



EUROPEAN UNION

Delegation of the European Commission to Switzerland and to the Principality of Liechtenstein

Head of Delegation - Ambassador

European Tourism Policy – a short tour d'horizon

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Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

For Background information please consult pages 6 to 12 of this document.

Discussing the development of tourism is pleasant – especially in the nice setting of Lucerne, a major Swiss tourist destination - but certainly not trivial. I see tourism is an important expression of the European *way of life* and *welfare* and equally an *important economic activity* with a significant potential to generate sustainable growth and employment.

Every year, almost half a billion tourists – or half the globe’s tourist traffic – visit Europe, and six of the world’s top ten destinations are EU Member States when measured in terms of arrivals¹. The European tourism sector is made up of 2 million enterprises, mostly SMEs, and represents 4% of the Union’s GDP and labour force. If you add to the latter related sectors, this grows to 11% of GDP and provides about 12% of all jobs.

Tourism also plays an important role in the development of the vast majority of European regions. Tourism-related infrastructure contributes to local development, and jobs are created or maintained even in areas in industrial or rural decline, or undergoing urban regeneration.

Despite the crisis – because tourism is part of the European way of life – Europeans do not intend to forego their holidays as was revealed by a **survey**² done in February 2009 in all 27 Member States:

- **Most Europeans can finance holidays:** About 4 in 10 citizens who are planning to take a holiday in 2009 felt they will have sufficient funds (41 %), while almost as many (40 %) said that they would need to prioritize in their expenditures, but could still afford to go. 1 in 10 (11 %) said, they have serious financial problems that could have an impact on their holiday plans.
- **This attitude translates into 80 percent intending to go on holidays:** Only 19% were almost certain that they will not travel in 2009, which is significantly below the proportion of non-travellers in 2008 (32 %).
- **Discovering the home country is trendy despite that still a majority, albeit decreasing, intends to go ‘foreign’:** In 2009, 48 % of Europeans intend to spend their holidays in their own country, while in 2008 only 43 % did so.
- **Going “foreign” overwhelmingly means “European” – the traditional destinations remain trendy:** Europeans prefer to spend their holidays in traditional tourist destinations (54 %), while only 28 % would rather go “off the beaten track” to emerging destinations.
- **Traditional European destinations are Spain, Italy, France and Greece.** Spain, which was chosen by 14%, was already most popular in 2008 and dominates also the current plans made for 2009. It is closely followed by Italy (11.9%) and France (11.1%)

¹ http://www.unwto.org/facts/eng/pdf/barometer/unwto_barom07_2_en_excerpt.pdf

² http://ec.europa.eu/enterprise/tourism/index_en.htm

- **Why?** 31 % of the EU citizens indicate that local attractiveness is the major reason when choosing holiday destinations, followed by cultural heritage (24 %) and entertainment possibilities (15 %). Furthermore, 33% of Europeans are geared towards quality and prefer value for money over “low price” only (16 %). Thus, it is not just money, but even more culture and quality, both assets to build on.
- **Europeans remain individualistic and use the internet:** The number of persons who organise their main holiday themselves in 2009 is set to increase to 56% where **internet** is an often used method, perhaps not so good news for the representatives of travel bureaus who will have to adjust to the new behaviour of the travellers to keep or gain them as customers. Even Asian travellers become more individualistic and less hooked on package tours.
- **No risk taken with the weather:** half of the EU citizens take holidays in July and August; only 23% said they would save money by travelling during the low season. Inviting more tourists to **off season holidays** in the interest of better use of hotels and infrastructure, to avoid traffic congestion and the like remains a challenge.
- **Summer preferred over winter:** 42% indicate that they would first give up winter holidays if their finances were not sufficient to meet their total holiday plans.

Which conclusions to draw?

