

‘The Algarve at the crossroads’ from the Inforegio Panorama (December 2005)

Caption: In December 2005, the monthly publication Inforegio Panorama publishes a report on the Algarve region in southern Portugal. This region is enjoying considerable benefits as a result, in particular, of European Union funding for transport infrastructures.

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Transport, a driving force for regional development

Report

Transport for southern Portugal as it enters a new stage in socioeconomic

The Algarve at the crossroads

Despite the major imbalance that remains between the interior and the coast, the Algarve, which was Portugal's poorest region 50 years ago, is now its third-wealthiest in terms of per capita GDP. As such, it will cease to qualify as an Objective 1 region after 2006. The European Union has contributed greatly to this progress, in particular through massive funding of improvements to the transport infrastructure, whether road, rail, air or maritime. Yet despite this very important and very visible effort on the infrastructure front, some concerns remain. The Algarve is still an outlying region that is very dependent on tourism and will therefore have to be careful to make the right choices if it is to sustain its growth and remain competitive.

It is a dark night and just a few street lamps cast a pale light on the white facades of the houses of Sanlúcar de Guadiana, on the opposite bank, on the Spanish side. *'Can you see these motorboats? They are all moored for the night now. At this time, it is only the duty doctor who can still manage to cross the river,'* remarks Carlos Cruz, public relations manager for the Region of Algarve. We are on the Portuguese bank of the Guadiana, in Alcoutim (pop. 700), directly across from Sanlúcar, in Spain. The river is just 200 metres wide at this point, but no bridge has ever connected these two villages. The nearest fixed link for vehicle crossings to Spain is 50 km to the north, just outside Paymogo, or 50 km to the south, at the Guadiana international bridge, completed in 1992. Despite the fall of the two dictators on the Iberian peninsula and the entry of both countries to the European Union, the Guadiana at Alcoutim remains a difficult border to cross. *'It is probably the inhabited place in Europe where the distance between two bridges — 100 km — is the greatest! Interreg is looking at the possibility of building a bridge between Alcoutim and Sanlúcar, but no timetable has yet been set,'* regrets Carlos Brito, Alcoutim's long-standing local MP and councillor who also runs the local monthly *Jornal do Baixo Guadiana*. *'As a way of drawing attention to the need for the two banks to have a land link, our cross-border association Alcoutim–Sanlúcar organised a fête during which we formed our own 'bridge' by placing end to end all the boats from the two villages.'*

The proposed bridge — with an estimated construction cost of EUR 15 million — would not be a luxury, especially in the light of a recent increase in contacts between the inhabitants of these two villages, with the Portuguese buying houses on the Spanish side and more and more Spaniards using the services available across the river in Portugal. In macroeconomic terms, the small agglomeration would also like to become an outlet for Andevalo, a nearby Spanish region that is even more isolated and for which the Government of Andalusia is currently implementing a major development plan. *'We would also start trading again, in livestock in particular. There was a lively livestock trade between Spain and Portugal at this site in the 1930s,'* explains Carlos Brito.

Road and river

Despite the absence of a bridge, Alcoutim has experienced a genuine economic revolution over the past year, a kind of small-scale model of what the Algarve as a whole has experienced over the last 30 years.

Protected by virtue of its isolation, the wild and natural environment of the Guadiana is now a major asset. Since the spring of 2005, two cruise companies, one Portuguese and the other Belgo-French, call in at Alcoutim. Departing from Portimão in the former case and from Seville in the latter, they bring several hundred visitors a week to the area and are proving a real boon for local commerce.

Also, and most importantly of all, there is the road. Completed in July 2005, the works to convert the existing IC ('itinerary complementary') 27 into a national highway of excellent quality make Alcoutim a safe 25-minute drive from Vila Real de Santo António, 'capital' of the lower Guadiana on the coast. The journey time is one quarter of what it had previously been. Alcoutim now finds itself located on the major

north–south road link that runs parallel to the Guadiana and that leads to Beja, in Alentejo. The modernisation of the IC27 brings the promise of regeneration for the whole of the Algarve interior, the Serra de Caldeirão.

‘It is very important to encourage accessibility, but an area must also possess an internal economic dynamic. Fortunately that is the case here,’ stresses Carlos Brito. With the road and the river cruises, Alcoutim will be able to expand and diversify its tourist activities, opting for high-class tourism, such as hunting. Attention will also focus on making the most of local produce: the small cheese producers, for example, will be able to expand their markets, and the municipality of Alcoutim, which now has a realistic prospect of attracting investors, is preparing to create an enterprise zone. Finally, the population is already beginning to stabilise as a result of the road, the rural exodus being offset by the recent arrival of newcomers from the towns of Villa Real or even Faro.

