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REPORT FROM THE COMMISSION

TO THE COUNCIL, THE EUROPEAN PARLIAMENT AND THE ECONOMIC AND SOCIAL COMMITTEE

ON

COMMUNITY MEASURES

AFFECTING TOURISM

(COUNCIL DECISION 92/421/EEC)

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## I. INTRODUCTION

The Council, in its Decision 92/421/EEC of 13 July 1992,<sup>(1)</sup> has confirmed the appropriateness of undertaking actions on tourism at Community level in order to strengthen the horizontal approach to tourism in Community and national policies and develop specific measures for promoting cross-border cooperation between all the players, both public and private, in the various sectors affected by tourism.

Article 5 of the Decision provides that:

"Every year from the date of adoption of the action plan, the Commission, in a report to the European Parliament and the Council, shall evaluate the Community's activities which affect tourism."

Previously, the Commission in two communications submitted in 1992, before the adoption of the Council Decision, had presented an inventory of Community measures to assist tourism.<sup>(2)</sup>

This report is the first to be drawn up in compliance with Article 5 of the Decision; it sets out the measures taken by the Commission up to December 1993 in each area of Community activity concerned.

For each area the background and the priority objectives of the Commission's work are given, in order to show more clearly the thinking behind them and the anticipated impact on tourism.

The account given of the activities is largely descriptive in nature. As laid down in Article 6 of the Council Decision, the Commission is to submit an evaluation report on the measurable results of the implementation of the action plan to assist tourism, in relation to the objectives set, before 30.6.95.

The specific characteristics of each Community measure and objective affecting tourism are highlighted, together with any Community financial resources which have been or are to be allocated.

The report thus aims to provide a consolidated overview of the wide range of Community measures affecting tourism, many of which fall under Community policies and programmes outside the immediate scope of Decision 92/421/EEC.

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(1) OJ No L 231, 13.8.1992, p. 26.

(2) SEC(92)701 final and SEC(92)702 final, 27.5.1992.

## II. THE PLACE OF TOURISM IN THE COMMUNITY

### I. THE IMPORTANCE OF TOURISM FOR THE EUROPEAN ECONOMY

Tourism is a complex social and economic phenomenon which, in Europe, involves many millions of individuals as both the users and providers of a variety of services designed to meet the diverse needs of tourists.

Tourism, which by definition means that the individual is moving outside his usual environment, entails meetings between communities, peoples and societies.

Accordingly, the added value it provides is widely acknowledged as extending far beyond the purely economic aspects, which are, however, particularly important.

Tourism is both a particularly effective way of bringing together individuals and the cultures of which tourists are ambassadors and representatives, and a balanced means of affirming European identity through tourists and local populations meeting each other.

Tourism influences, and is in turn influenced by, the social, economic and cultural context in which it takes place.

While the precise extent of its economic importance is difficult to assess, studies agree that tourism is of great importance both at European and at world level.

According to the preliminary forecasts for 1992 by the World Tourism Organisation (WTO), the travel and tourism industry maintained its rate of growth despite the worldwide economic recession.

Average annual growth of 3.7% is forecast up to the year 2000.

With 60% of visitors and 53% of revenue, Europe is the world's main driving force in international tourism, even though between 1970 and 1992 it lost 10% of its market share to new tourist destinations in third countries. Although in 1992 Europe reversed the downward trend of the previous year, the rate of growth in visitor numbers (around 3.5%) is the smallest among the world's regions. This calls for a joint effort to renew the impetus of tourism to the "old continent".

National tourism demand and consumption remains significantly greater than that for international tourism in most Community countries, thus contributing towards greater integration within each country.

At the same time, by contributing positively to the balance of payments, tourism accounts for a quarter of Community exports to non-member countries in the service sector.

Tourism represents one of the Community's main sources of income, accounting for an estimated 5.5% of GNP. The percentage is almost double in Spain and France, and above the Community average in Greece, Ireland and Portugal.

Tourism is characterised by a marked trend towards concentration, which is a reflection of its uneven development between countries and regions.

Tourism is clearly much more important for some countries than for others, as regards both income and expenditure. France is top of the income table and achieved appreciable growth in both 1992 and 1991.

Germany has by far the highest level of spending, with almost a third of the Community total, and growth three times the Community average. Nevertheless, Portugal and Spain have the highest growth, their expenditure on tourism abroad having increased by 18.6% and 9.7% respectively between 1991 and 1992.

While the impact of tourism on employment is difficult to assess, it is clear that its contribution is substantial. It is estimated that tourism activities account for 9 million jobs in the Community, and that jobs directly related to tourism activities and products represent around 1% of the total number of jobs in the Community.

Besides the jobs directly related to tourism, those created outside the industry in its narrow definition also need to be taken into account.

The structural flexibility and, in some cases, even the fragility of this segment of the job market may explain its strong attraction for women and young people, often providing a first employment opportunity.

In the same way as in the service sector generally, which employs six people out of ten in the Community, a high proportion of those working in tourism are women, the figure ranging between 45% and 65% depending on the country.

Another special feature of tourism activity, namely the seasonal nature of employment, also varies greatly according to the different areas of work: it is less marked in cafés, restaurants and travel agencies, more so in hotels, and particularly pronounced in holiday villages and open-air facilities.

Slightly less than half those working in tourism are employed in the hotel and catering trade, which accounts by itself for an estimated 4 million jobs. Of the 1.2 million or so firms operating in this sector, 95% are very small firms (with nine employees or less); 60% of those working in the sector work in such firms.

An additional aspect which demonstrates the vitality of tourism is its ability to generate major investment, not only in the industry itself but also in other areas of the economy.

The dynamic and diversifying effect of tourism activity, which always acts as a boost for other sectors of the economy, combines with the multiplier effect of investment in tourism.

With all these assets, tourism is regarded by the vast majority of Europe's regions as a major factor of economic development and often considered as an alternative to industries in decline.

As regards the development of less-favoured regions, tourism is seen as an important regional-planning instrument: it creates jobs, it stimulates the rapprochement of peripheral regions and it contributes to the preservation of the rural life.

Tourism's contribution to speeding up the economic growth of less-favoured regions is recognised as a factor which strengthens cohesion within the Community.



## 2. THE COMMUNITY'S ROLE

### 2.1 The context of Community action

Conscious of the key contribution which tourism can make towards achieving the objectives which the Community has set itself, the Commission, supported by Parliament and the Economic and Social Committee, has been working since the early 1980s towards giving this field its rightful place in the range of Community activities.

On the basis of the existing legal and institutional framework, where the Treaty of Rome does not expressly confer specific competence in tourism, concrete Community action to assist tourism really began with the Council Decision, based on a proposal by the Commission, declaring 1990 as European Tourism Year.<sup>(3)</sup>

This was the first opportunity to exploit the potential of tourism's economic and social importance, while establishing close relations between the public and private sectors throughout the Community.

The results of European Tourism Year,<sup>(4)</sup> Parliament's aspirations and the discussions held at informal meetings of the Ministers responsible within the Community<sup>(5)</sup> all suggested that the Commission should draw up an action plan to assist tourism.

The discussions which accompanied the decision-making process triggered by the Commission's proposal to the Council<sup>(6)</sup> reflected the considerable interest aroused by the subject and, in particular, highlighted:

- the diversity of views on what action the Community should take on tourism;
- the lack of transnational cooperation between decision-makers in the various fields of activity relating to and affected by tourism and between public authorities, economic operators, trade associations and consumers;
- the fragmented structure of the industry compared with other areas of activity;
- the falling competitiveness of the Community's tourism industry and the failure to exploit its potential sufficiently.

Given these facts, Community measures devised as part of a consistent overall framework to assist tourism in general cover a number of fields, respecting the principle of subsidiarity and incorporating genuine Community added value.

Firstly, solutions need to be found at the appropriate level to the problems of taking better account of the tourism industry, improving its operation and performance and the quality of its services.

(3) Council Decision 89/46/EEC of 21 December 1988, OJ No L 17, 21.1.1989, p. 53.

(4) Report by the Commission to the Council and the European Parliament on the European Year of Tourism, COM(91)95 final, 21.3.1991.

(5) In Milan in 1990 and Noordwijk in 1991.

(6) COM(91) 97 final, 24.4.1991.

Secondly, in order to increase the industry's competitiveness within the Community and on the world market, a medium-term approach is needed which promotes its growth while respecting the environment and the local populations affected.

The pursuit of these objectives must, however, incorporate the other measures and activities directly or indirectly affecting tourism, and above all those which are undertaken within the Community institutions.

Improving consultation within the Commission is the main concern of the inter-service group on tourism, which makes it possible to take stock of the various Community measures having an impact on this matter and to assess the degree of consistency achieved.

This instrument for cooperation between the various Commission departments, which supplements the standard internal consultation procedures, thus makes it easier to take the specific nature of tourism into account in all Community activities.

Measures envisaged must also be based on cooperation between the other administrative bodies involved in implementing them and provide extensive scope for the tourism industry in the Community and non-member countries in Europe to take part without creating any imbalances, particularly with regard to competition.

Against this background it has become clear that the Community's role within an overall framework to assist tourism must not take the form of heavy intervention but be aimed, primarily, at:

- developing tourism by promoting information and mutual exchanges between the different parts of the industry;
- coordinating tourism activities within the Commission and with the Member States;
- encouraging and, in certain specific fields, supporting innovative demonstration projects.

These objectives are reflected in the three-year action plan adopted by the Council in 1992<sup>(7)</sup>.

The plan provides for two types of measures:

- horizontal measures which will allow the Community to perform its task of providing information and promoting exchanges and coordination;
- specific measures which will allow it to act as a catalyst in certain fields of tourism activity.

To date this is the most significant measure launched at Community level on tourism.

Although the scope of the Commission's initial proposal was restricted by the Council, the consensus which emerged regarding joint action to assist tourism reflects the fact that it is recognised as playing an integrating and dynamic role and also reflects the need to work towards a balanced development of its potential through increased cooperation.

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(7) OJ No L 231, 13.8.1992, p. 26.

Since the adoption of the plan, the Commission has endeavoured to make it a proving ground where the various players in the tourism industry can exchange ideas and experience, develop joint projects and devise a common strategy for dealing with the problems facing European tourism in the medium term.

At the same time, the Commission is introducing a system for the ongoing monitoring of measures taken in this context so as to be able to assess the results of the action plan's implementation in relation to the objectives set.

With a view to extending Community activity to assist tourism beyond its experimental phase, the Commission is working from now onwards to encourage further general consideration of the specific nature of Community policy on tourism. This is being done with a view to the report which will be presented before 1996 for the attention of the Heads of Government of the Member States on whether the Treaty on European Union should expressly cover tourism.

## 2.2 Tourism in the main areas of Community activity

Tourism is a widespread activity, cutting across a large number of different sectors, on which it has an influence and by which, in turn, it is influenced. This fact has shaped the thinking behind the action plan and is clearly reflected in Community measures which, whilst being carried out under the heading of other policies and programmes, have a significant impact on tourism.

Tourism and its many components can benefit from financial assistance from the Community, which is in a position to stimulate the balanced development of its potential. The mobilisation of Community resources also encourages national public authorities and the private sector to provide complementary financial support.

The financial resources which have been or are to be allocated fall under three main headings:

- structural policies, which are financed predominantly by the various Community Funds;
- Community programmes and initiatives;
- Community measures.

However, the impact of Community action on tourism cannot be measured solely in terms of budgetary resources.

Legislative measures such as those required for completion of the internal market (abolition of physical, technical and tax barriers) or for protection of the environment have a direct impact on this sector.

In the third part of the report, this wide range of measures is analysed in detail in the light of their present or potential consequences for tourism.

The main Community measures affecting the tourist are those aimed at:

- making it easier to cross the Community's internal frontiers;

- improving information for tourists and their protection as consumers, and
- promoting tourism as a basis for social integration.

For enterprises which derive their main source of income from tourism, the harmonious development of the Community's economic activities depends primarily on:

- abolition of technical and legal barriers;
- safeguarding a competitive market;
- improving the environment in which firms, particularly small and medium-sized businesses, operate, notably by promoting transnational cooperation and the introduction of new technologies;
- matching the supply of labour with the demand for it, and
- developing a transport system which is efficient and environmentally friendly and reduces the isolation of peripheral regions.

### 2.2.1 Measures to assist tourists

#### Abolition of physical barriers

The Treaty of Rome confers on any national of a Member State the right to move and stay freely within the territory of a Member State other than that of his residence on simple presentation of an identity card or passport.