First, I think this survey is good news, since its results confirm the robustness of the European tourism industry. This should encourage actions which take into account the more limited budgets available. Secondly, I can imagine that one of the effects of the present crisis could be that more Europeans would choose to spend holidays not far away from home in Europe and therefore contribute to the European tourism industry. The trend to ever cheaper transportation seems to be broken, the need to fight climate change and the consciousness about the sustainability of human behaviour, including in tourism, have moved up the value ladder. If you add to these newer developments the aging of our societies – at one point in life mobility decreases because of physical health reasons – regional tourism gets another boost, although grey panthers are still travelling cross continents because of the improved medical care.

Such a change of behaviour could impact on one of the European growth potentials: Let me give you an example: Currently only about 2 percent of the Chinese population – this translates roughly into 26 million persons - travel abroad, mostly to neighbouring countries. As this percentage is likely to increase because of the economic development in China and other emerging markets, there could be tremendous economic opportunities. If these opportunities are not curtailed by a change of behavior, Europe will not be alone to reap them. Europe must be prepared to face the competition of those who cater for persons from emerging markets, culturally, linguistically – not only in terms of service but also in terms of medical care.

Europe is still lucky - Europe can build on comparative advantages which make it in itself a very attractive tourism destination: A unique historical heritage, an incomparable

geographical concentration of attractive places, a great variety of landscapes, cultures and languages. Nevertheless, more efforts will be needed to make use of these advantages, to make them felt: the local touch will have to come from locals. This is not an argument against foreigners in the sector, but an appeal to ascribe to everybody the appropriate role. One also should remind oneself from time to time that *traveling* as opposed to *tourism* implies more: more engagement than consumption, more contact and more personal experience instead of city-bus tours only, more going local than sterile atmosphere provided by international chains or package tours. *Thomas Fuller* expressed this clearly in 18th century plain language, “*If an ass goes traveling he will not come home a horse*”.

Europe has quality service and high quality service. However, having lived and worked in Asia for more than a decade, I can appreciate the personnel intensive friendly caring of service staff even if the productivity obviously is not so high.

I have already mentioned the independent traveler and the importance of the internet – again talking from personal experience in many European business or resort hotels: There is need for improvement as the young are hooked on the net and many managers cannot live without it, even during holidays. Unreliable service or unjustifiably high service charges are counterproductive.

How can therefore tomorrow’s European tourist product look like? It will have to be a product that embraces innovation in order to respond best to consumers' needs, a product that meets the highest quality standards, and a product that is as environment friendly as it can possibly be. A tourist product that is a brand of European values.

This and a common strive for excellence and nothing else will guarantee European competitiveness in the future. Europe will always be more expensive than most of the other destinations in the world. This is an economic logic which is difficult to challenge. Europe must provide value for money which will convince both Europeans and non-Europeans to spend holidays in Europe and to come again.

In order to achieve this competitiveness European tourism will have to build on synergies between the development of a competitive economic product and its long-term sustainability.

This will not be smooth and may sometimes require short-term trade offs. However, those destinations which have neglected environmental concerns in the past, suffer from this neglect today, even twice. The local people suffer first, from environmental degradation and second, from the absence of tourists who move to ‘greener’, more sustainable destinations. Therefore, finding the right balance between the protection of the environment and the development of a competitive economic activity based on tourism remains a difficult task and needs well trained professionals to handle. A challenge taken up by the Institute of Tourism of the University of Lucerne.

However, planned with foresight it will be possible to turn these trade-offs into synergies. Preventing any economic activity for the sake of environmental protection would be as

short-sighted as any uncontrolled development leading to a destruction of the assets that create strong economic growth potential.

Are you wondering what is the role of the EU in all these activities? Should tourism not be left to Member States?

