



EUROPEAN TOURISM DAY

BRUSSELS, 28 NOVEMBER 2017

DISCUSSION PAPER

SESSION 1: FUTURE TOURISM PRIORITIES AND AREAS FOR INVESTMENT AT NATIONAL, REGIONAL AND EUROPEAN LEVEL

BACKGROUND

Tourism represents one of the fastest growing economic activities with extensive impact on growth, social development and employment. In 2016, Travel & Tourism contributed overall with 10.2% of GDP and 24 million jobs to the EU economy. Moreover, the EU, with 499.6 million international tourist arrivals in 2016, continues to be the world's first tourism destination.

Despite this positive trend, the EU tourism sector faces important challenges which should be addressed in order to keep the EU's leading position in the global tourism market and enhance the competitiveness of the industry.

One of the main challenges is the increasing competition from emerging destinations in other continents. This inevitably results in a slower average growth rate for the EU (2.1% by 2025) in comparison to the world market average (3.5%).

In addition, travellers' expectations have been evolving at a fast pace and so has been the structure of the visitor economy under the impact of the digital shift. This requires continuous reskilling and upskilling for tourism professionals.

Moreover, the sector needs to address megatrends such as the shift to low-carbon economy, the adaptation to new technologies, which have started transforming supply and demand, as well as ensuring a balance between travel mobility and security concerns.

WHAT HAS BEEN THE RESPONSE TO THESE CHALLENGES AT EU LEVEL?

Through its policy initiatives and actions, the European Commission has focused on the following priority areas, within its competence and subject to the principle of subsidiarity (Article 195 TFEU):

- Improving the business environment and enhancing investment in the tourism sector, including through facilitating regional cooperation and public-private partnerships and raising awareness about smarter use of EU financing opportunities;
- Boosting digitalisation and the use of online marketing and distribution tools within the tourism industry to meet new trends and cater for evolving consumer expectations, including recent initiatives on Collaborative Economy and the Digital Single Market;
- Enhancing skills and competences in order to improve career in the tourism sector, support the industry to find and retain professionals responding to an evolving labour market, through the Blueprint for sectoral skills cooperation under the New European Agenda for skills.
- Raising the profile of Europe/the EU as a tourism destination and supporting the internationalisation of EU tourism businesses with the aim to attract more tourism flows to Europe, particularly from key third countries' source markets.

The recently adopted New Industrial Policy Strategy brings together all existing and new initiatives into a comprehensive strategy and clarifies the tasks ahead for all actors in priority areas such as skills, innovation and digitalisation, circular economy, sustainable finance, etc.

1. <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2017/europeanunionlcu2017.pdf>

EU FINANCING INITIATIVES FOR TOURISM

Whereas there is no dedicated EU budget line, support for tourism projects and investments are possible under different EU programmes: the Programme for the Competitiveness of Enterprises and SMEs (COSME), Horizon 2020, and the European Structural and Investment Funds (ESIF).

In addition, the European Fund for Strategic Investment (EFSI) set up in 2015 as part of the Investment Plan for Europe, provides financing in the form of loans, guarantees, risk capital, equity payment, etc., both to large-scale infrastructure development and SMEs' investment projects, also in the tourism sector.

Under COSME, EU support has taken the form of co-financing of, amongst others, transnational thematic tourism products, emerging destinations of excellence (EDEN), the consolidation of an EU knowledge basis and support to tourism SMEs' access to third countries' markets, as well as the promotion of Europe as a destination.

The main bulk of support comes under cohesion and regional development policy, where tourism-related investments can feature under horizontal objectives, such as, among others, innovation and digitalisation, energy efficiency, capacity building, etc.

SUBJECT OF THIS DISCUSSION

Attracting more investment in tourism will remain a priority in the EU and its Member States. It is therefore important to reassess the main challenges and opportunities for EU tourism and identify the priorities for future support and investment from public and private sources at EU, national, regional and local level.

Policies and actions at EU level bring an important added value by providing economies of scales, addressing cross-sectorial challenges and offering replicable solutions, but also by facilitating exchange of experience and best practice. Moreover, they are complementary to policies at national, regional and local level, which address sector-specific priorities at destination level. Effective policies and actions that boost investment in tourism help the industry to fully exploit the financing opportunities and direct investment to the evolving needs of the sector.

The objective of this panel is to exchange views on the main challenges and opportunities for EU tourism for 2025 and to identify priorities and needs for investment in the sector for the upcoming years at EU, national, regional or even local level. The discussion will address the conditions for successful investments in tourism, will highlight best practices and lessons-learned and will help to outline the building blocks of efficient tourism policies at EU level.

DISCUSSION POINTS

- What should public authorities and the industry need to take into account to identify and address future investment needs?
- Which current tourism priorities will remain and continue to require EU investment in the future? What should be the nature of support/investment to best address these?
- What are newly emerged priorities and what type of policy support and investment will these require and at which level?
- Which could be the three key investment areas at EU level?
- What are the main barriers for boosting investment in tourism?
- What are the good policies and actions at different governance levels that boost investment? What are the conditions for successful investments and what are the lessons learned?
- What actions/investments can be useful as accelerators of global competitiveness of EU tourism?
- How can the EU level be complementary to the national level? How to work together?