The modernisation of the IC27 is an excellent example of the synergies that operate between the three Algarve transport programmes: the ‘Accessibility and transport’ national operational programme (EUR 3.312 billion, with EUR 280 million for the Algarve), the PROAlgarve regional programme (EUR 108 million for transport) and Interreg IIIA Spain–Portugal for cross-border projects. In the case of the IC27, for example, the Monte Francisco–Odeleite section (EUR 17.5 million) received funding from the ‘Accessibility and transport’ operational programme while the Odeleite–Alcoutim section (EUR 14.4 million) is an Interreg IIIA project for which the ERDF meets around 50 % of the costs.

More generally, over the past 10 to 15 years, European aid — the ERDF and Cohesion Fund in particular — has enabled a considerable improvement in the major regional and inter-regional road systems, the IC27 being the second north–south route linking the Algarve with the rest of Portugal. Roughly speaking, modernisation of the regional road network is centred on two axes, the one perpendicular to the other: the lengthening to the Algarve of the A2 motorway, which runs north–south across the country, and the construction, in an east–west direction along the very urbanised coastal strip, of the ‘Via do Infante’, a four-lane highway that now links Lagos with the Spanish border.

Rail links

The railways have not been neglected either. Co-financed by the Cohesion Fund (over EUR 320 million out of a total of some EUR 400 million), the ‘Modernisation of the Algarve link’ is part of trans-Europe transport network (TEN-T) priority project No 8, the ‘Portugal–Spain–central Europe multimodal axis’, completed in 2004. The works were carried out in four phases corresponding to four sections totalling 339 km and also including station renovation. Renovation of the track foundation, route correction at certain points, the erection or modification of bridges (including the famous 25 April bridge in Lisbon), the removal of level crossings, line electrification and the modernisation of signalling and telecommunication systems now permit a journey time between Faro and Lisbon of just three hours rather than the previous four and a half hours. Jorge Rodriguez, regional signalling manager with the REFER, the Portuguese railways, explains the benefits of this in-depth modernisation: *‘In addition to the time savings, there is also greater safety, reliability and punctuality. Our variance from the timetable is now three minutes compared with the 15 or 20 minutes previously. Comfort has also increased greatly as the new quieter carriages have come into service, not to mention the ecological benefits of electrification.’* The result is a 30 % increase in passenger traffic, *‘but also a new, more dynamic image for the railways,’* adds Jorge. *‘You see more and more people working on the train with their laptop computers.’*

The second tourist revolution

Campos Correia, President of the Algarve Regional Development Coordination Committee (RDCC), sums up the regional strategy: *‘Our objective is to make the Algarve one of Portugal’s and Europe’s most competitive regions within the next 10 to 15 years. Improved transport systems are very much a part of our territorial action plan that has a number of aims. Firstly, to link the Algarve to the ‘backbone of Portugal’, which is effectively achieved with completion of the A2 motorway (to Setúbal, Lisbon, Porto) and modernisation of the Lisbon–Faro rail link. Then we must effectively link our region to Spain, which we are*

doing thanks to the 'Via do Infante', and ultimately provide a rail link between the Algarve and Andalusia. Finally, we must also develop local transport, such as surface metros within the regional conurbations of Lagos–Portimão–Lagoa and Loulé–Faro–Olhão, each of which has a population of between 100 000 and 200 000.'

Yet despite this very important and very visible effort in terms of infrastructure — and the undoubted pride in the progress made — concerns remain. *'We are at the crossroads and we must be sure to make the right choices,'* warns Antonio Mendes, director of Faro airport.

Built in 1965 and benefiting from European aid on several occasions to permit modernisation and expansion, today Faro is Portugal's number two airport in terms of passenger traffic (4.7 million in 2004). As Antonio explains, *'it is essentially an 'incoming' airport, an entry point for foreign tourists and people with a second home in the region.'* The property boom in the Algarve over recent years has made these second-home owners as numerous as the tourists. The airport's clientele, in terms of airlines as well as passengers, is therefore changing. Since 1999 there has been a marked decline in charter flights and an increase in the budget airlines. Users are also tending to avoid the tour operators and to make their own travel arrangements at the cheapest possible price. *'Apart from this change that we are seeing just about everywhere in Europe, we are having to face a much more serious difficulty: our tourism is nowhere near as competitive as it used to be. We are too expensive for the poor and not sophisticated enough for the rich,'* Antonio Mendes admits without hesitation.

