
- 130.000 Other.





# Hotels Profile



	5 ESTRELLAS	4 ESTRELLAS	3 ESTRELLAS	2 ESTRELLAS	1 ESTRELLA
■ PLAZAS (12.374)	694	2.451	5.861	2.349	1.019
■ PORCENTAJE	6%	20%	47%	19%	8%

■ Sector Profile

■ The Spanish System

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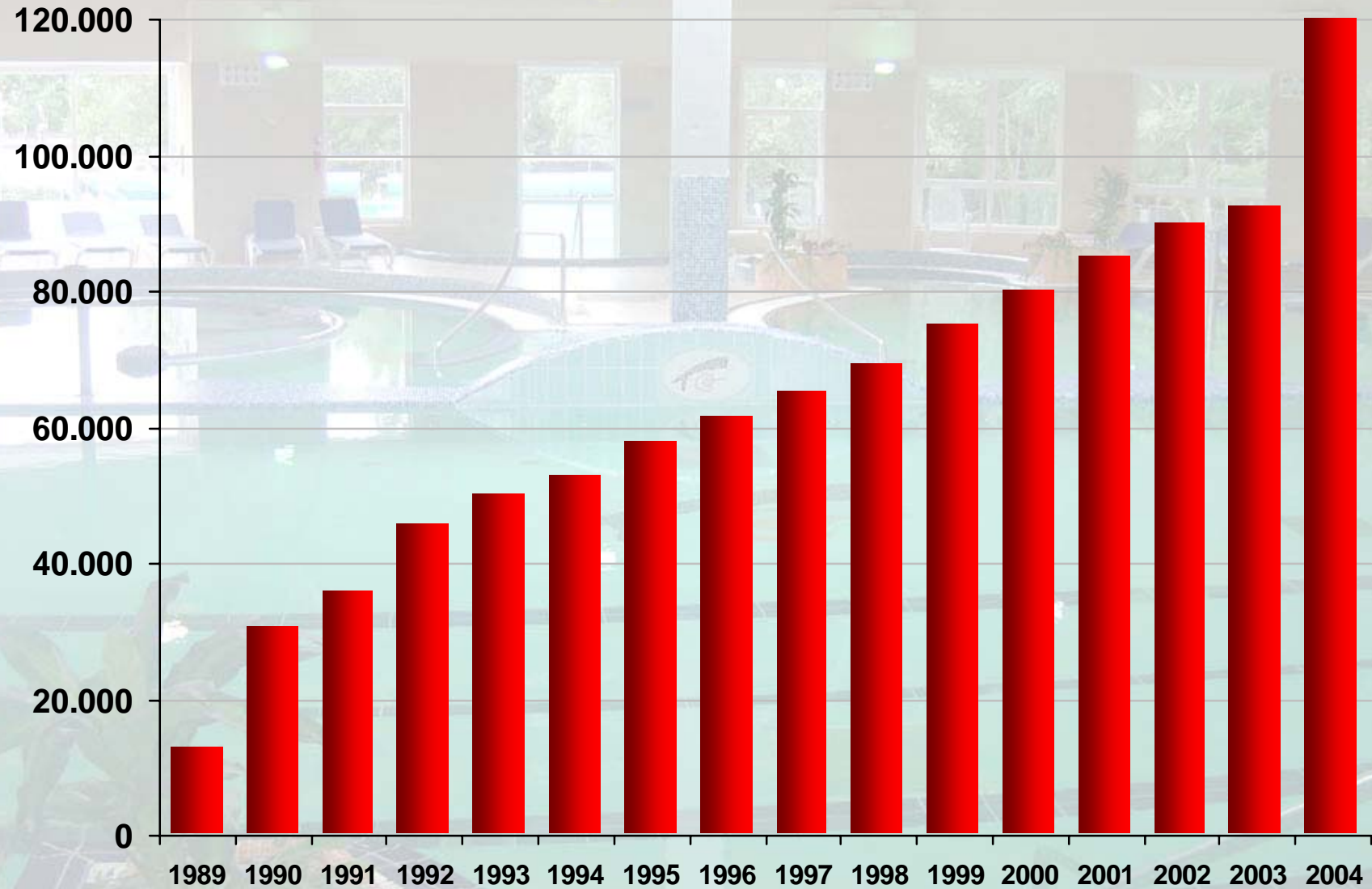
# The Spanish System