In principle yes – European states are competitors in the field of tourism and this will remain so. However, there are many common areas: European culture, lifestyle, history and its diversity make *‘Europe’* a destination. Again, if you have spent some time in Asia or the Americas, you understand this holistic view of *‘Europe’* much better – and I shall not dwell on the need to find common solutions to common problems like cleaning the Mediterranean to give just one example. The EU contributes to making *‘Europe’* a more accessible destination, for Europeans and non-Europeans alike. It shall suffice to mention the freedom of the movement of persons and the Schengen area – I hope Switzerland will not risk anything in the context of the biometric passports; the facility of the use of the Euro – also readily accepted in Switzerland; the trans-European transportation networks; the European Single Market including aviation; common security norms like the black list of banned airlines within the EU³... Furthermore, promoting sustainable tourism has become part of several financial instruments of the EU in the area of regional policy, rural development policy, the sustainable development of coastal areas or the various policies to assist SMEs.

Last but not least, Commissioner *Viviane Reding* was fighting hard and successfully to reduce considerably roaming fees in the EU when tourists call home during holidays. Talking about the telephone: 112 is the European wide emergency number, we still wait for Switzerland to join in.

All this is attempted through activities to support, coordinate or supplement actions, through events to share knowledge and develop best practices, not through imposing new regulations. All that with the basic objective to promote the competitiveness of European tourism undertakings. The project **“European Destinations of Excellence”**⁴ helps to enhance visibility of lesser known European tourist destinations.

This short *tours d’horizon* should have increased your appetite, not only for the main course, but also to actively take up the challenges of the European level, to reach synergies of actions together to increase their effectiveness while having in mind that not only all politics is local, but that there cannot be any tourism, any travelling, without locals.

³ http://ec.europa.eu/transport/air-ban/pdf/list_en.pdf

⁴ http://ec.europa.eu/enterprise/tourism/major_activities/eu_tourist/second_phase/eden_winners_2008/index_en.htm



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Background information

World Tourism Forum, Lucerne, April 22-23, 2009

Current and future EU tourism initiatives – a short overview

1. Introduction

European tourism policy has seen a number of evolutions in recent years. In 2006, the Commission embarked on a new drive to promote a renewed EU tourism policy in the context of the *Lisbon Strategy*⁵, with a Communication entitled '*Towards a stronger partnership for European tourism*'⁶. This sought to improve the competitiveness of the European tourism industry and create more and better jobs through the sustainable growth of tourism in Europe and globally.

In October 2007, the Commission launched its '*Agenda for a sustainable and competitive European tourism*'⁷ which calls on the European Commission and all tourism stakeholders in Europe to promote the sustainability and competitiveness of European tourism.

To take appropriate action and develop the right policy mix requires an accurate picture of the sector – and that picture is made up of numbers and statistics. For this reason, the Commission is co-operating with Member States to develop standard indicators to measure the socio-economic and environmental impact of tourism. There is already an *EU Directive in place (95/57/EC)*⁸ which governs Member States' action in collecting tourism-related statistical information. This is currently being updated to take account of recent sectoral evolutions and the needs of its users.

In addition, so-called tourism satellite accounts (TSAs) are also being promoted in Member States. TSAs provide a statistical accounting framework which allows valid comparisons between countries in a consistent manner.

⁵ http://ec.europa.eu/growthandjobs/index_en.htm For earlier communications see:

http://ec.europa.eu/enterprise/tourism/documentation/communications/index_en.htm

⁶ <http://europa.eu/scadplus/leg/en/lvb/n26107.htm>

⁷ http://ec.europa.eu/enterprise/tourism/documentation/communications/commission_communication_2007/index_en.htm

⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31995L0057:EN:HTML>

Looking ahead and in recognition of the European dimension of tourism, the **Treaty of Lisbon** will –once ratified by all – task the Union "to support, coordinate or supplement the actions of the Member States".

2. Follow-up of the Bordeaux meeting of EU tourism ministers (2008)

As announced by the Vice-President of the European Commission, *Günter Verheugen*, at the *European Tourism Forum 2008* in Bordeaux⁹, a **Flash Eurobarometer Survey**¹⁰ was undertaken in February 2009, based on 27 000 randomly selected persons in all 27 Member States.

