



EUROPEAN UNION

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

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European Tourism Policy – a short tours d'horizon

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

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 although the decreasing majority 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 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 and given that it 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 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. It 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 professionals to handle.

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, events to share knowledge and develop best practices, not through imposing new regulations 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 desert, 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

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