

Tourism's economic impact on switzerland essay sample

[Sport & Tourism](#)



Introduction

Switzerland enjoys vast number of resources making the one of the advanced economy in the world. Its per capita incomes are virtually the best with trade being the key to the prosperity of this nation. The country measures about 41, 285 km² and an estimated population of about 7, 575, 000. Tourism is one key sector in the economy of Switzerland and accounts for about 6% of the Gross Domestic Product. The country has magnificent scenery and well developed tourism industry that continues to attract many to the Switzerland. In this paper we explore the tourist attraction in Switzerland, analyze the tourism strategy, including her approach on peace tourism. We do an in-depth analysis of the tourism industry and finally recommend areas of improvement.

Types of Tourism

Switzerland is among the top industry leader when it comes to tourism. Though landlocked it provides the tourism with wide array of tourism sites that will leave one marveling.

Swiss exotic cities tourist does visit include Geneva, Lucerne, Zurich, St. Moritz, and Bern. Cultural tourism is another exploited area of Swiss tourism. Switzerland is a mixture of cultures from Romanesque, French, German, and the Italian who bring into these country diverse cuisines and cultures from the expensive Europe (Diamond Ltd, 2009)

Hotel and Resort Tourism

Switzerland has the advanced state-of-art hotel industry in the cities across the country. But the most developed exotic hotels are found in Geneva, Bern and Zurich and serve some of the best cuisines that are specific to the region and from the global repertoire. Some of the most celebrated hotels include the Intercontinental, Mandarin Oriental, Beau Rivage, Warwick Geneva, Hotel President, Four Seasons, Grand Hotel, and Swissotel Metropolitan among others. Geneva proximity to neighbor cities like Lausanne(36 miles), and Lyon(86. 2 miles) has made her to be the prime destinations of tourists from these countries (Yahoo, 2009)

Attraction sites

Switzerland has legendary tourist destinations whether one chooses to visit Lake Geneva, Swiss Alps, Old City in Zurich, or the Matterhorn. It has unique train journey for instance Benina Express and the Galcier Express.

Wine tasting

Have a number of delicious wines with a bottle production capacity of 200 million with a mere 1% being exported to other countries. The Vaud and the Valais are the main producers of wine (TripAdvisor, 2009)

Corporate travel management in Switzerland

The corporate travel is available. Most corporate tourism travel agents offer online bookings, manage travel expenditure, assist in complying with local travel policy, shop for the most cost effective products and services. They also offer internet ticketing with prioritized and specialized service. Besides

they offer consultative services to the corporate clients around the globe. Most of these corporate travel agents have several offices in major cities around the globe (Euro Lyold Travel, 2008)

The corporate travel agencies include the Euro Lloyd Travel Group with is rated among the best 30 in the US and provides travel services to more than 450 companies, the Ovation Switzerland DMC has offices in Zurich, Geneva and 14 other destinations around the globe including Belgium and Germany (Ovation DMC, 2009)

Family travel in Switzerland

The Swiss Alps offers a spectacular experience to the family tourists ranging from water sports, thematic museums, natures' flora and mouth watering delicacies. The Arosa Squirrel Trail, Toggenburg Story Trail, and the Marmot Trail are breath taking expedition for kids that accompany a family. They can also enjoy themselves in the Choleren Gorge water park, visits the undersea beach and board a steamship on Lake Brienz.

Besides the family can enjoy Switzerland for hiking, mountain biking, parascending, rock climbing and white water rafting. During winter they can engage in skiing, skating, cross country, ice fishing and dog sledging. The family can enjoy the unique Swiss meals and cheese fondue. Furthermore they can take advantage of the sliced accommodation and flight expense when they travel as a family (TripAdvisor, 2009)

Peace tourism in Switzerland

Due to her political neutrality, Switzerland has played a crucial, role in hosting international conferences including global peace conferences that are periodically held in Geneva through tourism. From February 5th to 8th 2003, Switzerland hosted the Second Global Summit on Peace through Tourism an imitative of World Travel and Tourism Council and the International Institute for Peace through Tourism.

The main aim of these peace conferences is to nurture and cultivate a tradition of peace using tourism to ensure a stable environment where the economic agents engage freely. These conferences are platform for tourism stakeholders, policy makers and educators to foster peace through tourism (IIPT, 2009)

Demographics of tourists in Switzerland

In 2006 a total of 36. 365 million tourists visited Switzerland up from 34. 848 million in 2006. Germany leads in 2007 by a whopping 6. 082 million visitors in Switzerland followed by Great Britain with 2. 276 million visitors (FSO, 2009)

Table: Overnight Stays of Foreign Visitors in Switzerland, 2007.

Graph adapted from Federal Statistical Office at

<http://www.bfs.admin.ch/bfs/portal/en/index/news/publikationen>.