The recent developments at Faro airport in fact apply to the Algarve as a whole. Everybody here agrees that tourism is and will remain for a long time to come the motor for the regional economy, but only on condition that it evolves to regain its competitiveness and establish its durability. And this despite the competition of international tourism, despite a coast that has been paved over too much for today's taste and despite the forest fires that have disfigured some areas renowned for their natural beauty, such as the Serra de Monchique.

The Algarve is in search of a 'second tourist revolution'. *'We must move up a notch, diversify our tourism with products with a high added value — as we have done with golf, which is a success — and make the tourism and leisure cluster a lever for other economic sectors based on knowledge and innovation,'* advises RDCC President Campos Correia, who cites, as an example, sailing and even top-level sports tourism, as offered by a world class development in Villa Real de Santo António.

Staying the course

As so often in Portugal, salvation could come from the sea. The 'Instituto Portuario e dos Transportes Maritimos' is the public body that manages the ports and maritime transport as well as inland navigable waterways — in the Algarve this is essentially the Arade and Guadiana rivers — for the whole of southern Portugal. Two main sectors of activity are involved: fishing and tourism. If they are to develop, the port zones must be modernised, adapted or even given a new vocation. The Institute's Managing Director, David Assoreira, explains: *'After 30 years of relative stagnation, we are noting a general deterioration of the port infrastructure, especially as we must now open up our ports to the public and allow residents, tourists, children and walkers to enjoy them. We therefore need to improve both the ports themselves and the port environment.'*

Olhão, the Algarve's leading fishing port, is undergoing major works to improve the approaches (laying out of green and leisure areas, signposted walks, etc.) and adapt infrastructure (dredging, replacement of the breakwater with other more effective forms of protection, new quays, landing stages, mooring areas and various equipment for fishermen and users of the pleasure port, restoration of the old covered market, etc.) for a total amount of nearly EUR 6 million, half of it financed by the ERDF. The fishing port of Logoa is also being revitalised, in this case with the emphasis on ship repair. With the boom in sailing, this is an activity that could grow considerably over the coming years. *'The Algarve shipyards have an important comparative advantage,'* explains David Assoreira. *'They combine quality and speed, and have the advantage of a climate that allows work to continue in the open air throughout the year.'*

Benefiting from promotional campaigns in North America for a number of years now, at the Miami Fair in particular, the port of Portimão has seen a boom in the cruise market. In 2002, 17 cruise ships stopped off at the port, rising to 28 in 2003, 36 in 2004 and 54 in 2005. By way of example, on 16 August 2005 a total of 5 000 passengers disembarked in the town! Portimão has much to offer with its picturesque port set amid a magnificent landscape that is very popular with yachtsmen, plus no fewer than 16 golf courses. It also conjures up images of the major Portuguese expeditions that set sail from nearby Sagres and it is sometimes possible for visitors to spend a few days at a luxury hotel before continuing their cruise. A US cruise company in fact owns a major hotel complex in the area.

Co-financed by the European Union, the dredging of the port and building of a new quay (165 m so as to provide room for three vessels at any one time) are essential if large cruise liners are to dock. The too frequent disembarkation at sea is not always practical, and 160 passengers in wheelchairs recently had to disembark from the liner *Legend of the Seas* in this way.

The Port Institute also has high hopes for the Algarve's two principal rivers: the Guadiana of course, but also the Arcade that is navigable as far as Silves. 'Salvaging the river's memory' will thus permit increased tourist interest in this former Arab capital of the Algarve. However, it is also necessary to promote nautical activities among young people and David Assoreira regrets the lack of training opportunities for maritime personnel in the region, with the exception of fishermen. *'This is indicative of an unfortunate situation: Portugal should and could further develop its maritime activities. That would be both a return to its roots and help strengthen its economic future.'*

Thus, at a time when it has all but overcome one of its major handicaps — the insufficiency and obsolescence of its transport infrastructure — the Algarve has new, more complex and more difficult challenges to face: EU enlargement, globalisation and the resulting continuous effort to boost competitiveness. Not that this is in any way daunting for the President of the Regional Development Coordination Committee. *'Growth and convergence require a long-term effort', stresses Campos Correia. 'One must persevere, always bear in mind one's long-term goals and engage in continuous self-assessment. Development has its highs and lows. What is important is to pursue one's path and to stick to the course you have set.'*

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