This is one of the first rights acquired by citizens of the Community as tourists.

However, it did not rule out police and customs formalities being maintained for persons crossing an intra-Community frontier. With the creation of the single market, based in particular on the abolition of physical barriers, such routine checks could no longer be justified.

Despite the significant progress made to ensure that persons can move freely within the Community, the full implementation of this principle has been somewhat delayed by the difficulties which some Member States are experiencing in working towards this goal.

The Schengen Group has restated its commitment to achieving the free movement of persons between its member countries. Although this will not be enough to achieve the free movement of persons throughout the territory of the Union, it will be a major step forward.

The other questions relating to the free movement of persons may be regarded as resolved, and thousands of tourists were already able to benefit from them in 1993. The abolition of the limits on goods which may be imported without payment of duty allows travellers within the Community to buy virtually unlimited quantities of goods in another Member State, and to bring them back to their country of residence provided that, over certain quantities, they can demonstrate that the goods have been bought for personal use. Checks are no longer carried out on the luggage of persons travelling from one Community country to another.

### Improvement of tourist information and protection

Tourists, like consumers of any other goods or services in the Community, benefit from the Community strategy of improving consumer protection through both horizontal measures and measures specifically designed to safeguard their rights.

The consumer who engages or is preparing to engage in tourism is potentially vulnerable because of the expectations which holidays arouse and the higher probability that he will have to cope with a variety of difficulties as a result of being outside his usual environment, especially if he goes abroad.

Consequently, Community action in this area is geared to establishing a core of legislation complemented and backed up by a number of information and educational measures aimed at increasing awareness of how important the "consumer" dimension is in the context of the single market.

The tourist plays a role in this of increased dynamism process prompted by the creation of the single market. He is encouraged to take full advantage of the new opportunities available and at the same time, makes an active contribution to the development of competitive markets.

The second three-year action plan for consumer policy adopted by the Commission in July 1993<sup>(8)</sup> will enable the "acquis communautaire" to be consolidated and, in certain key areas, consumer confidence in the single market to be increased.

However, to ensure that the range of problems encountered by consumers is well and truly taken into account by businesses and public authorities, there must be more dialogue and the organisation of more ongoing consultation between all the parties concerned.

This approach, already applied by the Commission when implementing the first action plan, will ensure that the solutions identified are always balanced.

### Tourism as a basis for social integration

The principles of social integration and solidarity are now among the determining aspects of the construction of Europe.

With the implementation of measures additional to those developed at national level, the Commission wishes to help eliminate the barriers and obstacles to the full integration of disadvantaged citizens who may not be able to benefit as easily from the new European reality.

If access to leisure activities, travel and tourism is made easier for groups of people who have difficulty in taking holidays for a variety of reasons, but primarily because of their health, tourism can promote their integration.

The resulting benefits are twofold: if their specific needs are taken into account, not only can these groups play a full and active part in social life but society as a whole is enriched by experiences which need to be recognised.

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(8) COM(93) 378 final, 28.7.1993.

## 2.2.2 Measures to assist enterprises

### Abolition of barriers

For businesses and workers in tourism, which have always been aware of the international dimension of their activity, the freedom to do business and provide services wherever they wish without discrimination as compared with other competitors represents an opportunity and challenge which makes them one of the groups most sensitive to the establishment of a genuine single market.

For tourism professionals, it may be considered that the legal conditions for the creation of a frontier-free area have been met, mainly as a result of measures to facilitate mobility by allowing experience acquired in the place of origin to be recognised in another Member State.

Although in general freedom of establishment seems to be guaranteed for tourism enterprises in practice as well, freedom to provide, or to be employed in, tourism services in another Member State must still be reconciled with problems linked to differences in the development of tourism occupations in each Member State. These differences relate to both professional profiles and rules of access to the professions.

For tourism activities, these difficulties are exacerbated by the wide variety of tourism occupations, all inevitably influenced by their local environment, and the rapid changes imposed by the tourism market in order to meet demand.

It is also worth remembering that tourism is often seasonal and sometimes secondary to another main activity, not necessarily in the same sector.

In line with the general approach laid down for Community action in this area, the Commission, although acknowledging the differences which exist between countries, has concentrated on approximation through the mutual recognition of diplomas rather than the standardisation of systems.

This approach is not yet being followed in all regions and the various sectors of tourism activity. It therefore seems necessary to make an extra effort to pinpoint the residual problems and to identify the instruments and level of action likely to provide the best results.

### Safeguarding a competitive market

The Commission's application of the competition rules to both business and state aid in the area of tourism helps to guarantee the harmonious development of the Community's tourist industry. This is confirmed by:

- the Commission's favourable attitude towards state aid for tourism, in particular when it relates to less-favoured regions or SMEs, and
- the thoroughness with which certain practices detrimental to competition, which are engaged in by large tourism groups or companies, are examined and, if necessary, result in legal sanctions.

In this area, SMEs may fail to insist on their rights either through lack of information or fear of the consequences. However, cooperation between businesses which feel they have been injured by such practices is proving to be a key element in safeguarding a competitive market.

### Improving the environment for firms and promoting their development

Tourism enterprises can benefit from all the measures carried out to promote a favourable environment for business activity in general and SMEs in particular.

Administrative simplification work or the prior assessment of the impact of Community legislation on firms enables them to develop their own activity free from disproportionate administrative burdens.

Of the specific services available to firms to improve their ability to adapt to the single market, tourism firms have shown particular interest in those information tools on the Community's activities and initiatives aimed at preparing managers for the single market.

Instruments which aim to encourage transnational cooperation between SMEs are vital to promoting the internationalisation of tourism enterprises and should be strengthened and developed further. As examples of such instruments, it is now possible to call on one of the six hundred members of the Business Cooperation Network to initiate a confidential search for a partner, or to set up a European Economic Interest Grouping (EEIG), a new legal entity for co-operation between firms, associations or individuals which may now be used in all Community countries and several sectors, including tourism.

The development of several international pilot projects aimed at introducing new technologies into tourism bears witness to the importance which the Commission attaches to this matter and to the considerable interest which businesses are showing in it, thereby encouraging the Commission to continue in this direction.

### Matching the supply of labour with demand

For activities in which human resources are the main factor of production, as is the case with tourism, investment in education and vocational training measures has an obvious direct impact on the quality of services and their competitiveness.

The Commission believes that it can make a significant contribution to cooperation between the Member States by adopting a consistent approach in these areas, by both supporting and complementing national policies. On an operational level, this implies the implementation of financial measures in support of the legislative principles laid down and in addition to those envisaged at national level, the aim being to make the mobility of professionals a reality and to improve the quality of training and diplomas in the Community.

This is the background to the education and vocational training programmes launched since 1987; the Commission is now engaged in reorganising them with a view to increasing their impact and ensuring that Community financial investment produces a better return.

### Development of transport networks

Like the destination, or the type of accommodation, the means of transport is an integral part of a tourist trip given that travel is fundamental to tourism.

This implies that means of transport must strongly affect tourist habits and therefore the commercial strategies of businesses offering tourism services within the strict meaning of the term (hotels, camp sites, leisure parks, etc.).

Tourist development areas are increasingly emerging around a communications network; sometimes new transport infrastructures give rise to new tourist facilities.

In supporting the development of an efficient and integrated European transport network, which at the same time takes account of environmental aspects, the Commission does not underestimate the implications of such an approach for tourism. It is striving to ensure that the necessary synergies are created by seeking to establish an increased level of dialogue between tourism bodies and transport authorities in the Member States.



### 3. DIRECT MEASURES FOR TOURISM

#### 3.1 Objectives and actions in 1992

The appropriations committed in 1992 were intended as an initial response to the objectives set out in the communication to the Council on a Community action plan to assist tourism.<sup>(9)</sup>

The operational budget for tourism in 1992 stood at ECU 5 642 000 and comprised two headings, one relating to measures in the area of tourism (ECU 4 892 000) and the other to the promotion of tourism (ECU 750 000).

More than 70% of the commitment appropriations were used by way of subsidies. They enabled additional public and private funds to be released in all the Member States for the implementation of projects with a high demonstration effect which, without the Community's assistance, would not have seen the light of day.

Community action has therefore been organised around three main priority objectives:

- improving knowledge of the area of tourism, its components and trends, and the dissemination of the results of analysis;
- developing cross-border cooperation between the various bodies involved in tourism (businesses, national and local public authorities, associations, etc.) in order to encourage the diversification of tourist activities and their development in harmony with the environment;
- promoting Europe as a tourist destination in the most promising distant third countries.

#### Results obtained and expected

First objective:

- Statistics

On the basis of continuing cooperation with Eurostat, and in the context of the implementation of Council Decision 90/665/EEC, within the limits of the available appropriations, this measure helps to improve the collection and distribution of tourism statistics at Community level and the definition of a reference framework for the establishment of comparable tourism statistics. The aim is to provide an information and decision-making tool which is vital for businesses, national administrations and the Community institutions. A more detailed analysis of this measure is given in chapter III, point 14.

Amount:

ECU 250 000

- Studies and dissemination of survey results

As a complement to the programme of studies launched in 1990, four studies have been carried out to provide detailed analysis data with the aim of improving the targeting of

(9) COM(91) 97 final, 16.4.1991.

Community action and evaluating the competitiveness of the tourist industry (in particular SMEs) throughout the Community. The survey is concerned with the impact of new technologies, the sector's structures from a microeconomic and macroeconomic viewpoint, and improving the quality of tourism services from the point of view of consumers.

The presentation of the results of previous studies at a major conference organised in conjunction with the Portuguese Presidency enabled an open and detailed discussion to take place between more than 200 experts on the various aspects of the sector and the Community's role in this area.

Amount: ECU 646 487

Second objective:

- Tourism and the environment

Because of the strategic importance of the environment and the need to take it into account when developing tourist activities, a call for proposals was made and 23 particularly innovative transnational projects were selected from the more than 300 proposals received.

Community appropriations are thus making a concrete contribution to applying and promoting the concept of "sustainable" development to tourism.

Amount committed: ECU 2 732 817

- Diversification of tourist activities

In order to respond to the many requests received from all the interests concerned, the Community has granted assistance, often nominal, to several dozen projects aimed at diversifying tourist activities and at pinpointing the impact of the single market in this area. The projects assisted have been selected on the basis of their ability to be transposed and used as models, and for the permanent nature of their expected effects.

Amount: ECU 1 206 991

Third objective:

- Promotion

Because of the limited appropriations set aside for the promotion of Europe as a tourist destination, two projects were selected on the basis of a call for proposals. The promotion methods chosen were targeted on the United States and Japanese markets. They set out to raise consciousness among tourism "opinion formers" in the two countries by means of "educational tours" geared to certain socio-professional categories (specialist press, opinion formers); the aim is to provide them with the knowledge needed to base future promotional activities on a direct approach to the market.

Amount: ECU 750 000

### 3.2 Objectives and actions in 1993

Since July 1992, the Community has for the first time had a Community action plan to assist tourism<sup>(10)</sup> scheduled over three years and with a budget of ECU 18 million.

The plan covers all aspects of tourism and sets out primarily to encourage a joint approach to the medium-term and long-term challenges of European tourism. Its purpose is also to improve the quality and competitiveness of the tourism services on offer in the Community and to increase awareness of demand and the extent to which the latter is satisfied.

To ensure that the tourism plan is well matched with measures already taken at Community level under other specific programmes and policies, it has three main components:

- efforts to take better account of tourism in Community policies and in the Member States;
- cooperation with representatives of the industry and various professional groups;
- support for the development of specific measures.

The first component is aimed at a better coordination of initiatives:

- with other Commission departments pursuing policies or taking measures which might have an influence on tourism, and
- with the Member States, in order to bolster their action in certain areas of tourist activity, to develop measures allowing the widest possible approximation of their policies or to provide them with the necessary general information on tourism so that their action can be better focused, and to encourage all forms of international exchanges on tourism.

The second component is to be implemented essentially on the basis of dialogue and coordination:

- with tourism professionals, so as to make more of the industry's economic and social importance, to ensure that its interests are better represented and to improve information within the industry itself on the various Community guidelines and measures with direct consequences on the way it functions.

The third component essentially takes the form of guidance measures which:

- ensure that tourists and professionals are better informed;
- support projects that can be used as examples and can be emulated in various regions of the Community, and
- generally improve the quality of tourism services.

