



EUROPEAN TOURISM DAY

BRUSSELS, 28 NOVEMBER 2017

DISCUSSION PAPER

SESSION III: FUTURE PARTNERSHIP MODELS AND COOPERATION IN TOURISM

BACKGROUND

Tourism is the third largest economic activity in the EU after the distribution and construction sectors.

Tourism as an economic activity strongly relies on and has important spill-over effects to other sectors, such as transport, agro-food, retail, construction and creative industries. Taking into account its indirect and induced impacts, in 2016, the tourism sector contributed by 10.2% to the EU GDP and supported 26.5 million jobs, which represents a 1.6% growth from 2015¹. Moreover, EU destinations welcomed 499.6 million international tourist arrivals in 2016, which represents an increase rate of 4% on 2015².

This positive performance has been possible not only because of the increasing numbers of international tourists, but also thanks to crucial investment in infrastructure, transport, natural and cultural resources and the quality of services provided. Much of this investment was partly driven by the private sector, but also by public financing at EU, national and regional level.

According to the World Travel and Tourism Council (WTTTC), travel and tourism attracted 143 billion EUR of investments in 2016. This is expected to rise by 3.5% in 2017 and forecasted to rise by 2.8% over the next ten years to 194.9 billion EUR in 2027. Travel and tourism's share of total national investment is predicted to rise from 5.0% in 2017 to 5.4% in 2027.³

INTER-REGIONAL COOPERATION AND PUBLIC-PRIVATE PARTNERSHIPS

In line with the current Commission's policy priorities, the EU multi-annual financial framework has evolved towards satisfying horizontal priorities and ensuring sustainability of EU projects and investments. For this, it is considered as crucial to encourage public-private partnerships, cooperation between regions and further cross-fertilisation of complementary sectors. This can contribute to optimising the use of funding opportunities and financial instruments as well as maximise benefits.

In line with Commission's competences in tourism, EU policy actions in this area have been supporting cooperation between Member States, regions and with the private sector to maximise to economic and job-creation potential of tourism. Under the Programme for the Competitiveness of Enterprises and SMEs (COSME), over the period 2014-2016 the Commission has co-financed over 40 trans-national thematic tourism projects which give more visibility to and diversify the tourism offer. In addition, it has co-funded 33 partnerships which supported various forms of off-peak tourism, establishing cooperation between various tourism sub-sectors and other economic actors.⁴ In 2017, it will also support the set-up and activation of the first Joint-Public Private Promotion Platform which will be tested to promote Europe as a destinations through collaborative marketing and promotion activities during the EU-China Tourism Year in 2018.

1. <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2017/europeanunionlcu2017.pdf>
2. UNWTO World Tourism Barometer Jan 2017, European Union Short-Term Tourism Trends Report vol. 1 2017-1
3. <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2017/europeanunionlcu2017.pdf>
4. https://ec.europa.eu/growth/sectors/tourism/offer/seniors-youth_en

Under EU Regional Policy, the Interreg V programme supports 11 investment priorities contributing to the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth. The Smart Specialisation Platform (S3P) assists Member States and regions to develop, implement and review their RIS3 strategies, such as, innovation partnerships co-ordination between different stakeholders and between private and public actors of different governance levels.

To assist regions and the industry with more sectorial guidance and support, the Commission has created the Smart Specialisation Platform for Industrial Modernisation. The aim of this platform is to encourage the development of sectoral investment projects by using a mix of EU funding programmes and private investment. 70 regions across various sectors have already joined the platform and created 11 thematic networks, including one in tourism.

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. This form of financial support aims at enhancing public-private partnerships to improve the effectiveness of investment and long-term sustainability of the projects, as well as to enhance cross-sectorial and trans-regional/trans-national cooperation across the EU economy, including in tourism.

The recently adopted New Industrial Policy Strategy emphasises the shared responsibility, cooperation and ownership of the EU institutions, Member States, regions and the industry itself. It brings together into a comprehensive strategy all existing and new initiatives in priority areas such as skills, innovation and digitalisation, internationalisation, de-carbonisation, circular economy, sustainable finance, etc.

THE SUBJECT OF THIS DISCUSSION

In the tourism sector public – private partnerships and cooperation between different government levels and along the travel and tourism value chain already prevail and are fundamental for the functioning of the sector. It is due to the implications of tourism as an economic activity on the destinations' environment and population, as well as the transversal nature and spill-over effects of tourism on other sectors, but also to the evolving travelers' expectations and increasing interest in tourism experiences beyond the borders of a single destination.

Public-private partnerships and inter-regional and inter-sectorial cooperation along the travel and tourism value chain are becoming even more important in the logic of the current and possibly future multi-annual financial frameworks which prioritize fulfilling horizontal policy objectives and sustainability of investments. Reinforced cooperation can contribute to improving the use of public funding opportunities and financial instruments, leveraging them with private investments and amplifying their benefits.

The discussion of this panel builds on the debate of the previous panels and elaborates on how to boost investment including in tourism, a sector relying both on public support/subsides and private investment/entrepreneurship, through the right combination of public and private partners. The panel will showcase already successful public-private partnership and inter-regional cooperation models and deliberate on how these partnership and cooperation models may evolve in the future based on current trends and forecasts.

DISCUSSION POINTS

- What partnership models are best to make the most out of public investment at EU, national, regional and local level?
- How to maximise the benefits of public-private partnerships and cooperation between regions and between public authorities at national, regional and local level?
- How could successful partnership models address the most common challenges tourism faces, i.e. the changing travellers' expectations and the need for businesses to adapt to these and the technological and digital revolution as well as the impact on local communities?
- How could EU, national, regional and local public policies facilitate these partnerships and cooperation models? What is the role of the industry and other stakeholders?
- How will current partnership and cooperation models evolve in view of current trends and forecasts?