- Thermal treatment is not recognized by the public health system
  - A cure at thermal resort is not subventioned by the social security
  - Doctors do not prescribe thermal cure: It is much more the individual the one that recognizes its benefits
  - The State has established a program addressed for elderly people to support their cure at a resort: IMSERSO
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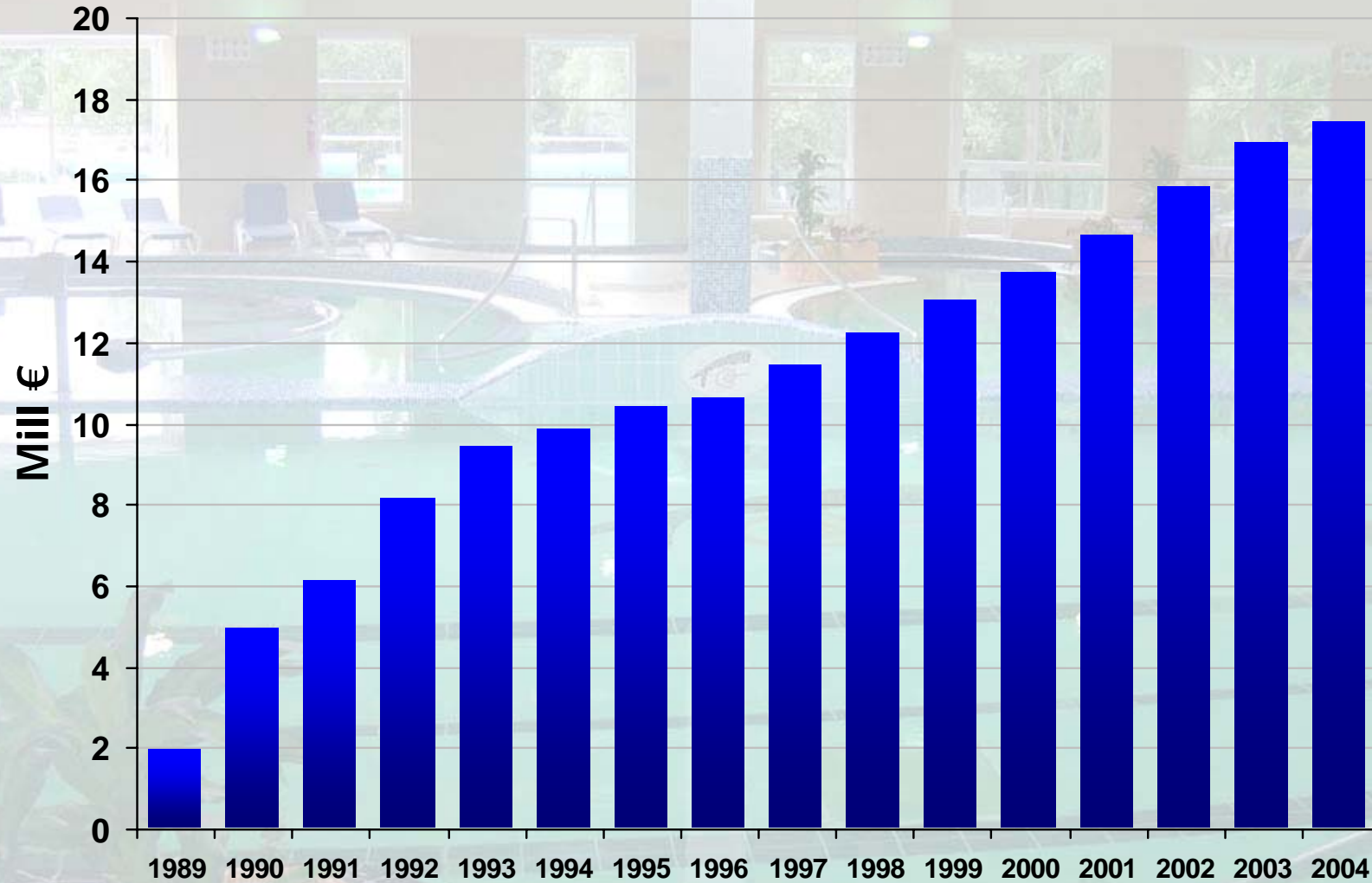
# The IMSERSO Program