Tourism promotion is the subject of special pilot measures involving the large-scale exploration and testing of far-off markets and the expansion of tourist visits from such countries on the basis of a global image of tourism in the Community and Europe.

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(10) OJ No L 231, 13.8.1992, p. 26.

The specific measures cover a fairly broad spectrum in a wide variety of areas (cultural, rural and social tourism, tourism and the environment, training, etc.). They are directly targeted at public authorities, tourism professionals and tourists themselves.

The measures are part of action by the Community which is consistent with the support it can give to the general development of the sector, clearly providing Community added value.

Implementation of the Community action plan has been in progress since 1 January 1993. It can count on ECU 7 million for the first year, of which ECU 1 million has been allocated by the budgetary authority for pilot measures for the promotion of Europe.

In agreement with the Member States, the 1993 measures have followed the timetable of priorities laid down by the Council.

The main aim has been to stress from the very first year the additional nature of the plan in relation to the many measures being implemented in the Community and, where appropriate, the Member States, and the desire for coordination and dialogue it contains.

Emphasis has therefore been placed on transnational measures, by support for cross-border cooperation and initiatives to improve tourist information by encouraging the creation of and cooperation between regional and national structures in the various Member States and, more generally, all proposals for bringing the various tourism partners together on a lasting basis.

These measures could include the neighbouring countries of the EEA and the countries of Central and Eastern Europe, and have received a total allocation of ECU 2 000 000.

A major effort was also made in 1993 to develop transnational forms of cultural tourism with the assistance provided by the Community for the development, extension and promotion of European cultural routes. Here too, initiatives were also open to neighbouring countries.

These measures received appropriations totalling ECU 1 260 000.

The other main measures launched in accordance with the plan's priorities were:

- the preparation of a series of publications intended to provide tourists and tourism businesses with better information: a "Who's Who" of tourist organisations in Europe, a practical guide to Community measures to assist tourism, a manual for tourism professionals on how to make Europe more accessible to handicapped tourists (ECU 201 000).
- the creation of a European "tourism and the environment" prize, intended to help raise awareness throughout the sector of environmental issues, and identify and promote successful experiences as models (ECU 380 000 in 1993);
- the improvement of knowledge of the tourist industry, its components and trends by the development of harmonised statistics (ECU 250 000), and the launch of two studies on the travel intentions of Europeans and on the tax and budgetary measures in force in the Member States (ECU 800 000);
- the launch of pilot projects to promote Europe as a tourist destination on far-off markets (ECU 1 million).

First measures were also launched in the area of vocational training with support for the initiatives proposed by the ETEN (European Tourism Educational Network), in which universities in Spain, France, Italy, the United Kingdom and the Netherlands participate. These measures accounted for an appropriation of ECU 200 000.

Finally, transnational cooperation, the cornerstone of the plan, was also evident in the direct support provided by the Community for the training of tourism managers in Central and Eastern Europe, and in an initial, limited, pilot scheme in Belarus on the transfer of know-how. These measures were allocated a budget of ECU 250 000.

### III. COMMUNITY POLICIES PROGRAMMES AND MEASURES AFFECTING TOURISM

#### I. RIGHTS OF TOURISTS

##### I.1 Removal of physical frontiers

Article 7a (formerly Article 8a) of the EC Treaty concerns the establishment of the internal market, defined as "an area without internal frontiers", which is to operate in the same way as a national market: there should be no controls at the frontiers between Member States on movements of goods, services, capital or persons, just as there are no controls between regions within a State.

Achieving this objective will clearly help in ensuring freer movement of tourists and the general development of tourism.

##### I.1.1 Controls on individuals

In the view of the Commission and most Member States, this "area without internal frontiers" can be fully achieved in practice only if it covers all people moving within it: any interpretation of Article 7a which limited the effects to Community nationals would deprive that provision of all utility.

The elimination of controls at internal frontiers must therefore apply to everyone, whatever their nationality.

As checks at internal frontiers are done away with, measures must also be taken to eliminate the reasons for them, whether by harmonising Member States' legislation or setting up or reinforcing cooperation between Member States or by bringing in an effective system of controls at external frontiers.

Complementary measures are required in a number of fields: right of asylum, visas, controls at external frontiers, police cooperation, judicial cooperation in criminal matters, etc.

A number of these essential complementary measures were not prepared in time in the intergovernmental forums concerned. This meant that the Member States did not eliminate controls on individuals by 31 December 1992, as provided for in Article 7a.

The Treaty on European Union came into force on 1 November 1993 and since then the main complementary measures are a matter either of Community competence or of cooperation in matters of justice and internal affairs (the "third pillar").

The Commission, taking into account the new legal situation created by the entry into force of the Treaty on European Union on 1 November 1993, approved complementary proposals for presentation to the Council and the European Parliament in regard to:

- a Convention on controls on Persons Crossing External Frontiers tabled in accordance with Article K. 3(2) (c) of the Treaty on European Union; and

a proposal for a Regulation determining the third countries whose nationals must be in possession of a visa when crossing the external frontiers of the Member States tabled in accordance with Article 100C of the Treaty establishing the European Community.

They constitute essential measures for the elimination of checks on individuals at the internal borders. As such they are an important element of the Commission's ongoing strategy to secure the objective of Article 7A of the Treaty establishing the European Community relating to the free movement of people.

The revised Convention on Controls on Persons crossing External Frontiers replaces a draft instrument negotiated within the framework of intergovernmental co-operation. The revised Convention has been adapted to conform with Title VI of the Treaty on European Union and to take account of certain developments since agreement was reached in June 1991 on all aspects of the text except the territorial application provision (due to the problem of Gibraltar). The adoptions which arise from the entry into force of the Treaty on European Union include the transfer of certain aspects of visa policy, formerly dealt with in the Convention but now a matter of Community competence by virtue of Article 100c, to the proposed Regulation based on Art. 100C, and the possibility (as provided for in Article K3) of giving the Court of Justice jurisdiction in regard to the Convention. Other changes which must be made to the text take account of the conclusion of the Agreement establishing the European Economic Area and the adoption of a Council Regulation in 1991 and 1992 in regard to baggage controls. As regards the Gibraltar issue, the Commission considers it should not take a position on a question which is still the subject of negotiations between the Member States principally concerned.

The proposal for a Regulation determining the third countries whose nationals must be in possession of a visa when crossing the external frontiers of the Member States implements the new Article 100C of the Treaty of Rome. This was one of the matters which the European Council asked the Commission to include in a specific plan of action: the Commission has decided to go ahead and present the proposal together with the revised External Frontiers Convention. The proposal sets out a list of countries whose nationals are to require visas when crossing the external frontiers of the Community. This list is based on the work already carried out by nine Member States within the framework of the Schengen Agreement. It is intended that at a later stage the Council should complete the harmonisation of this matter by drawing up an exhaustive and binding list of countries whose nationals are to be exempted from visa requirements.

Pending this full harmonisation, Member States will remain free to require a visa or not in the case of nationals of non-Community countries not listed in the annex to the Regulation. This may in no case give rise to controls which infringe Article 7a. These two instruments are very important as regards tourism.

For tourists from third countries, ratification of the External Frontiers Convention and the regime it would establish would do much to strengthen their perception of Europe as a single tourism destination.

Both instruments embody the principle of mutual recognition of visas: a Member State will not be able to prevent a third-country national who holds a short-stay visa issued by another Member State from crossing its external frontiers on the sole ground that he does not hold a visa issued by its own authorities.

The Convention also refers to the principle of equivalence between residence papers and visas: this principle enables a person holding residence papers from one Member State to cross the external frontiers of the Union on that basis alone, even if nationals from his country of origin are in principle required to hold a visa.

The mutual recognition of visas and the equivalence of residence papers and visas as regards the crossing of internal frontiers and short stays are not yet covered by any legislative initiative at Union level.

It should be pointed out that the Convention of 19 June 1990 implementing the Schengen Agreement of 14 June 1985, for the total elimination of checks on persons at the internal frontiers between the Member States concerned (all Member States except Denmark, Ireland and the United Kingdom), has still not been implemented: the last deadline, of 1 February 1994, was not met and no precise new date has so far been set.

This Convention covers the principle of mutual recognition of visas and the equivalence of residence papers and visas as regards the crossing of the internal frontiers of the nine Member States concerned.

#### 1.1.2 Controls of goods

Since 1 January 1993 goods that are crossing the Community's internal frontiers have no longer been subject to controls. Where tourism is concerned, only those controls on items carried across borders by tourists or in respect of the particular means of passenger transport are relevant in this context.

#### Controls on baggage carried by travellers

The adoption of Council Regulation (EEC) 3925/91<sup>(11)</sup> of 19 December 1991 and of Commission Regulation (EEC) 1832/92 of 3 July 1993<sup>(12)</sup>, which took effect from 1 January 1993, has further facilitated tourist travel and road passenger transport by abolishing controls and formalities on passenger baggage taken on intra-Community flights and sea-crossings. At the same time however, this regulation still permits safety checks to be made.

#### Controls on means of transport

One of the main measures to further facilitate the crossing of internal Community frontiers by tourist coaches has been the Directive on general arrangements for excise duties, which abolished on 1 January 1993 the duty-free fuel allowance for commercial passenger vehicles, replacing this limit with a provision that fuel in conventional fuel-tanks will not be subject to the excise duty of the country of destination<sup>(13)</sup>.

Following the entry into force, on 1.1.93 of Council Regulation (EEC) No. 3356/91, adopted 7 November 1991<sup>(14)</sup>, frontier checks and formalities affecting road vehicles and inland

(11) OJ L 374, 31.12.91, p.4

(12) OJ L 185, 06.07.92, P.8

(13) OJ L 76, 23.3.92, p.1, Council Directive 92/12/EEC of 25.2.92.

(14) OJ L 318, 20.11.91, p.1 This amended Council Regulation (EEC) No 4060/89 of 21 December 1989, OJ L 390, 30.12.89, p.18



waterway vessels, such as inspections of passenger lists for road services and controls on driving licences and roadworthiness certificates for motor vehicles, have been abolished.

## 1.2 Removal of tax frontiers

From 1 January 1993, as a general rule private individuals will be able to buy anything they like tax and duty paid in another Member State, and will not be liable to pay any additional VAT or excise duty when returning with their purchases to their country of residence. This follows from the adoption of Directives 91/680/EEC of 16 December 1991<sup>(15)</sup> and 92/12/EEC of 25 February 1992<sup>(16)</sup>, which enabled the removal of fiscal controls on the internal borders.

However, certain special rules apply in the case of goods subject to excise duty and new means of transport.

### Goods subject to excise duty

In the case of alcoholic drinks, tobacco products and mineral oils this general rule applies provided that goods are for the personal and family use of the traveller. However, if the goods are going to be resold in a Member State other than that in which they were purchased, excise duty is chargeable in the Member State where the goods are to be resold.

One of the criteria that Member States may use to decide whether alcoholic drinks and tobacco products are being held for commercial purposes or are intended for personal use is the quantity of goods being transported. Quantities below the following limits will normally be assumed to be held solely for personal use:

800	cigarettes
400	cigarillos
200	cigars
1 kilo	smoking tobacco
10 litres	of spirits
20 litres	of intermediate products (such as port and sherry)
90 litres	of wine (but not including more than 60 litres of sparkling wine)
110 litres	of beer

For an interim period, Ireland can set limits for wine and beer 50% lower than those indicated above and Denmark can maintain quantitative restrictions on tobacco and spirits which were in force on 31 December 1992.

A private individual transporting quantities in excess of the above limits may need to demonstrate, if asked, that the products are for his personal or family use. Provided that this is the case, there will be no additional excise duty chargeable.

In the case of mineral oils, the Member State of destination may charge excise duty when a product is carried in a typical mode of transport.

(15) OJ L 376, 31.12.91, p 1.

(16) OJ L 76, 23.3.92, p 1.

New means of transport

New means of transport (motor vehicles, aeroplanes, boats and motorcycles) will be taxable in the country of destination which will, as a general rule, be the country in which the vehicle is registered for use.

Therefore, if new means of transport are bought in a Member State in which they are not going to be registered for use, they should be bought without VAT. There will then be a requirement to pay VAT, and any other taxes due, in the Member State where the vehicle will be used. It should be borne in mind that Member States are free to continue to apply national taxes, such as registration taxes, provided that the collection of such taxes is not carried out at the frontier.