The survey was the first extensive survey done by the European Commission, offering to all tourism stakeholders a wealth of information, presented analytically by country and demographic categories. It concentrated mainly on aspects such as:

- general information on European tourists' behaviour patterns
- information about changes in tourism spending (with a view to the current economic situation)
- European tourists' preferences for specific types of destinations (especially emerging ones)
- outlook on holiday intentions of European citizens for 2009.

The most important findings are encouraging for the European tourism industry, despite the current crisis:

- **Discovering the home country is the trend:** In 2009, 48 % of Europeans intend to spend their holidays in their own country, while in 2008 only 43 % did so.
- **Most can finance holidays:** About 4 in 10 citizens who are planning to take a holiday in 2009 felt they will have sufficient funds (41 %), while almost as many (40 %) said that they would need to prioritize in their expenditures, but could still afford to go. 1 in 10 (11 %) said, they have serious financial problems that could have an impact on their holiday plans.
- **80 percent intend to go on holidays:** Only 19% were almost certain that they will not travel in 2009, which is significantly below the proportion of non-travellers in 2008 (32 %).
- **However, the individualist prefers known ground:** Europeans prefer to spend their holidays in traditional tourist destinations (54 %), while 28 % would rather go "off the beaten track" to emerging destinations.
- **Known ground** covers Spain, Italy, France and Greece. Spain, which was chosen by 14%, was already most popular in 2008 and dominates also the current plans made for 2009. It is closely followed by Italy (11.9%) and France (11.1%)

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http://ec.europa.eu/enterprise/tourism/events/european_tourism_forum/european_tourism_forum_2008/index_en.htm

10 The results of the Flash Eurobarometer are on the website of the Tourism Unit of DG Enterprise at: http://ec.europa.eu/enterprise/tourism/index_en.htm.

- **Why known ground?** 33% of Europeans are geared towards quality and prefer value for money over “low price” (16 %). 31 % of the EU citizens indicate that local attractiveness is the major reason when choosing holiday destinations, followed by cultural heritage (24 %) and entertainment possibilities (15 %).
- **No risk taken with the weather:** half of the EU citizens take holidays in July and August; only 23% said they would save money by travelling during the low season.
- **Summer preferred over winter:** 42% indicate that they would first give up winter holidays if their finances were not sufficient to meet their total holiday plans.
- **Last minute remains an option:** 28 % of EU citizens are still undecided about their type of vacation (both duration and destination).
- **Europeans remain individualistic and use the internet:** The number of persons who organise their main holiday themselves in 2009 increases to 56% where **internet** is an often used method.

In addition, the Tourism Unit of DG Enterprise commissioned the realisation of a **study on the competitiveness of the European tourism industry** whose draft final report should be available by July 2009. The main goal of the study is to assess the competitiveness of the European tourism industry and identify existing barriers that might hamper the competitiveness of the sector in Europe with a view to formulating a strategic outlook for the medium and long term for the EU tourism industry and proposing possible actions for the industry and policy makers to enhance the competitiveness of the sector in the short and medium long term.

2. Follow-up of the “Agenda for a competitive and sustainable European Tourism”

2.1. European Tourism Forum (ETF) 2009

The *European Tourism Forum 2009* will be organised in Brussels.

The main discussion topic(s) are still open for discussion with the Multi-stakeholder Steering Committee, but will probably focus on the situation of the ***EU Tourism sector in/after the economic crisis***, on the basis of the results of the previously mentioned surveys and Tourism competitiveness study.

2.2. EDEN – European Destinations of Excellence¹¹

Launched as a pilot project in 2006, the initiative “European Destinations of Excellence” was transformed, in December 2007, into a preparatory action for a period of three years (until 2010).



The aim of the preparatory action is to draw attention to the value, diversity and shared characteristics of European tourist destinations and to promote destinations where the economic growth objective is pursued in such a way as to ensure the social, cultural and environmental sustainability of tourism. The measure will also help European citizens to become better acquainted with one another.