Document. 118089. pdf

The United States accounted for 1. 665 million overnight stays while Japan provided the best non-European market with 555, 000 visitors in 2007 down
<https://assignbuster.com/tourisms-economic-impact-on-switzerland-essay-sample/>

from 600, 000 visitors in 2006. 35 million tourists include arrivals of 14. 8 million making up an average 2. 35 nights per tourist. The United States now is in the 3rd place from position five previously with 1. 5 million nights spent by the American.

The BRIC nations are also contribution tremendously to tourism with Brazil being the leader in the in the category. Russians spent 328, 000 nights up 18. 7 % from 2005 while India spent 284, 000 nights with Chinese at 205, 000 nights. 2. 4 millions of these tourists visited Zurich (STV-FST, 2007).

The average stay by foreign visitors was 2. 7 nights for every visitor which is below 3. 9 recorded in the Gulf states and 2. 2 by domestic tourists. Among the 55 respondents surveyed they took at least one overnight stay within a span of four months. From the table above, tourist in the 26-45 age brackets go over longer distances than other age groups. Income is another factor with those earning between 8, 000 and 12, 000 Swiss francs per year taking at least 2. 6 journeys compared to the lower income bracket of 4, 000 Swiss francs (STV-FST, 2007).

Does Switzerland have facilities for travelers with physical challenges?

It possible for people with disabilities to travel to Switzerland and enjoy the tourism services. The Swiss National Tourist Office has made it possible by availing special tourist destination guides which are available free of charge to people with disabilities. Most hotels are build with wheel chair accessibilities besides the tour operators have developed special feature

facilities to accommodate tourist with disabilities. In addition to disseminating customized tours they also have itineraries for the disabled.

An example is the Flying Wheels Travel that escorts tourist and offers cruises with lifts and the Accessible Journeys has services for slow walkers and to those on wheelchair. Others are the MossRehab, Accessible Travel and Hospitality and the American Foundation for the Blind. The AirAmbulanceCard. com allows one to choose in advance the hospitals in anticipation for emergency. The Avis Rent A Car offers the tourists a choice of vehicles fitted with spinner knobs, scooter rentals, swivel seats and hand controls. Tourists can also check out for Mobility-Advisor. com for resources on various disabilities (Fommers Travel Guides)

Economic analysis of tourism in Switzerland

Tourism is a highly developed industry in Switzerland and contributes a staggering 1. 5 billion Swiss francs every year. Switzerland had a total of 4, 967 hotels with a bed capacity of 240, 000 in 2006 which are well occupied around the year. 14% of these hotels are situated in Grisons, 12% in Valais and in Eastern Switzerland.

Consequently tourism intensity for Grisons, Bernese Oberland and Swiss was 8. 3, 5. 3 and 1. 3 respectively. The total financial output from the tourism industry incorporating the transport industry reached 13. 3 billion Swiss francs in 2006 accounting for 3. 6% of the country's GDP with traveling and hotel representation 52% (STV-FST, 2007).

What role does tourism play in the employment rate in Switzerland

<https://assignbuster.com/tourisms-economic-impact-on-switzerland-essay-sample/>

One person in twelve is employed in the tourism sector in Switzerland which may be higher in mountainous regions than is the case in towns. In 1998 alone, an estimated 166, 000 jobs were created by the tourism sector of which 34% were in the accommodation sector, 19% in Food and Beverage, 18% in Passenger transport, 8% each in travel agencies and Retail trade and others accounted for 6%.

This employment represented 5. 2% of the total employment in Switzerland (Swiss Tourism in Figures, 2007)

Adapted from Swiss Tourism in Figures 2007. Original Source: Swiss

Federation of Travel Agencies. Retrieved April 13th 2009 from *http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf*

Tourism exports and imports in Switzerland

Switzerland has a highly developed tourism industry recording 13. 3 billion francs in Balance of Payments for 2006 up from 12. 5 billion francs in 2005.

Export Revenue by Industry	2003	2004	2005	2006
Metal and Machinery	50. 9	55. 2	58. 3	65. 0
Chemical Industry	45. 2	49. 6	54. 8	63. 0
Tourism(Bop)	11. 6	11. 9	12. 5	13. 3
Watch making Industry	10. 2	11. 2	12. 4	13. 7

Textile Industry	4. 2	4. 2	4. 2	4. 4
------------------	------	------	------	------

Retrieved from [http://www. swisstourfed.](http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf)

[ch/art/dokumente/vademekum/en/Def_Version_englisch. pdf](http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf)

Swiss 6% of exports come from tourism making the third largest sector in the country's economy.

Optimization analysis of tourism in Switzerland

Switzerland optimizes her tourism through a number of approaches. She enhances her tourism while at the same time adopting technologies that are sustainable and protects the ecosystem balance. Switzerland has diverse tourism centers that are competitive and cannot easily be replicated by other nations. The Federal policy is embedded in the Federal constitution which makes it possible for the government to intervene and promote the industry.