The term "means of transport" covers:

- vessels exceeding 7,5 metres in length,
- aircraft with a take-off weight exceeding 1550 kilograms, and
- motorised land vehicles with a capacity exceeding 48 cubic centimetres or with a power exceeding 7,2 kilowatts, which are intended for the transport of persons of goods.

These means of transport are no longer considered as "new" where both of the following conditions are fulfilled:

- they were bought more than three months after the date of first entry into service, and
- they have,
  - in the case of land vehicles, travelled more than 3000 kilometres
  - in the case of vessels, sailed for more than 100 hours, or
  - in the case of aircraft, flown for more than 40 hours.

On other means of transport, the general rule will apply and VAT will be due in the Member State where the purchase is made.

Tax and duty free shops

Although the long-term retention of duty-free sales is seen incompatible with the aims of the Single Market, it has been accepted that the transport industry needs time to adapt to the loss of this significant source of revenue. Art. 28k of Directive 77/388/EEC as amended by

Directive 91/680/EEC and Article 28 of Directive 92/12/CEE<sup>(17)</sup> allow for the extension of tax- and duty-free sales until 30 June 1999 at airports and on board aircraft and ferries as well as to persons using the Channel Tunnel, within the following limits:

Tobacco products

200	Cigarettes, or
100	Cigarillos, or
50	Cigars, or
50 gram	of smoking tobacco

Alcoholic beverages


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(17) OJ L 76, 23.3.92, p 1.

1 litre of	Spirits, or
2 litres of	Intermediate products and sparkling wines
2 litres of	Still wine
50 grams of	Perfumes
1/4 litre of	Toilet waters

In addition, they will be allowed to buy per head per voyage not more than 45 ecu worth of other tax-free goods.

The Council reached a common position whereby was decided to increase this limit to 90 ecu.

This continuation of tax- and duty free sales must, however, operate without customs checks at frontiers. Accordingly, the vendor is responsible, since 1 January 1993, to limit his sales per traveller and per voyage to the above mentioned limits. Each Member State must take the appropriate measures to ensure that travellers are aware of the limits that apply in tax- and duty-free shops.

#### Third country travellers

For travellers entering the Union coming from third countries, the limits set out above for tobacco products, alcoholic beverages and perfumes equally apply. According to the common position adopted by the Council, the value limit of 45 ecu will be increased to 175 ecu. Germany will be authorised to defer the entry into force of this new limit until 31 December 1998, for travellers entering Germany by a land frontier linking Germany to countries other than the Member States and the EFTA Member States, or by a coastal navigation route from the aforementioned countries. At the same occasion, the Council decided that Spain may apply, until 31 December 2000, a value allowance of 600 ecu for travellers coming from the Canary Islands, Ceuta and Melilla who enter the territory of Spain as defined in Article 3(2) and (3) of Directive 77/388/CEE.

#### 1.3 Tourist as consumer

The Community's inhabitants are all consumers of the wide range of goods and services on offer. Consumers are benefiting from the completion of a Single Market where frontier controls are disappearing and where greater competition exists, thus allowing greater choices in purchases available and where to make them in the Community. This applies to consumers of tourism as much as any other sector.

The Commission recognises also that consumers require a certain level of consumer protection and information about goods and services at the European level similar to that offered at the national level. Increased consumer information and education together with measures to protect their physical well being (health and safety) and economic and legal interests will give the consumer increased confidence and motivation to purchase the goods and services offered across the Community. Coupled with greater buying freedom, this should produce an increased flow of cross-frontier transactions.

The nature of many tourism products and the way in which they are offered to the consumer

can bring in to play various aspects of the Commission's policy on consumer protection, for example, the contractual agreement when a purchase is made, the consumer information provided, the guarantees of protection concerning the consumers well being and economic and legal interests.

Many tourism products, holidays, travels, tours, or even timeshare properties are located at a distance from the point of purchase, very often in another country. Generally, however, these are goods and services which have to be paid for long in advance of receipt. Thus the consumer relies heavily on sales information provided about the product and on the tourism operator supplying the tourism product. Similarly, once at a tourism destination, tourists may be unfamiliar with the language, local selling practices or be unaware of any rights they may have. This leaves scope for the consumer to be misled about the product on offer or for the operator to impose surcharges or unannounced cancellations without too much come-back. Helping and encouraging consumers and in particular, tourism consumers to be informed of their economic and legal rights and where and how they can access representation and consumer protection is an important role for the Commission. Yet at the same time consumers should also actively endeavour to keep themselves informed.

Article 4,2(f) of the Community action plan to assist tourism has identified the provision of information and greater consumer protection for tourists as a priority measure.

In July 1993 the Commission adopted the Second Action Programme for Consumer Policy (1993-1995). This document sets out the priorities for work in the coming years, and focuses on the improvement of the four main consumer rights (physical health and safety, consumer information, representation and the protection of consumers' economic and legal interests) in the context of the internal market.<sup>(18)</sup>

The Treaty on European Union<sup>(19)</sup> gives a further impetus to this work by identifying consumer protection as a legal basis in its own right for future Community Action.

That this work has already begun in earnest is evident from the adoption by the Commission green papers on "guarantees and after-sales services" for the purchase of goods<sup>(20)</sup> and access of consumers to justice.

## **1.4 Consumer Information and Education**

### **1.4.1 Consumer Information Programme**

On 24 March 1993, the Commission launched a major media information programme with a budget of 3 million ECU. Its aim was to inform consumers and key groups about existing and proposed European legislation to protect consumers rights and also put across the key message that the consumer has an active role to play in protecting his rights by keeping informed.

The programme focused on different areas of consumer protection in a series of information campaigns. The first phase dealt comprehensively with European legislation which serves to protect the consumer rights of travellers and tourists. Although the package travel directive has

(18) COM (93) 378 final, 28.7.93

(19) OJ C 224/49, 31.8.92

(20) COM (93) 509 final, 15.11.93

been dealt with mainly, attention has also been given to legislation indirectly concerning the protection of tourists such as the compensation system for denied boarding on scheduled air flights, computerised reservation systems and insurance issues.

In early 1994, the commission will publish a "Consumer guide" which will focus on the main areas of interest to consumers of Community Law. This Guide will also highlight the outstanding areas of concern to consumers and include tips on how best to take advantage of the internal market including the tourist market.

#### 1.4.2 European Consumer Information Centres

Cross border shoppers, who may well be shopping for tourism products, have particular need of information on how to make product and price comparisons, what to be aware of when making purchases and where to find the best offers during such cross frontier shopping excursions. In addition, they may need help when problems arise concerning crossborder purchases already bought.

Within the framework of a pilot project (1992-1994) 10 consumer information/advisory centres, are already located in frontier region areas, such as at the cross-frontier joining Aachen, Eupen and Herleen. They are the result of a collaboration between the Commission and local consumer associations. Annual co-financing is available from the Commission for up to 50% of the costs of each centre or a maximum of 150.000 ECU. Their primary purpose is to provide consumers with better information on the opportunities and problems of making crossborder purchases of goods and services, such as price comparisons and rules on warranties. By ensuring better informed consumers, this action should generate increased numbers of crossborder purchases and thus realise more fully the benefits of the completion of a borderless Europe. Encouraging greater flows of crossborder shoppers may give rise to greater tourism flows also since it is quite likely that tourism activities could be included in such excursions.

#### 1.4.3 Standardised Information in Existing Hotels

The Council Recommendation of 22 December 1986<sup>(21)</sup> recommends the development of standardised information provision for clients in existing hotels on the basis of a set of easily recognisable symbols, thus permitting consumers across the Member States to assess the range of facilities available in the hotel. The Member States were asked to take steps to ensure that a standard information system was brought into force. However, as this has yet to be realised, the Commission plans to give the issue further attention, monitoring the use of the recommended symbols in different Member States and considering what scope there is for further development of the existing system.

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(21) Council Recommendation 86/665/EEC, OJ L384/54, 31.12.86

## **1.5 Health and Physical Safety of Consumers**

### **1.5.1 Fire Safety in Hotels**

The provision does exist for a minimum standard of fire safety in hotels across the Community. Following the Council recommendation concerning this aspect<sup>(22)</sup>, eight of the Member States have notified the Commission of measures taken in this area. The Council directive<sup>(23)</sup> on construction products provides for safety requirements in the event of fire.

### **1.5.2 Accident Prevention**

On 29 October 1993 the Council has adopted a decision which set up for one year a Community information system on home and leisure accidents in order to collect data on this kind of accidents in view of promoting their prevention.

### **1.5.3 General product safety**

The Council directive 92/95/EEC of 29 June 1992 on general product safety<sup>(24)</sup> provides a general safety requirement for all consumer's products placed on the market in so far as there are no specific provisions in rules of Community law governing the safety of the products concerned. The directive also provides obligations for producers and distributors to monitor the safety of their products and obligations and powers for the Member States to ensure compliance of products with the requirement regarding safety. A procedure for notification and exchange of information in case of national measures which restrict the placing on the market of products which are non conform with the rule applicable to them, or their withdrawal from the market, is also set up as so as a procedure for action at Community level in case of emergency situations. This directive will be in application by 29 June 1994.

## **1.6 Protection of the Economic and legal interests of Tourism Consumers**

A number of measures have been developed of particular interest to the tourism sector:

### **1.6.1 Non-negotiated Unfair Terms in Contracts Directive**<sup>(25)</sup>

On the basis of this recently adopted Council decision, the principles of prohibition and invalidation have been established concerning any clauses in contracts made between a trader and a consumer which are deemed unfair according to a general list of criteria. A list of types of likely unfair clauses, some of which could easily figure in contracts relating to tourism services are also set out in the directive.

This piece of legislation represents a further step towards the standardisation of consumer protection in the Community as well as being in line with establishing the Single market, since it should also serve to facilitate increased purchases of goods and services across Member States at more competitive prices.

(22) Council Recommendation 86/666/EEC, OJ L384/60, 31.12.86

(23) Council Directive 89/106/EEC, OJ L40/12, 11.2.89

(24) Council Directive 92/59/EEC adopted on 29 June 1992, OJ L 228/24, 11.8.92

(25) Council Directive 93/13/EEC, OJ L95/29, 21.4.93

### 1.6.2 The Package travel directive<sup>(26)</sup>

This Directive aims by setting minimum standards to approximate laws relating to package holidays, package tours and package holidays and establish common minimum standards of protection. It is also intended to contribute to the completion of the Single Market, by enabling operators established in one Member State to offer their services in other Member States and at the same time enable Community consumers to benefit from comparable conditions when buying a package in a Member State. The directive seeks to ensure the protection of the consumer in various respects: detailed and comprehensive information must be supplied about a package (which is defined as pre-arranged combination including transport or accommodation and other tourism services not ancillary to transport and accommodation and accounting for a significant part of the package) before departure; the holiday maker should be protected by a contract which will not be changed unless specified prior to signing; the operator will not leave the tourist stranded at the holiday destination even in the event of bankruptcy; and compensation will be available to the consumer in certain circumstances where the package has not matched up to the promises made in the initial information provided. In the rare case of scheduled instead of chartered flights being used as part of a package holiday, the directive complements the common rules established under the denied boarding compensation system<sup>(27)</sup> for scheduled air transport.

Where passengers are denied a seat on a plane due to the carrier over booking a scheduled air flight, compensation made by the carrier is passed to the travel agent or tour operator who is then obliged to pass this on to the consumer.

The deadline for the implementation of the directive into national law was 31.12.1992 so that it could take effect from 1.1.93. However, to date the Commission has been notified of implementation in national law by France, the Netherlands and the United Kingdom, Portugal and Denmark. Given that the directive sets minimum standards of approximation, there is scope for the Member States to apply more stringent measures than prescribed. It should be borne in mind that while protection of the consumer is of the utmost importance, national laws should not threaten the economic viability of the tourism enterprises concerned.

### 1.6.3 Liability for Physical Damage In the Supply of Services

In order to bring the service sector into line with the progress already achieved in the field of product safety, (directive on general product safety)<sup>(28)</sup>, and directive on liability for defective products<sup>(29)</sup>, the Commission has proposed on December 90, a directive covering suppliers's of services liability for physical damage to persons or to private goods.

Tourism services offered individually and not covered by the Package travel directive would have been covered by this proposed legislation.

As this proposal was identified in the Edinburgh list as too detailed and not to be reviewed round general principles and as considering the reactions and observations it has raised up, the Commission is currently reconsidering this proposal.