The aims of the preparatory action are to:

- enhance visibility of the emerging European tourist destinations of excellence, especially the lesser known,
- create awareness of Europe's tourist diversity and quality,
- promoting all European countries and regions,
- help de-congestion, combat seasonality, rebalance the tourist flows towards the non-traditional destinations,
- awarding sustainable forms of tourism,
- create a platform for the exchange of good practices at European level,
- promote networking between awarded destinations which could persuade other destinations to adopt sustainable tourism development mode.

Every year the decision about the theme of excellence is agreed between the Commission and the National Administrations in charge of tourism. The selection of one destination per each participating country is carried out at national level, with financial support provided by the Commission. The Commission establishes, in cooperation with the interested States, a set of general award criteria, while the participating countries adopt more specific selection criteria for the national selection procedures.

Further to the co-financing of the selection procedures in the participating countries, the Commission organises the Awards ceremony and invests in a variety of communication activities (EDEN logo pictured above, audiovisual material, promotional material) that are disseminated through the internet, pan-European media companies, the European Tourism Destinations Portal¹² and on the occasion of major events such as the European Tourism Forum.

In addition, the Commission encouraged the creation of the **network of EDEN destinations** with the aim of facilitating the creation of platforms for the exchange of

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http://ec.europa.eu/enterprise/tourism/major_activities/eu_tourist/second_phase/eden_winners_2008/index_en.htm

¹² The EDEN web portal www.edenineurope.eu is online since 5 December 2008.

good practices at European level and possibly of encouraging other destinations to adopt similar sustainable tourist development models.

First edition of EDEN (2006-2007): Rural Tourism - Sub-title “Best Emerging European Rural Destinations of Excellence” (eligible destinations contributed to the promotion of the local tourist offer through a better appreciation of the rural natural and cultural heritage).

Grants were provided to support the national selection procedures. 10 countries joined this pilot project: 9 Member States and 1 candidate country (Austria, Belgium (Wallonia), Cyprus, Greece, Hungary, Ireland, Italy, Latvia and Malta and Croatia).

Second edition of EDEN (2007-2008): Tourism and local intangible heritage - Sub-title “European destinations of Excellence: local intangible heritage” Eligible destinations are those which have developed a new tourism offer based on the appreciation of their specific local intangible heritage (such as for example, local cuisine or gastronomy, handicrafts, local arts, village and rural life).

Again grants were provided to support the national selection procedures. The number of participating countries doubled: 18 Member States and 2 Candidate Countries (Austria - Belgium - Bulgaria - Croatia - Cyprus - Estonia - Finland - France - Greece - Hungary - Ireland - Italy - Latvia - Lithuania – Luxembourg - Malta - Romania – Slovenia - Spain - Turkey).

Third edition of EDEN (2008-2009): Tourism and protected areas

In the framework of the third EDEN edition, the Tourism Unit received proposals from 22 countries¹³ which will select their destination of excellence for “tourism and protected areas” during the first months of 2009. As already done for the two first editions, diverse promotional activities will be organised (e.g. a special photo competition and a drawing competition on the issue of sustainability in emerging tourist destinations).

The topic selected for the **fourth edition (2009-2010) of the EDEN** is “aquatic tourism”, whereas the **fifth EDEN edition (2010-2011)** will be devoted to “tourism and the regeneration of physical sites”.

2.3. The Network of European Competitive and Sustainable Tourism Regions (NECSTOUR)

This network, created originally in November 2007 by the regions of Tuscany, Cataluña and Provence-Alpes-Côte d’Azur, was officially launched on the occasion of a conference organised in Marseille on 30-31 October 2008. Further 26 regions from the Mediterranean, Northern and Eastern Europe have joined the network since its creation and subscribed to its statutes in the Marseille meeting.

¹³ The Netherlands participates in the third edition of EDEN, however without EU financial support.