The tourism industry in Switzerland has a highly developed modern infrastructure that is occupied to full capacity around the year. Switzerland has taken advantage of the growing high income population in Asian economies and has tailor made her products and services to meet this demand through building of luxury hotels with state of art facilities. Switzerland has a high concentration of local and international 4 and 5 star hotels that have some of the cutting age management experience in tourism

industry. Switzerland removed the visa requirement condition making it possible for more tourists to travel to this country.

Economic multipliers analysis of tourism in Switzerland

The tourist do not only spent on tourism by also on other sectors. From the table below tourism brings revenue to the fuel sector by 695 million francs followed by sweets at 288 million francs.

Sector Expenditures 2004

Fuel	CHF 695 million
Tobacco	CHF 137 million
Sweets	CHF 288 million
Souvenirs, handicrafts	CHF 67 million
Taxi fares	CHF 111 million
Inland water transportation	CHF 20 million
Sights or points of interest	CHF 21 million

Source: Federal Statistical Office

The lodging sector accounts for the lion's share of tourism added value of 31% meaning many branches of the economy benefit from tourism. Food and Beverage also benefits a great deal with an impact of 145 from tourism while the transportation sector accounts for 20%. (STV-FST, 2007).

Adapted from Swiss Figures 2007 at

[http://www. swisstourfed.](http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf)

[ch/art/dokumente/vademekum/en/Def_Version_englisch. pdf](http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf)

Ways of Improving Tourism

Though tourism has a highly developed tourism sector, but the most hotels need to integrate themselves to the prevailing value chain in tourism industry. This can be done through marketing and destination building.

Another undoing of the hotel industry in Switzerland is the highly regulated hotel and lodging industry which makes it not compete effectively in the international markets and they are being toppled by neighboring countries who offer at competitively lower prices. The catering sector is highly competitive with stiff competition emanating from the bakeries, and kiosks with the resultant effect of inflationary prices and under utilized capacity. Switzerland must engineer greener solution to the problem of energy especially in this era when the price of oil has been rising steadily which is likely affect the transport sector (STV-FST, 2007)

Conclusions

Switzerland remains the prime destination for any tourist around the world. The government policy has played an instrumental role in boosting tourism in Switzerland and no doubt it will continue to define industry standards for the ages to come.

But with the increasing innovation in the sector she must brave herself for tough times as other countries develops more tailor made programs. In the advent of a declining and poor macroeconomic environment with the looming global financial crisis, the government needs to inject more francs and reverse the negative effects on tourism and other sectors.

References

Diamond Ltd (2009). Switzerland Travel. Retrieved April 13th 2009 from <http://www.worldtourtravelonline.com/switzerland/>

Euro Lyold Travel, (2008). Corporate travel. Retrieved April 13th 2009 from <http://www.eurolloyd.com/corporate.pdf>

Fommers Travel Guides, (2008). Switzerland Travel Guide. Retrieved April 13th 2009 from http://realtravel.com/g-274711-switzerland_article-tips_for_travelers_with_disabilities

FSO, (2009). Statistical Data on Switzerland 2009. Retrieved April 13th 2009 from <http://www.bfs.admin.ch/bfs/portal/en/index/news/publikationen.Document.118089.pdf>

IIPT, (2009). Second Global Summit on Peace through Tourism. Retrieved April 13th 2009 from <http://www.iipt.org/globalsummit/2ndglobalsummit/secondglobalsummit.html>

Ovation DMC, (2009). Destination Management Services. Retrieved April 13th 2009 from http://www.ovationdmc.com/Ovation_Switzerland_DMC/Default.59.html

STV-FST, (2007). Swiss Tourism by Figures 2007. Retrieved April 13th 2009 from http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf

Swiss Tourism in Figures, (2007). Tourism Creates Jobs. Retrieved April 13th 2009 from http://www.swisstourfed.ch/art/dokumente/vademekum/en/Def_Version_englisch.pdf

TripAdvisor (2009). Wine tasting around Switzerland. Retrieved April 13th 2009 from <http://www.tripadvisor.com/Travel-g188045-c4679/Switzerland:Wine.Tasting.Around.Switzerland.html>

TripAdvisor, (2009). Swiss Alps Family Travel. Retrieved April 13th 2009 from <http://www.tripadvisor.com/Travel-g188077-s401/Swiss-Alps:Switzerland:Family.Travel.html>

Yahoo, (2009). Top Hotels. Retrieved April 13th 2009 from http://travel.yahoo.com/p-travelguide-191501809-geneva_vacations-i;_ylt=AqNk.xn5ICJvEruagn0g0k7vFWoL