(26) Council Directive 90/314/EEC, OJ L158/59, 23 June 1990

(27) Council Regulation EEC 295/91 of 4 February 1991, OJ L36/5, 8.2.91

(28) Council Directive 92/59/EEC adopted 29 June 1992, OJ L228/24, 11.8.92

(29) Council directive 85/374/EEC adopted 25 July 1985, OJ L 210/29, 7.8.1985

#### 1.6.4 Distance Selling

This Commission proposal for a directive sets out the minimum standards of protection for consumers when negotiating contracts with suppliers of goods and services at a distance by media such as the telephone, fax or TV shopping<sup>(30)</sup>.

In particular, attention is paid to the aspects of the provision of consumer information, the delivery period and the consumers access to justice. In the case of unsolicited goods and services being sent, a non-reply from a consumer does not indicate consent. In the proposal, recently modified by the Commission on the basis of the Opinion of the Parliament, transport, accommodation, catering and entertainment services have been brought within the scope of the directive, contrary to the original Commission's proposal. However, as these are services which require reservations, they are excluded from the requirement of providing the consumer with a 7 day period in which he may rescind from the contract without being subject to any penalties. A potential aspect of concern for the tourism industry which requires further attention is the possibility given to consumers to choose to pay only at the time of delivery.

The current state of work on this draft directive was a subject of a report from the Commission to the Council that met on 19 November 1993. However, a common position has still to be adopted.

With the entry into force of the Treaty on the European Union, this proposal is subject to the co-decision procedure which increases the role of the European Parliament.

To lend further support to the proposal for the legislation in this field, the Commission issued a recommendation<sup>(31)</sup> designed to enhance the proposed directive. It calls upon professionals to establish codes of practice concerning the privacy of consumers, the dissemination and presentation of solicitations for custom, the fairness of sales promotions and the financial security of consumers who make advance payments. However, the Commission has yet to be notified of the establishment of any such codes drawn up as a result of this recommendation.

#### 1.6.5 Timeshare

The purchase of a right to utilise one or several immovable properties on a time-share basis represents a growing tourism sector that is relatively new. Indeed, national legislation specific to Timesharing exists in only a few member states.

According to statistics provided by the European Timeshare Federation<sup>(32)</sup>, between 1987 - 1990 timeshare ownership in Europe increased by 72% and presently more than 25% of all timeshare owners are European (650,000). In 1992 European timeshare sales were worth 1 billion ECU with about 220,000 timeshare intervals sold in Europe. In 1993, the industry expects to be sell 250,000 timeshare weeks, with an average timeshare purchase of 1.7 weeks by Europeans.

(30) COM(92)11 final, OJ C156/14, 23.6.92 and COM (93) 396 SYN-411, 7.11.93

(31) Commission Recommendation 92/295/EEC, OJ L156/21, 10.6.92

(32) The European Timeshare Federation, based in the United Kingdom was formed in 1991 to represent the interests of timeshare operators at the pan-European level. The main objective of the Federation is to promote the concept, development and interests of timesharing in Europe and enhance the reputation of the industry.



In response to the resolution adopted by the European Parliament and at the request of various Member States and major operators in the Timeshare industry itself, the Commission adopted a proposal for a directive<sup>(33)</sup> designed to protect purchasers in contracts relating to the use of immovable property on a timeshare basis; an amended proposal was adopted by the Commission (ff) taking into account some of the amendments adopted by the European Parliament as well as some of the suggestions of the Economic and Social Committee.

The proposed directive sets down minimum standards which aim to protect the purchaser of timeshares from the potential abuse of power and the aggressive sales techniques employed by some timeshare vendors. The legislation aims to ensure that consumers are provided with the necessary information before signing a contract and that they are also allowed a set period of reflection and withdrawal from the contract and any associated credit agreements.

At the Council meeting of 19 November, a political agreement was reached on this proposed directive. The agreement concerns certain aspects of the proposal, as the length of the cooling period during which the purchaser can cancel or withdraw from the contract without any penalties that has been agreed at 10 days; during this period advance payments are prohibited.

The contract must contain a minimum number of items about the parties concerned, the type of timeshare right and the property which is the subject of the contract. A document containing a minimum of information specified in the text should be provided to the purchaser; this information is an integral part of the contract. The contract must be drawn up in the language(s) of the Member State where the purchaser lives or else in the languages of the Member State of which they are nationals. The salesperson must give the purchaser an official translation of the contract in the language of the Member State where the property is located. Following a second reading from the European Parliament (new co-decision procedure), and eventual formal adoption of the directive, it has been decided to allow the Member States a period of 3 years in which to implement the text into national legislation.

Ultimately, citizens from one Member State should be able to buy timeshare properties in another Member State confident that their legal and economic interests are protected. Emphasis is mainly on the initial sale of timeshares.

Some aspects which the industry would have liked to have seen covered in this directive have not been included, for example more attention being given to the long-term maintenance and management of timeshare properties, or the resale of timeshares in the more developed markets.

#### 1.6.6 Consumer Access to Justice

Given the trans-national nature of tourism, access to justice by the tourism consumer when a contract has been breached or his physical safety or economic interests have been endangered presents serious problems. Despite the growing body of law being established, the nature of holidays means that in most cases the period of time is too short to resolve such problems in the country where they took place. Actions are pursued from the country of residence, which creates its own problems, for example, different legal systems applying different bodies of law across the Member States. The physical distances involved can also create problems. In recognition of the gap between what is stipulated in the law and the reality that exists for the

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(33) COM(92) 220 final, OJ C222/5, 29.8.92

consumer when seeking redress, a green paper, "Access of consumers to justice and the settlement of consumer disputes in the single market" (COM(93)576, adopted on 16 November 1993) has been issued by the Commission which considers the global issue of what is needed in order to arrive at a situation where the consumer can seek redress whatever the circumstances, which is swift, effective and inexpensive. Consultation and comments on the paper are invited from all interested parties until 31.05.94.

#### 1.6.7 Crossborder payment facilities

Making payments within any Member State is a rapid process achieved by means of electronic transfers between banks, cheques and payment cards. In making transborder payments, the facilities that exist for such transactions, accessible to both tourists and tourism operators, are not always clearly explained in terms of costs and can often be more complex when compared to national transactions. The long-term goal is to create an internal market where there are no differences between national and transnational payment systems.

A review of the means of payment available to consumers for foreign transactions reveals that payments abroad are far more expensive than national transactions.

Cash exchanges are often subject to "multiple bracket" commission charges which are often combined with "fixed fees" and "percentages". These factors not only make such transactions expensive but also make comparisons difficult for the consumer.

With improved consumer information to permit easier understanding of the costs involved, not only will comparison and consumer choice be facilitated but also increased competition between operators. The posting of inclusive net rates in some countries represents genuine progress in this direction.

The Commission document "Making Payments in the internal market" Sept. 90 (COM/90/447) identified reliable efficient and cheap cross-border payment systems as necessary to facilitate freedom of movement of persons, goods services and capital.

To achieve this widespread use and acceptance of means of payment all over the European Union certain conditions have to be fulfilled:

- Member countries must develop in such a way as to ensure that there is no discrimination between national transactions and those made in any other Member State;
- Customers should be given clear information on the various ways of making a payment in or to another Member State and the cost involved (including exchange costs);
- Elimination of hidden or surprise charges presented to individuals when exchanging cash for foreign currency at banks or bureaux de change.

Such problems will ultimately be resolved when consumers are able to make international payments under the same conditions and for the same price as national payments. The achievement of economic and monetary union and the use of the ECU as the single European currency will do much to eliminate many of the existing charges associated with exchanges and cross border payments.

The provisions of the single European act to strengthen monetary co-operation and its endorsement of the European monetary system and the ECU as the single European currency have been further developed in the Treaty of European Union.

Indeed economic and monetary Union is one of the main pillars of the Treaty.

The use of the ECU as single European currency of the European union is scheduled to take place at the latest in 1999.

In the meantime the Treaty reinforces the need to create as quickly as possible conditions for rapid reliable and economically priced payment services serving the whole Community.

This requires not only feasibility studies looking at the creation and linking of electronic networks, but also encouragement to banks to develop common EC banking standards and the harmonisation of certain legal aspects of payment systems to reduce the cost and complexity of cross border transactions.

In its working document "Easier Crossborder Payments: Breaking Down the Barriers" of March 1992 (SEC(92)621), the Commission set out its work programme on these and the other key steps identified as necessary to improve crossborder systems. Work on these matter is continuing. Considerable progress has already been made in defining suitable standards of transparency and service levels for customers (although improvements are still required in the implementation of these, failing which the Commission has pledged itself to introduce a directive). Important new technical standards for crossborder payments are being drawn up by the European Committee for Banking Standards in consultation with the Commission. Last but not least, a number of new crossborder payment networks between banks and between different national payment systems have been formed or are in the process of forming. These have as their goal significant increases in efficiency, including reducing costs to users, of crossborder payments.

## 2. COMPLETING THE INTERNAL MARKET

The existence of a fully operational internal market covering a large geographical area with some 340 million consumers and 15.7 million businesses in the private non primary sectors, where barriers of all kinds have been removed, is fundamental to the development of tourism in the Community.

The legislative framework for an Internal Market, as defined in the Commission's White Paper of 1985, is now almost fully in place. 95% of the checklist of White Paper legislation has now been adopted and is in the process of being implemented by the EC institutions and Member States. The task now for the Community is to ensure that the Internal Market becomes a practical as opposed to a legal reality. Concrete steps to achieve this objective are laid down in the recently published Commission Strategic Programme ("Making the Most of the Internal Market: Strategic Programme" (COM(93) 632, 22.12.93) which maps out new challenges for the Community in managing and enforcing Internal Market legislation, and introducing further policy actions to allow enterprises and consumers to exploit the Internal Market to the full. The reader is referred to this document for more detailed information on Commission intentions with respect to the development of the Internal Market, and to the (forthcoming) Annual Report on the Internal Market for a review of recent actions related to the operation of the Internal Market.

Tourism enjoys the privileged position of being able to make Community citizens and enterprises fully aware both practically and psychologically of the advantages and opportunities that the Single Market represents.

Full realisation of the objective stated in article 7a of the Treaty of the Union will transform Europe into a "unique" tourism destination that should also allow tourists coming from third countries to travel freely within the Union after having being checked once on arrival in one of these countries. With the potential to give a significant push to European economic growth and prosperity, the Internal Market could be expected to contribute also to the creation of new demand for tourism services. Completion of the common market in transport services and the right of free establishment will clearly facilitate intra-Community movement and cross-border flows of tourism professionals.

The measures adopted in the framework of the removal of the physical, technical, legal and tax frontiers benefiting principally tourists have been analysed under chapter III.1.

### 2.1. Removal of technical and legal frontiers

#### 2.1.1. Free movement of workers, students and members of the liberal professions

##### 2.1.1.1. Right of entry and of residence

One of the fundamental principles of the EEC Treaty is that a citizen of one Member States should be free to live and work in another Member State as an employee, as a trainee, or as a self-employed person.

The right of entry and residence for those who are students, workers or self employed persons in the tourism sector is particularly important, given that tourism is a mobile activity, often requiring those involved in it to relocate or to practice in different countries.

The Community adopted the first measures designed to secure freedom of movement for workers as early as 1968<sup>(34)</sup>.

The Council Directive 93/96/EEC aim to facilitate the exercise of the right of residence for students with a view to guarantee access to vocational training in a non discriminatory manner for a national of a Member State<sup>(35)</sup>.

As regards mobile young researchers, qualifying for research money under the Community framework programme for R&TD, an ad hoc committee has been instructed to look at the ways in which researchers are received in the various Member States, so as to make it easier to plan the financial conditions of their periods of training and to reduce disparities in treatment.

Community citizens practising the professions of tourist guide or tour manager have encountered particular problems. As far as tourism guides are concerned, it is necessary to distinguish between guides wishing to become established in another Member State and guides who accompany tourists to another Member State while remaining based in their country of origin.

The question of accompanying tourist guides is covered by article 59 of the EEC Treaty, as was confirmed by the Court of Justice judgement in cases C-198/89, C-154/89 and C-180-89 against France, Italy and Greece. The Court held that Member States must not make the supply of services by tourist guides travelling with a group of tourists from another Member State subject to the possession of a licence issued by the "guest" country, when the services concerned involved guiding such tourists in places other than museums or historical monuments which may only be visited with a specialised guide. The Court stressed that the competition among travel organisers was such that tourist guides already underwent a degree of selection and that their services were already subject to quality control.