- Included as one of the programs of the Ministerio de Asuntos Sociales
  - Addressed to:
    - Retired people
    - Selection Criteria: Personal income
    - The government supports 50% of the cost
  - The government decides the resort to which the person will go
  - Limited number of people: 120.000 in 2004
  - Fixed number of days: 11
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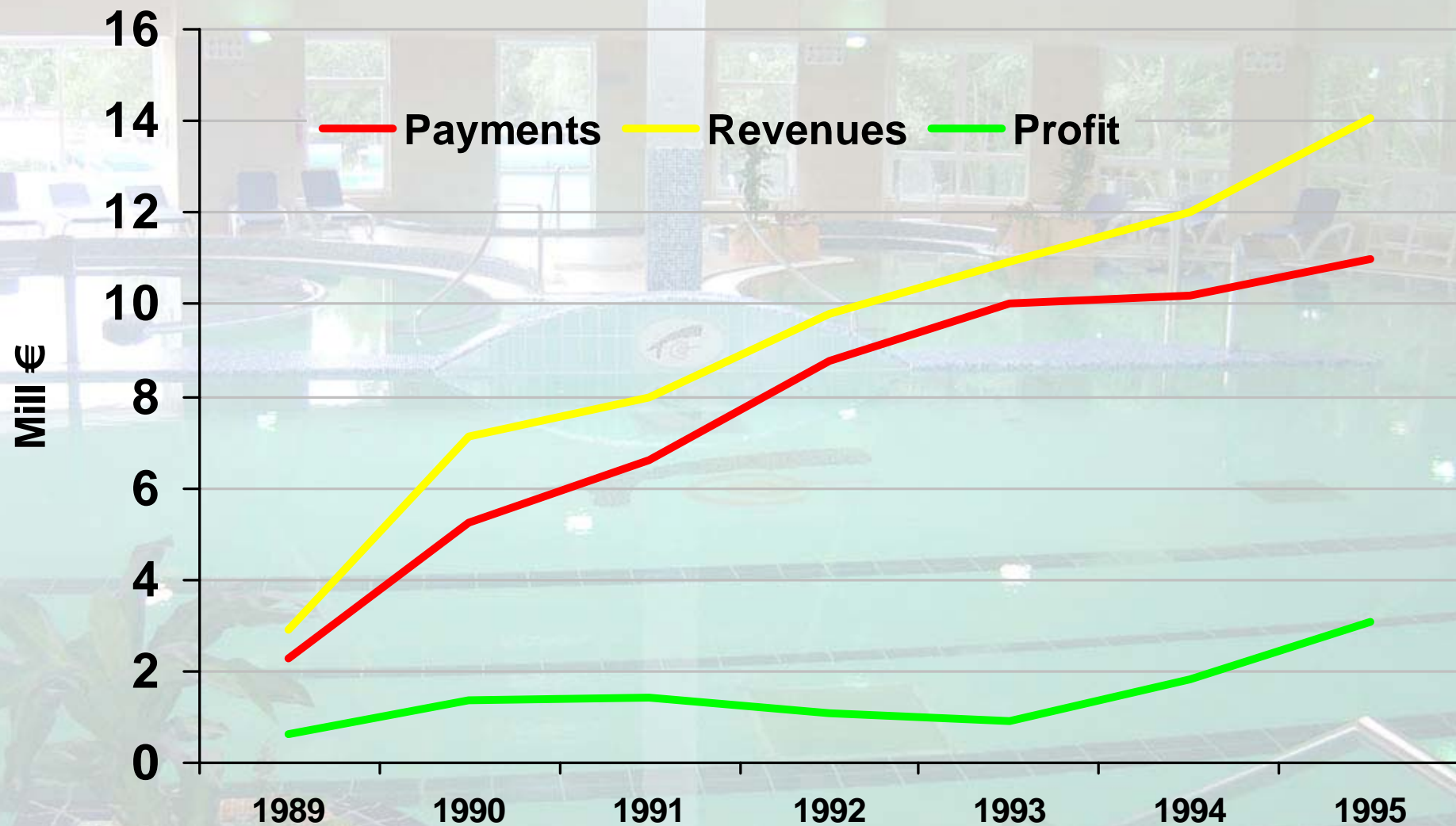
# Number of thermalists



# Amounts given by the State



# Direct economic impact



- National Association of Owners of Thermal Resorts.
  - Founded more than 100 years ago.
  - Only centers that have mineral waters recognized as such by the authorities.
  - Goal: To promote thermal resorts and thermalism in Spain; be the representation with authorities, other economic agents, propose standards, etc. .
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# Very Complex Legislation

- Three areas of Public Administration regulate different aspects:
    - Department of Industry: Mineral waters
    - Department of Public Health: Medical treatment in thermal resorts
    - Department of Tourism: Hotels associated to thermal resorts
  - Public Health regulations and tourism regulations are responsibility of regional governments; mineral waters partially state
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# Very Complex Legislation (II)

- What is regulated.....?:
    - Ownership of waters: State/Regions
    - Hotel category: Regions
    - Resort facilities: Regions
  - What is not regulated.....?:
    - Thermal techniques
    - Differences between spas, thalassotherapy centers, thermal resorts, etc...
    - Professional qualifications of employees
    - .....
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# Main weaknesses

- Lack of differentiation with other kind of resorts
  - Very complex legislation, with many different authorities.
  - Very small recognition by public authorities of the benefits of using thermal waters
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# Our Threats

- Legislation
  - To create a quality standard nationwide.
  - Differentiation.
  - Internationalization
  - Joint marketing to address new markets
  - Be leaders in the wellness sector, defining the differences of thermal resorts.
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