One important issue in concerns the establishment of a set of indicators which could be used in order to have a kind of assessment and monitoring of sustainability at destination level in Europe. The use of these indicators could be proposed also to the EDEN destinations.

Two NECSTOUR conferences are planned in 2009, one in South-West England (17-18 June) and a second one in Florence (November).

2.4. Knowledge networks for the competitiveness and sustainability of European tourism

In 2008, for the first time a call for proposals on “Networks for the competitiveness and sustainability of European tourism” was published. The aim of the call was to support joint actions between different kind of stakeholders (tourism SMEs and micro-enterprises, universities, research institutes and public or private observatories, organisations) that promote the creation of an environment favourable to small and micro enterprises and to their co-operation on sustainability issues.

Fourteen proposals have been submitted, out of which three have been chosen for financial support.

In 2009, the call for proposals was re-published at the end of March in the same framework for a higher budget (800.000 EUR for 2009 in comparison to 300.000 EUR for 2008) and with a higher co-financing rate (75 % for 2009 in comparison to 50 % for 2008). The deadline for submission of proposals is 30 June 2009.

2.5. New preparatory actions: Social Tourism and Iron Curtain Trail

End of 2008, the European Parliament adopted two new preparatory actions for which the Tourism Unit will have to ensure the implementation in 2009-2011.

The first preparatory action concerns **Social Tourism** and has a budget of 1 million EUR for 2009. One of the main objectives envisaged for its implementation is the establishment of a mechanism enabling particular target groups (senior citizens, young people and families facing difficult social circumstances) to go on holiday on the basis of themed programmes and accommodation offers recommended by public authorities (national, regional or local) following initiatives from stakeholders that include charitable organisations, parishes, unions, social partners, cooperatives or any not-for-profit association.

The second preparatory action concerns the **Iron Curtain Trail** to which a budget of 300.000 EUR was allotted. This action aims at promoting trans-border sustainable bicycle and train tourism networks as well as highlighting the importance of the Iron Curtain Trail with regard to commemorating common history.

2.6. Member States' annual Reporting on Tourism

Future annual reports by Member States will be used to facilitate the exchange and the dissemination of information also about how policies and actions at Member State level safeguard the sustainability of tourism. The Commission has also kindly requested Member States to include in their reports also information on specific programmes and projects undertaken for tourism in order to tackle the issue of the current economic situation. Reports are due by 23 April 2009.

2.7. Conference on Tourism Industry: Employment and Labour market challenges in Prague (June 10-11, 2009) ¹⁴

The current draft programme of the Conference organised by the Czech Presidency in cooperation with DG Enterprise foresees panels on Trends in tourism labour market development, labour environment, job profiles, skill-needs; How to change an image and improve the competitiveness of jobs in tourism services; European Social Tourism.

3. Preparation of a Multi-Annual Programme for a European competitive and Sustainable Tourism 2011 – 2013 (MAPECST)

In order to have a better coordination of all the financial instruments and initiatives that the DG Enterprise has been managing lately and in order to guarantee their continuation, it is envisaged preparing a multi-annual programme for tourism allowing an even more structured coherent and coordinated intervention of the Commission. Such a programme would allow a better organisation and implementation of tourism initiatives, especially continuing those already mentioned above.

4. China Initiative

The forthcoming Partnership and Cooperation Agreement (PCA) EU – China, also includes an article on tourism. Amongst others, this article envisages increasing the tourism flows between China and the EU, after a meeting with the Chinese Tourism Authority in September 2008, which will be followed - up later this year.

5. Regular update of banned airlines within the EU and passenger rights

The Commission strives to implement effective aviation safety standards through a regularly updated list¹⁵ of airlines banned in the EU in the interest of European citizens. Furthermore, enforceable passenger rights were developed on a European level¹⁶.

¹⁴ <http://www.eu2009.cz/event/1/827>

¹⁵ http://ec.europa.eu/transport/air-ban/list_en.htm

¹⁶ http://ec.europa.eu/transport/passengers/air/air_en.htm