#### 2.1.1.2. Right of establishment

Initial Community efforts to standardise professional qualifications in the Member States leading to the development of freedom of establishment and freedom to provide services across the Member States was a lengthy process.

In 1985 the Commission, however, adopted a new approach in this area. It abandoned the policy of harmonising individual professions, focusing instead on making regulated professions throughout the Community accessible to persons who had obtained their qualification in other Member States. Two Directives have been adopted on the basis of this principle, concerning university-level qualifications and lower-level qualifications respectively:

- On 4 January 1991, a Council Directive 89/48/EEC of 21 December 1988 on a general system for the mutual recognition of third-level qualifications involving professional training of at least three years entered into force<sup>(36)</sup>. It is based on the principle that someone who is professionally qualified in one Member State should be able to pursue that profession in other Member States. While the courses concerned are not

(34) Council Directive 68/360/EEC of 15.10.68, OJ N° L 257, 19.10.68, p.13

(35) Council Directive 93/96/EEC of 29.10.93, OJ L 317 of 18.12.93, p.59. The Court of Justice annulled Council Directive 90/366/EEC of 28 June 1990 on the right of residence for students, while maintaining the effects of the annulled Directive until the entry into force of the other directive mentioned.

(36) OJ L 19, 24.1.89, p.16

harmonised they are considered as being equivalent, taking account of the qualifications obtained and experience acquired in the activity concerned.

On 18 June 1992 the Council adopted Directive 92/51/EEC on a second general system for the recognition of professional education and training, which also aims to facilitate pursuit of the regulated professions<sup>(37)</sup>. The new directive incorporates the earlier Directive's general features and extends the system of mutual recognition to occupations for which the required level of training is not so high (post-secondary school courses of less than three years and levels corresponding to a secondary course).

Under these Directives, any Community citizen is free to pursue his profession - either by supplying services or by way of establishment - in another Member State on the basis of the qualifications obtained in his country of origin and supported by at least three years' professional experience in that country. These two directives are currently being transposed into national law in the Member States; the second Directive shall come into force by 18 June 1994.

The Community has also adopted various action programmes on training in technology with a view to stimulating closer cooperation between industry, research centres, universities and other training institutions (see chapter III point 9).

As already mentioned under the title 'right of entry', problems have been encountered by nationals of Member States working as tourist guides or tour managers. Directive 75/368/EEC on transitional measures directly regulates the freedom of establishment of tour managers who organise package holidays and/or accompany tourists<sup>(38)</sup>. However, the aspect of their profession which entails giving detailed explanations of tourist sites is not covered.

The activities of tourist guides wishing to become established in another Member State are covered by article 52 of the EEC Treaty. However, the profession is regulated in a different way depending on the Member State: some Member States have no regulations; others reserve the title of Tourist Guide for those with prescribed qualifications but tolerate other persons exercising the activity as long as they do not use the protected title; finally, there are Member States where the activity of Tourist Guide can be exercised only by those having the professional qualifications prescribed and passed the required examinations. In any case, the system of mutual recognition of qualifications established by the two directives mentioned above will be applicable.

This case has highlighted a wider problem, namely the different approach to the regulation of certain tourism professions between most northern Member States, where professions such as Tourist Guide tend to be less regulated on the one hand, and the southern Member States, where tourism is of greater economic importance and certain professions tend to be more regulated on the other hand.

### 2.1.2. Common market in transport services

The Community's programme of work to implement the White Paper's measures and proposals in the field of financial services, telecommunications and transport services is intended to promote greater competition, increased competitiveness and widen choice within the Single

(37) OJ L 209, 24.7.92, p.25

(38) OJ L 167, 30.6.75, p.22

Market. Tourism and therein transport, is one area in which the provision of cross-border services is wholly in keeping with the genuine interests of all Member States and businesses whose competitiveness also depends on the cost of the services provided.

The Community's two-stage approach for the main transport sectors covers road, sea and air. The first objective during the initial stage was to liberalise transport services operated between Member States and during the second stage, the objective was to liberalise transport within Member States by opening up the national markets to non-resident carriers (cabotage).

As the rules governing the operation of the transport market have evolved, cabotage has been the basic principle since 1 January 1993; any transport enterprise established in a Member State may pursue its activity in any other Member State. Three conditions have to be met:

- the new rules must not lead to social dumping or predatory behaviour; for this reason, cabotage has been accompanied by harmonisation of social conditions and by specific competition rules;
- competition must not be distorted as a result of provisions relating to the approximation of taxation on fuels and on the use of transport infrastructures;
- additional transitional periods have been needed for road passenger transport and for sea transport.

#### 2.1.2.1. Carriage of passengers by road

In general, the eventual opening-up of the coach sector across the Community, will provide operators with new opportunities and markets. For the tourist as a consumer, this will mean a wider choice at more competitive prices.

Although the development of cross-border passenger transport has been able to proceed with few restrictions, previously, an operator in one Member State wishing to provide transport services in another Member State, could only do so in border areas on the basis of bilateral agreements. In line with the White Paper programme, the Community has introduced legislation allowing greater freedom concerning the transport of passengers based on the same principles as those for the transport of goods, such as the freedom to provide services and cabotage.

The aim of Regulation (EEC) No 684/92 of 16 March 1992, has been to open up the EC international coach market by simplifying existing regulation. It establishes common rules for the international carriage of passengers by coach and bus which should ensure the unrestricted provision of road passenger transport services on intra-Community journeys and improved road safety<sup>(39)</sup>. With effect from 1 June 1992, almost all occasional services, plus shuttle services for groups of passengers, with accommodation should no longer require authorisation. The reduction in administrative procedures is particularly beneficial for tourism SMEs. This legislation defines the various types of passenger transport services which still need an

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(39) OJ L 74, 20.3.92, p.1

authorisation like regular services and shuttle services without authorisation. Commission regulation EEC 1839/92<sup>(40)</sup> (amended by regulation 2944/93<sup>(41)</sup>) establishes the different models of authorisation for the services that are still submitted to them.

On 23 July 1992, the Council adopted Regulation (EEC) No 2454/92 which is to enable non-resident carriers to have the freedom to provide national passenger transport services within a Member State without discrimination on grounds of nationality or place of establishment<sup>(42)</sup>.

As far as non-scheduled services are concerned, the system brings about the immediate liberalisation of 'closed-door' services and special regular services in border areas. The liberalisation of all other non regular services will take place from 1 January 1996.

The situation will be reviewed following a report to be presented by the Commission before 31 December 1995.

#### 2.1.2.2. Inland waterway transport

From 1 January 1993, carriers of goods or passengers by inland waterway may transport goods or passengers by inland waterway for hire or reward in Member States where they are not established<sup>(43)</sup>. Germany and France, however, have been granted a period of transition lasting until 1995.

#### 2.1.2.3. Maritime transport

In order to eliminate restrictions on the freedom to provide maritime transport services within Member States, the Council adopted Regulation (EEC) No 3577/92 on 7 December 1992<sup>(44)</sup>. However, liberalisation of cabotage will benefit only Community shipowners operating vessels registered in a Member State and flying the flag of that Member State, provided that the vessels in question satisfy all the conditions for access to cabotage in that Member State, including vessels registered in the EUROS register once it has been approved by the Council.

#### 2.1.2.4. Air transport

In December 1987, the Council approved a first package of proposals for liberalisation which aimed at progressively introducing the freedom to provide services while at the same time ensuring fair competition. This package marked the beginning of a genuine, common air transport policy establishing Community rules on tariffs, capacity sharing, market access and competition. The "second air transport package", which the Council adopted in June 1990, prepared the way for the final stage which the Commission presented in September 1991. With the entry into force on 1 January 1993 of the third air transport package, the last stage of the opening-up of the market has begun to take effect. The process rests on several main pillars: the introduction of a single air transport licence issued to air transport undertakings established

(40) OJ L 187, 7.7.92, P.5

(41) OJ L 266, 27.10.93, P.2

(42) OJ L 251, 29.8.92, p.1

(43) OJ L 373, 31.12.91, p.1, Council Regulation (EEC) No 3921/91 of 16.12.91

(44) OJ L 364, 12.12.92, p.7



in the Community; conditions for access to routes within the Community for air carriers; passenger fares including ways for the Commission to intervene directly in case of unfair pricing.

As liberalisation leads to the creation of a genuine single market for air transport, the Community has harmonised many rules and regulations so as to create a level playing field for all airlines. The legislation that has been introduced includes notably a code of conduct for computerised reservation systems<sup>(45)</sup> common rules for the allocation of lots at Community airports<sup>(46)</sup> and for a denied-boarding compensation system in scheduled air transport<sup>(47)</sup>, and technical standards and administrative procedures for fixing common standards for the airworthiness of aircraft<sup>(48)</sup> and mutual recognition of licences to cockpit personnel working in the civil aviation industry, which allows pilots to be recruited directly from any Member State<sup>(49)</sup>. Lastly, the Community has legislated on the procedures for implementing competition rules in relation to air transport undertakings<sup>(50)</sup>.

In this framework two new exemption regulations from rules provided in article 85(3) of the Treaty, have been adopted<sup>(51)</sup>.

#### Capacity sharing

The old rules that permitted carriers, operating a route between two states, to divide up seat capacity equally, have now given way to more flexible arrangements for sharing capacity and traffic rights.

With the adoption of the 'second air transport package', greater flexibility enabled carriers to increase their seat capacity to meet market demands and to compete for the provision of carrier services<sup>(52)</sup>. Since January 1993, bilateral capacity sharing rules or agreements have disappeared completely.

#### Fares

A progressive relaxation of pricing rules has enabled carriers to offer cheaper fares. Greater flexibility in price fixing has been achieved by leaving the responsibility mainly to the operators rather than obtaining compulsory agreements from the two Member States concerned.

The second liberalising package provides for the application of the principle of 'double disapproval' to the system for approval of air fares, which allowed fares to be approved automatically within certain fixed zones, provided that neither of the two Member States concerned were opposed to its entry into force<sup>(53)</sup>. Since 1 January 1993 Community air

(45) OJ L 220, 29.7.89, P.1, Council regulation (EEC) N° 2299/89 of 24.7.89; amended OJ L 278, 11.11.93, P.1, Council regulation (EEC) N° 3089/93 of 29.10.93

(46) OJ L 14, 22.1.93, P.1, Council Regulation (EEC) N° 95/93 of 18.1.93

(47) OJ L 36, 8.2.91, P.5, Council Regulation (EEC) N° 295/91 of 4.2.91

(48) OJ L 373, 31.12.91, p.4, Council Regulation (EEC) No 3922/91 of 16.12.91

(49) OJ L 373, 31.12.91, p.21, Council Directive 91/670/EEC of 16.12.91

(50) OJ L 374, 31.12.87, p.1, Council Regulation (EEC) No 3975/87 of 14.12.87; OJ L 122, 17.5.91, p.2, Council Regulation (EEC) No 1284/91 of 14.5.91; OJ L 240, 24.8.92, p.18, Council Regulation (EEC) No 2410/92 of 23.7.92

(51) Commission Regulation, (EEC) No 1617/93, OJ L 155, 26.6.93, p.18, and Commission Regulation N° 3652/93 of 22.12.93, OJ L 333 du 31.12.93, P.37

(52) OJ L 217, 11.8.90, p.8, Council Regulation (EEC) No 2343/90 of 24.7.90

(53) OJ L 217, 11.8.90, p.1, Council Regulation (EEC) No 2342/90 of 24.7.90

carriers are allowed themselves to freely set their air fares without prior approval of the respective authority of a Member States. Mere notification of the fares to the competent authorities is now sufficient. Member States may intervene and withdraw fares under certain strictly regulated circumstances<sup>(54)</sup>.

#### Market access

The rules on market access have made it possible for new services and routes to be introduced. The second liberalisation package gave access to the Community market to those who offered third-freedom or fourth-freedom services (the right to put down, in the territory of another Member State, passengers or freight taken up in the territory of the Member State issuing the licence, and vice versa). It also permitted the limited exercise of fifth-freedom rights (the right to undertake the transport of passengers or goods between Member States other than the one issuing the licence and encouraged the opening of routes by increased use of the system of 'multiple designation' allowing several companies to operate a specific route).

