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MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Competitiveness and Growth (Tourism)
Subject:	The importance of Tourism for the EU (ETOA - European Tourism Association - Powerpoint presentation - Compicro WP 06.03.2019)



European Council Working Group on Competitiveness and Growth - Tourism

Brussels, 6th March 2019

***Tim Fairhurst,
ETOA - European Tourism Association***



ETOA - working for tourism since 1989

- 1100+ members: 25% buyers (EU and non-EU), 75% supply-chain, destinations, partners
- Brussels and London (founded in London 1989 when it was primary gateway)
- Commercial and non-commercial: workshops, seminars, briefings, support
- Policy priorities: visas, tax, package travel, sustainability, destination engagement
- Working groups and partners at EU, national and local levels



NET and Tourism Manifesto

- **NET:** informal group of large private sector travel trade associations
 - Recent focus on Schengen Visa Code reform
 - <http://net-tourism.eu/>
- **Tourism Manifesto:** sector-wide forum of organisations and businesses
 - Current focus on budgetary provision having maximum impact
 - <https://www.tourismmanifesto.eu/>



The good news: there is consensus on priorities

- **Competitiveness**
 - Good governance, with effective, smart regulatory framework and good data
 - Fully functioning and integrated single market
 - A holistic, cross-sectoral strategic plan
- **Sustainability:** economic, social and environmental
 - Destinations remaining appealing and viable places to live, work and visit
 - Value-adding should be encouraged



Tourism's significance in EU economy

- 10.3% GDP, 27.3 million jobs, €400BN exports: SME and micro dominated
- The sector is resilient; increasingly so if we respond intelligently to crises
- Celebrates and supports diversity of European culture and place
- Unlimited potential as a non-extractive industry
- High impact: it is experienced locally by both residents and visitors



Risks: policy response vs. rate of change

- **Package travel:** PTD1 drafted in 1980s; PTD2 in effect since mid-2018 and out of date
- **Visa policy:** the Commission's 2014 visa proposal withdrawn in 2017: loss meanwhile
- Current proposal better, but still very uncompetitive: risk of complacency
- **Tour Operators Margin Scheme (TOMS)**
- We're still reviewing meaningful reform to 1970s legislation: change requires unanimity
- **Development of platform-driven business:** how to manage?
- **Public sentiment about tourism:** knowledge and perception matter



Risks: good governance

- Strategic cross-sectoral approach is rare, at any level
- Multiple layers of competence add complexity
- Reconciling stakeholder interests is problematic, especially at local level
- Sustainability requires long-term, evidence-led policy for growth and mitigation



Summary of recommendations

- EU-level analysis of strategic needs at destination level
- Address competitiveness and single-market concerns
- Visas, tax and value-adding within the EU, cross-border services
- Develop a new dynamic within joint competence arrangements
- Adequate recognition, resources and coordination at EU level
- Avoid over-prescription
- Agree what success looks like



Thank you for your attention

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