

Tourism

The tourism sector is of significant importance for the whole cross-border area, as it provides a lot of employment potential. Whereas the western part of the programme area is more focused on recreation (biking, skiing, adrenalin sport, mountaineering) and rural tourism, the eastern part is characterised by numerous spas, which have recently invested significantly in the development of wellness facilities and services. Cultural and congress tourism has also gained on importance. Furthermore, wine-related offer is an important part of tourism for the wine growing regions.

Overnight stays indicate that the regions have relevant tourism potential and relevant value added. Areas with a full-year tourist season are especially successful – these include alpine regions and regions covering thermal spa resorts (Oberkärnten, Klagenfurt-Villach and Oststeiermark). The latter and Südburgenland became especially successful tourism regions due to their thermal spa infrastructure and changed their rural agricultural structure significantly.

Table 7: Overnight stays in the programme area

| NUTS III area | Overnight stays in 2004 | Share of overnight stays of domestic tourists in 2004 | Share of overnight stays of tourist from abroad in 2004 |
|------------------------|-------------------------|---|---|
| Oststeiermark | 2,768,000 | 89.9 | 10.1 |
| West and Südsteiermark | 598,000 | 69.3 | 30.7 |
| Graz | 1,069,000 | 54.8 | 45.2 |
| Obersteiermark Ost | 726,000 | 70.3 | 29.7 |
| Obersteiermark West | 918,000 | 52.9 | 47.1 |
| Unterkärnten | 1,747,000 | 63.4 | 36.6 |
| Klagenfurt-Villach | 4,497,000 | 38.7 | 61.3 |
| Oberkärnten | 6,656,000 | 27.3 | 72.7 |
| Südburgenland | 882,000 | 88.7 | 11.3 |
| AUSTRIA | 19,861,000 | 26.7 | 73.3 |
| | | (as a whole country) | (as a whole country) |
| Gorenjsko | 1,488,957 | 21.4 | 78.6 |
| Koroško | 32,713 | 66.7 | 33.3 |
| Savinjsko | 1,137,345 | 61.5 | 38.5 |
| Podravsko | 294,385 | 46.6 | 53.4 |
| Pomursko | 754,976 | 51.1 | 48.9 |
| Osrednjeslovensko | 602,245 | 10.0 | 90.0 |
| SLOVENIA | 4,310,621 | 42.5 | 57.7 |
| | | (as a whole country) | (as a whole country) |
| TOTAL | 24,171,621 | | |

Source: AT WIBIS Kärnten, WIBIS Steiermark, Statistik Austria; SI: SORS, Slovene regions in figures, 2006.

The area of Graz contributes an additional million of overnight stays due to the cultural and congress activities in the city.

Other regions with lower rates of overnight stays, such as the rural areas of West and Südsteiermark or the industrial Upper Styrian regions, are lagging behind in tourism value added.

In the Austrian regions of the cooperation area the share of overnight stays of foreign tourists is below Austrian average, but in most of the regions the share has been increasing. The thermal spa resorts in Oststeiermark and Südburgenland are mostly visited by domestic guests. In Austria, Slovene guests represent a rather low rate in the section of foreign tourists. The Slovene guests in Austria mostly prefer Alpine skiing resorts.

In Slovenia, the majority of overnight stays is recorded in the Gorenjsko region, more specifically in the Zgornje Savsko subregion including the town of Bled, where most of overnight stays (around 78.6 %) are made by foreign tourists. The capital of Ljubljana with around half a million of overnight stays also hosts mostly foreign tourists (91.5 %). A significant number of overnight stays is also recorded in the Savinjsko region, where half of the overnight stays are made in the city of Celje and its surroundings, and in the subregion of Dravinjsko. In Pomursko - the spa region - almost half of the overnight stays are on the part of foreign tourists, 68.4 % of which are tourists from Austria. In this respect, the Pomursko with the spas

seems to be the most attractive destination in the programme area for guests coming from Austria. The tourism potential of the Koroško region seems yet unexploited. In Podravsko, the most attractive destination is Maribor with the Pohorje plateau, which also attracts many foreign tourists (53.4 % of all overnight stays, most of them by tourists from Germany and Croatia).

In general, the tourism offer is still mostly dependant on the season. Comparing the occupancy by various types of tourist resorts, it is evident that the highest rates are recorded in health resorts, where seasonal aspects are less evident. The average occupancy is 48 %, reaching 72 % in August. In the mountain resorts, the average occupancy is 24 %, while the highest rates are recorded in the winter (ca. 30 %) and summer time (ca. 40 %).

In many Slovene regions, in particular in those with spa tourism (Pomursko, Savinjsko), the guests from Austria represent a very high or at least significant share of foreign tourists. This indicates a certain element of competition between Austria and Slovenia, particularly regarding prices. In order to overcome this, it would make sense to focus joint efforts on addressing third markets.

In the whole programme area, a range of local and regional tourism products and brands have been developed. Tourism has also become one of the primary areas of cross-border cooperation, especially regarding the creation of supporting infrastructures (biking routes), training, and promotion. There have also been some initiatives in the field of joint marketing (information systems, wellness, farm tourism).

Nevertheless, the tourism sector, too, is facing growing competition and global challenges: the economic framework in the international tourism markets has significantly changed due to reduced transport costs, increased mobility and changes in the customer behaviour. Thus it is also the well-established, traditional local tourism destinations that face growing competition.

Many regions and tourism companies face pressure (loss of guests, increasing demand of quality at relatively low prices), in particular those destinations operating in one-season areas only.

It has become clear that only internationally competitive tourism destinations (based on high quality, international standards and involvement in international marketing structures) will be able to keep on growing.

The structural basis for sufficient value added seems to lie particularly in the winter destinations in the Alps (ski resorts in Kärnten, Steiermark, Slovenia) and the thermal spa regions of Oststeiermark, Südburgenland and Eastern Slovenia. The basis is necessary for prospering tourism companies, creation of qualified jobs and income for municipalities and inhabitants of these rural areas.

Cross-border cooperation in joint product development and development of common internationally visible destinations could be an opportunity for growth of the sector in the cooperation area.

As a summary, particularly in many of the rural areas tourism represents a relevant economic sector or at least an important complementary source of income – based on the areas' specific attractiveness and infrastructure. Many local and regional tourism products and brands have been created, and the sector has gained an important role in cross-border cooperation. In the long run, however, it will be crucial to meet the challenges of growing competition by upgrading international visibility and competitiveness on international markets.