The third liberalisation package ensures equal treatment of scheduled and non-scheduled services and includes provisions to introducing cabotage and establishing full fifth freedom traffic rights. Since 1 January 1993, Community air carriers have free access to all intra-Community routes, except for cabotage rights where some restrictions still exist until 1 April 1997<sup>(55)</sup>.

This will increase competition between carriers and give them the possibility to open up new routes and thus improve the service for the consumer.

### 2.1.3. Creation of suitable conditions for cooperation between enterprises

#### 2.1.3.1. Company law

Building a unified internal market also involves creating the conditions under which enterprises from different Member States can cooperate. This is particularly true for firms in the tourism sector which, by the activity's very nature, are operating across borders.

The Community's activities in the field of company law were initially centred on the approximation of Member States' laws and were aimed first of all at attaining the fullest possible mobility between countries and at ensuring freedom of establishment for enterprises.

With the completion of the Single Market ever in perspective, the Commission has concentrated more recently on developing appropriate company law structures which permit businesses to operate on a European rather than strictly national scale. Rather than simply seeking to align domestic laws, the objective is to create a body of truly European company law which should enable European enterprises to pool their resources and hence be competitive not only within the Community but also against world-wide competition.

Regulation concerning the European Economic Interest Grouping (EEIG) has made available a new type of cooperation status which makes it easier for separate businesses from various Member States to undertake a specified range of joint activities, without having to merge or

(54) OJ L 240, 24.8.92, p.15, Council Regulation (EEC) No 2409/92 of 23.7.92

(55) OJ L 240, 24.8.92, p.8, Council Regulation (EEC) No 2408/92 of 23.7.92.

set up a jointly owned subsidiary<sup>(56)</sup>. The EEIG could be defined as an intermediary between a simple contract and a proper company. Of over 400 existing EEIGs up to May 1993, seven concern directly tourism activities; four are based in France, two in Belgium, one in Ireland.

Progress in a number of areas is still being held up by lack of agreement on the social aspects of the proposals. This is true in particular for the proposal for a Council Regulation on the European Company Statute (*Societas Europaea* - SE)<sup>(57)</sup>. The original proposal was amended in May 1991 and split into two texts<sup>(58)</sup>.

The proposed statute would allow companies to restructure at European level, either by setting up a joint subsidiary, or by merging, or by creating a holding company. The legal and practical constraints arising from the existence of 12 different legal systems would thus be avoided. In its amended form, the first Commission proposal would also enable a large number of SMEs to form an SE by allowing such a European company to be created not only by public limited companies but also by private limited companies. The second Commission text concerns the involvement of employees in the supervision and strategic management of an SE. Several models of participation would be offered.

In order to facilitate transnational activity by cooperatives, mutual societies and associations, the Commission proposed three regulations for each of this type of bodies to establish a European statute<sup>(59)</sup>. As soon as the Council will adopt the regulations, tourism bodies established in one of these ways may particularly benefit of this new opportunity.

#### 2.1.3.2. Direct taxation

Tourism enterprises, because they are required to operate in a number of countries very often find themselves subject to the particular fiscal policies in operation in each of the Member States.

In the context of the single market, the Commission's prime objective is to ensure that companies operating in two or more Community countries are not penalised on tax grounds and thus placed at a disadvantage compared with companies whose activities are restricted to national territory. To this end, the Community put in place legislation to ensure that all forms of double taxation would disappear by 1 January 1993.

The two Directives 90/435/EEC and 90/434/EEC adopted by the Council on 23 July 1990<sup>(60)</sup>, relating respectively to the fiscal regime applicable to parent companies and subsidiaries in different Member States and to mergers, divisions, transfers of assets and exchange of shares concerning companies of different Member States, have been transposed by the Member States except Greece (the deadline was 1 January 1992). As concerns the ratification of the convention on the elimination of certain double taxation 90/436/EEC<sup>(61)</sup>, signed by the Member States on 23 July 1990, no deadline has been set. This convention, which constitutes

(56) OJ L 199, 31.7.85, p.1. Council Regulation (EEC) No 2137/85 of 25.7.85. See also EEC, "EEIG: the emergence of the new form of European cooperation, review of 3 years experience", 1993.

(57) OJ C 263, 16.10.89, p.41, proposal for a Council Regulation COM (89)268.

(58) OJ C 176, 8.7.91, p.1 and OJ C 138, 29.5.91, p.8, amended proposals for a Council Regulation COM(91)174 final

(59) OJ C 99, 21.4.92, p.1,17,40

(60) OJ L 225, 20.8.90, p 1 and p 6.

(61) OJ L 225, 20.8.90, p 10.

an essential instrument for the operation of the two directives mentioned, enters only into force after ratification by all Member States. At present, only Portugal, Ireland, Greece and the Netherlands have not yet ratified the convention. Ratification, by the latter three is expected to be completed by the beginning of 1994.

The Commission has also adopted a recommendation which intends to encourage Member States to eliminate discriminatory provisions from their legislation on the taxation of non-residents and to amend their laws on the basis of common rules of conduct<sup>(62)</sup>.

## 2.2. Removal of tax frontiers

### 2.2.1. Value-added tax (VAT)

The abolition of tax frontiers and the introduction of minimum rates for VAT and excise duties through Member States from January 1993 are expected to let market forces push VAT rates closer together. In the interest of consumers and enterprises the efforts made for harmonising VAT rates must continue also in the future.

Particularly in the hotel, restaurant and catering sector (passenger transport will be dealt with below), VAT rates still deviate significantly among Member States (refer to Annex 1).

In order to remove existing tax frontiers, it has been the prime objective of the Commission's proposals to eliminate checks and time-consuming procedures at internal borders by changing the VAT mechanisms applied between Member States and by approximating VAT rates.

As of 1 January 1993, goods have been able to move within the Community without any formalities being required at intra-Community borders, in accordance with transitional arrangements applicable until 31 December 1996.

These arrangements provide for the charging of VAT in the country of destination and relief from VAT in the country of origin. The accounting for and collection of VAT will be aligned on the procedure used for accounting for VAT on domestic sales and will therefore take place through the firms' regular VAT returns. This system of collection made necessary co-operation between tax authorities via a computerised network permitting the exchange of information required to check transactions.

The Directive 92/77/EEC<sup>(63)</sup> on the approximation of VAT rates, modifying the 6th VAT Directive (77/388/EEC), adopted by the Council, 19 October 1992, represents a follow-up to Directive 91/680/EEC<sup>(64)</sup> supplementing the common system of VAT and sets the minimum standard rate of VAT at not less than 15%.

Member States can introduce one or two rates of at least 5% on products or services of social or cultural character according to a list of 17 items which includes also passenger transport, tourist accommodation provided by hotels and similar establishments including camping sites and caravan parks, thermal treatment, use of sporting facilities and admission to amusement parks, sporting events, shows, theatres, cinemas, fairs, circuses, museums, zoos, concerts and exhibitions.

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(62) SEC (93) 2100

(63) OJ L 316, 31.10.92, p 1.

(64) OJ L 376, 31.12.91, p 1.

Restaurant services are not included on the list, and therefore the standard rate applies. However, as a transitional arrangement, Member States which on 1 January 1991, applied a reduced rate to restaurant services may continue to apply such rates until the end of the transitional period (31 December 1996).

The Commission's proposal for a Directive on the harmonisation of the laws of the Member states relating to turnover taxes, adopted on 2 July 1992<sup>(65)</sup>, seeks to abolish certain derogations provided for in Article 28(3) of Directive 77/388/EEC<sup>(66)</sup> and in the second subparagraph of Article 1(1) of Directive 89/465/EEC<sup>(67)</sup>. The proposal is accompanied by a report on the existing provisions. The aim of this proposal, which amends the sixth VAT Directive, is to revise and generally to limit the scope of derogations from the common VAT system, granted to Member States in respect of the basis of assessment, in order to move closer to a uniform basis of assessment.

Concerning the VAT arrangements applicable since 1 January 1993, the Council will re-examine these transitional arrangements before 31 December 1994, on the basis of a report to be submitted by the Commission, relating in particular to the proper functioning of the internal market. In addition, the Commission will propose appropriate measures in the event of significant distortions of competition being identified. In principle, all transitional arrangements will cease on 1 January 1997.

#### 2.2.1.1 Passenger Transport

Border controls have been used up to now as a means of levying VAT particularly on passenger transport such as coaches and buses. Passenger transport is subject to different tax regimes in different Member States (refer to Annex 2). Various criteria are used to determine the rates applied: the means of transport, whether it is domestic, national or international etc. Usually, VAT has been levied on national passenger transport services, whereas international services have been VAT-free with international transport by sea and air being zero-rated in all Member States.

To remove border controls associated with the payment of VAT on passenger transport services, the Commission adopted on 30 September 1992 a proposal which establishes the principle of territoriality with regard to the transport of passengers by road or inland waterway<sup>(68)</sup>. Thus, VAT is levied on passenger transport only in the country of departure for journeys completed within the Community. This proposal which is at present before the Council constitutes a simplification compared with the current situation, where VAT is paid in the different Member States relative to the distances covered and the rate of VAT applied.

The Commission proposal does not change the current situation as regards the various VAT rates applied to transport services across the Community. Countries that exempt or zero-rate passenger transport will be able to do so until the end of the transitional period.

This proposal which is intended to give sufficient leeway to Community transport companies to adapt to liberalised markets, acknowledges the need to keep strong Community transport companies as compared with those in third countries (cross-border passenger transport by air

(65) COM(92) 215 final

(66) OJ L 145, 13.6.77, p 1.

(67) OJ L 226, 3.8.89, p 21.

(68) COM(92) 416, OJ C 307, 25.11.92, p. 11, amending Directive 77/388/EEC. OJ L 145, 13.6.77, p 1.

or sea would remain zero-rated) and will be beneficial to consumers. According to the Council Directive of 19 October 1992<sup>(69)</sup>, transport of persons in the Member States is foreseen to be included in the list of goods and services at Annex H of the sixth VAT Directive on which VAT can be levied at the reduced rate from the end of the transitional period.

Since current rates of VAT may be maintained, the cost of passenger transport within the Community should remain roughly the same. The general wish of the Commission in making this proposal is to keep any changes of the tax rates to a minimum and leave unaffected the present competitiveness of the various forms of passenger transport, including road transport.

Since transport of passengers to and from third countries continues to be free of VAT, the possibility of distortions between international transport and intra-Community transport is an issue that requires constant examination.

#### 2.2.1.2 Travel Agents and Tour Operators Margin Scheme

While the measures affecting the application of VAT to services provided by travel agents and tour operators as set out in article 26 of the 6th VAT Directive<sup>(70)</sup> do not fall within the scope of the White paper on the Completion of the Single Market, it seems appropriate to comment of this aspect in the framework of this chapter.

Article 26 sets out the liability to pay VAT on services provided by travel agencies. All services provided by travel agencies should be regarded as a single service and taxed in the Member State where the agent has established his business or has a fixed establishment.

The margin on which VAT is paid, is the difference between the price paid by the customer - exclusive of VAT - and the total actual cost of services and supplies - inclusive of VAT - provided by other taxable persons; where these transactions are for the direct benefit of the traveller.

At present extra-Community travel is exempt from margin tax. Thus where a trip involves travel inside and outside of the Community, only the part outside of the Community is exempt.

In order to counter possible distortions of competition brought about by the uneven application of the 6th Directive in this respect, the Commission intends to propose a directive to revise Article 26, which, in particular, provides for the ending of the transitional arrangements allowing the taxation or exemption of the whole of the travel agent's margin.

#### 2.2.2. Excise duties

Developments in this field which mainly have an effect on consumers have been presented in the chapter III.1.

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(69) OJ L 316, 31.10.92, p.1

(70) OJ L 145, 13.6.77, p 19.

### 3. COMPETITION POLICY

The nature of competition policy as one of the instruments for achieving the Community's fundamental objectives, which is acknowledged in the Treaty of Rome and confirmed in the Union Treaty, makes Community action in this sphere a valuable ally of the harmonious development of economic activities relating to tourism.

Community measures in these two fields reinforce one another.

The Commission's role in the field of tourism, which is designed *inter alia* to stimulate the market at European level, has the effect of strengthening competition.

In applying the competition rules, the Commission ensures that certain anti-competitive practices of firms or Member States which tend to distort conditions on the tourist market and, hence, to delay or prevent its balanced expansion are penalised.

Certain agreements or types of aid may be authorised, however, where they make it possible for example to speed up the structural adjustment of the tourist industry or where they contribute to the development of backward regions.

Thus, in the field of tourism, competition policy helps to create a genuine frontier-free area and economic and social cohesion by opening up markets protected by cartels, abuses of dominant positions or state aid.

Aware that cooperation with national authorities and economic agents is necessary if its action is to be effective, the Commission has continued to devote its energies to explaining in advance the guidelines and philosophy on which its competition policy is based.

The various instruments employed, or being studied, which include exempting regulations, or notices in the state aid field, assist the consistent development of Community tourism.

A survey of the principal decisions taken by the Commission in the field of tourism, in accordance with the main lines of Community action on competition policy, is given below:

- decisions and measures taken with regard to restrictive agreements and abuses of dominant positions (Articles 85 and 86 of the EC Treaty);
- merger control (Council Regulation (EEC) No 4064/89 of 21 December 1989);
- control of state aid (Articles 92 and 93 of the EC Treaty).

#### 3.1 Application of the competition rules to enterprises

##### 3.1.1 Restrictive agreements and abuse of dominant positions

In pursuing its vigorous action against horizontal and vertical agreements which restrict competition and against abuses of dominant positions, the Commission in 1992 had occasion to comment officially for the first time on the organisation of sports events, a subject which has a considerable impact on tourist flows.

Having received a complaint from a travel agency, the Commission examined the general system for distributing tickets and selling package tours set up by the organisers of the 1990 World Cup, which was held in Italy<sup>(71)</sup>.

The Federazione Italiana Gioco Calcio (FIGC) was appointed by the International Federation of Association Football (FIFA) to organise the 1990 World Cup. The FIGC, together with FIFA, set up a local organising committee, which introduced a system for the prior distribution of tickets.

The Commission was concerned in this case only about the method selected by the organising committee for distributing tickets to package tour organisers. The organising committee granted an Italian travel agency, 90 Tour Italia, the exclusive right to sell entrance tickets for inclusion in package tours. All the other tickets were sold on the explicit condition that they would not be resold to travel agencies.

As a result, 90 Tour Italia was granted the monopoly for organising and selling package tours for the World Cup. Other travel agencies were unable to compete, since they could not offer alternative travel deals, possibly at lower prices. Similarly, travel agents could offer only a limited choice of package tours for the World Cup and could not rely on competition between several tour operators to obtain better terms for their customers.

For these reasons, the Commission considered that the agreement concluded between the organisers and 90 Tour Italia had restricted competition to the detriment of supporters who had bought package tours: the agreement was therefore contrary to Article 85(1) of the EC Treaty.

In reaching this conclusion, the Commission examined very carefully whether the exclusive distribution system could be justified by the need to ensure safety at matches. It found, however, that a number of other tour operators could have met the organiser's requirements perfectly well and could have therefore offered competing package tours without compromising safety in any way. The organising committee acknowledged this argument during the proceedings.

The Commission considered that the following bodies were guilty of violating the Community's competition rules: FIFA, the Federazione Italiana Gioco Calcio (FIGC), Col Italia (acting as a joint agency for FIFA and the FIGC), 90 Tour Italia and CIT Spa/Italiatour (as the parent companies of 90 Tour Italia).

This was the first time the Commission had adopted a formal decision under the competition rules with regard to the sale of tickets for sports events. In the light of this, and given the short duration of the infringement, the Commission decided not to impose a fine.

Nevertheless, it intends to ensure that the distribution systems for major sports events fully comply with the competition rules in future, so as to enable those supporters who wish to attend to buy tickets or package tours on favourable terms as a result of competition between several distributors.

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(71) Commission Decision of 27 October 1992, OJ No L 326, 12.11.1992, p.31.



It will be noted that the Commission did not regard any other aspect of the ticket distribution system as infringing the Treaty. General sales of tickets were subject to a number of restrictions such as the limit on the number of tickets sold per person and the prohibition on resale to travel agencies. The Commission considered that these restrictions were necessary to avoid tickets intended for supporters of a given nationality being sold to those of another nationality, which would have conflicted with the policy of separating supporters of different nationalities and hence jeopardised the safety of the event in question. It therefore considered that these restrictions were compatible with the competition rules.

Following a complaint by a German travel agency which had encountered certain difficulties in getting into the market for distributing tickets for the Barcelona Olympics, the Commission examined the systems for distributing such tickets (including those for the Winter Olympics in Albertville) for compliance with the competition rules in Articles 85 and 86 of the EC Treaty.

It was found that the usual distribution system, authorised by the International Olympic Committee, had been used initially, i.e. a single agent had been appointed in each Member State by the various National Olympic Committees. By means of a contract concluded with the Organising Committee for the Olympic Games, this agent received a monopoly in the distribution of tickets within the territory of the Member State concerned.

Given that this distribution system undeniably infringed the competition rules, the Commission tried to find a mutually acceptable compromise, i.e. a solution that complied with the competition rules and the unification of the internal market, but without suddenly calling into question the ticket distribution practices which the Olympic movement had followed until then.

Following the action taken by the Commission, all agents now apply a policy of "first come, first served" towards ticket purchasers without making the sale of tickets contingent on the supply of additional services.

Lastly, the International Olympic Committee undertook to discuss with the Commission, and with reference to future Olympic Games, the transparency of the conditions on which agents were appointed by the National Olympic Committees in the Member States.

In the more specific area of travel agencies, two important Decisions were adopted: the Decision of 30 July 1991 concerning the IATA Passenger Agency Programme<sup>(72)</sup> and that of 25 November 1992 on the distribution of railway tickets.<sup>(73)</sup>

The two Decisions concern the circumstances in which travel agencies can sell the transport services supplied by airlines and railway companies. In both cases, the objective is primarily to give agencies as much commercial freedom as possible while taking account of the need for some control by transport companies to be retained some control. Special importance is attached to the opportunity afforded to travel agencies to compete against each other by passing on part of their commission to transport users.

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(72) OJ No L 258/18, 16.9.1991.

(73) OJ No L 366/47 of 15 December 1992.

### 3.1.2 Merger control

Pursuant to the Regulation on the control of concentrations between undertakings,<sup>(74)</sup> which came into force in 1990, the Commission examined the case Accor/Wagon-Lits regarding the takeover bid made by Accor, a French catering and hotel group, of all the shares in Wagons-Lits, a Belgian group specialising in hotels, catering and other tourist services.

The Commission concluded that the transaction would have given Accor a dominant position as a result of the significant increase in its market share, in motorway catering activities only.

Following the Commission's intervention, Accor undertook to pull out of all the catering activities on French motorways which it had taken over from Wagons-Lits.

### 3.2 Application of the competition rules to state aid

Given the structural characteristics of the Community tourist industry, which is largely made up of small and medium-sized enterprises (SMEs), the adoption by the Commission in 1992 of guidelines on state aid for SMEs<sup>(75)</sup> provides them with a framework of basic rules on this subject. The guidelines also guarantee equality of treatment for SMEs in the Community, taking account of the differences in regional development.

The Commission has also adopted a system of accelerated procedures for certain aid schemes for SMEs, which makes it possible to process SME projects more quickly, and a "de minimis" rule, which absolves Member States from notifying minor aid schemes to the Commission.

Aid schemes for tourism or containing a tourism component are regularly notified to the Commission by the Member States. Such schemes generally include a variety of measures such as aid for investment in the construction, modernisation and improvement of tourist facilities of all types.

The Commission has generally adopted a favourable attitude towards such aid. In most cases, it relates to small-scale tourist projects which are not likely to affect tourism activities in the Community to an extent contrary to the common interest. In some cases, they also contribute to the development of less-favoured regions.

All tourism aid schemes notified to the Commission up to July 1993 have thus been approved (see list at Annex 3).

With a view to ensuring greater transparency in this field, the Commission is examining the need for guidelines on state aid for tourism.

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(74) Council Regulation (EEC) No 4064/89 of 21 December 1989, OJ No L 395, 30.12.1989, p. 1

(75) OJ No C 213, 19.8.1992, p. 2

#### 4. ENTERPRISE AND SERVICES POLICY

The improvement of the business environment and support for making back-up services available to firms in a European context, especially information services and the encouragement of cooperation across frontiers, were the two main themes of Community enterprise policy under Decision 89/490/EEC, as amended by the Decision of 18 June 1991.<sup>(76)</sup>

Although there is no specific link with tourism, the measures carried out did involve tourist firms, especially those affected by instruments set up to promote cooperation, give such firms more information on Community activities or improve their environment.

##### 4.1 Enterprise policy

To provide a favourable environment for firms, especially small and medium-sized businesses, Community policy acknowledges the need to simplify legislation and reduce the constraints which it imposes on them.<sup>(77)</sup>

Generally speaking, administrative simplification work involves examining the administrative, financial and legal obligations arising out of legislation and then studying ways of reducing the constraints or the impact of public authority activity. The objective is to create an environment in which firms, especially SMEs, can innovate and operate efficiently and competitively.

The second report on this subject,<sup>(78)</sup> presented to the Council by the Commission, emphasises the particular importance for SMEs of improving transparency and the procedures for consulting business organisations, greater awareness of cost-benefit analysis, simplifying legislation and paying greater attention to simple, clear and flexible rules.

Like firms in other sectors, tourist enterprises, which are overwhelmingly of small or medium size, benefit from this rationalisation of administrative procedures, which is designed to avoid any unwarranted burden being placed on them.

In implementing this approach, the Commission has introduced a system for assessing the potential consequences of Community legislation on enterprises, in particular on SMEs, and has undertaken to draw up new measures for improving and strengthening this system.<sup>(79)</sup>

The business impact assessment system has now been consolidated at Community level, as was confirmed by the Council resolution of December 1992.<sup>(80)</sup>

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(76) A survey of activity in this field in 1992 is presented in the report to the Council of 23 July 1993 (COM(93) 365 final).

(77) Council recommendation of 28 May 1990, OJ No L 141, 2.6.1990.

(78) SEC(92) 1867, 27.10.1992.

(79) *ibid.*

(80) Council Resolution of 3 December 1992, OJ No C 331, 16.12.1992.

## 4.2 Improving information

The operation and expansion of the Euro-Info-Centre (EIC) network accounted for 40% of the budget allocated for the period 1990-93, or about ECU 12 million in 1992.

Tourist enterprises and the local authorities concerned by this area of activity have benefited from the three main services supplied by the EICs:

- distribution of general documentation on Community measures and legislation;
- operational information on enterprises, their environment and the practical possibilities of accessing existing facilities in the context of the single market;
- advisory and assistance activities.

Of the requests logged and handled by the EICs between 1991 and November 1993, 136 related to tourism. To these should be added the hundreds of oral questions to which a direct answer was given by the various members of the network.

## 4.3 Development of cooperation

The activities of the Business Cooperation Network (BC-Net), the Business Cooperation Centre ("BRE"), Europartenariat and the Interprise programme constituted the second major area of enterprise policy in terms of financial resources allocated, accounting for more than 20% of the budget or approximately ECU 6 million in 1992.

These activities of putting SMEs in touch with each other and helping them to cooperate were of direct concern to tourist firms.

Since its inception, BC-Net, a confidential partner-search system, has handled 823 requests for cooperation in areas of activity directly associated with tourism. Slightly more than half these requests related to the hotel industry.

Through its 350 correspondents in 48 countries, the "BRE" in 1993 handled some 273 partner searches in tourism, thus demonstrating in this area as well its effectiveness as a catalyst for SMEs which wish to get involved in cooperation across frontiers. In 60% of cases, the type of cooperation required is technical, which demonstrates the interest of tourist firms in the exchange of experience at international level.

Under the Interprise programme, co-financing was arranged for the first European Forum on Green Tourism in 1992.

## 4.4 The multiannual action programme for enterprise policy

The programme<sup>(81)</sup> seeks to ensure the continuity and consolidation of the activities carried out so far, in particular by intensifying the priority measures. Tourist firms are therefore likely to derive greater benefit from the measures provided for, notably through the expansion of the

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(81) Council Decision 93/379/EEC, OJ No L 161, 2.7.1993.

information network and the improvement of cooperation procedures and instruments.

#### **4.5 Measures relating to cooperatives, mutual societies, associations and foundations**

These forms of entrepreneurial organisation are important to tourism not just for their economic weight but for their social and cultural dimension, which has a profound influence on the dynamic of change in European society.

Such entities are characterised by the use of specific organisational and production techniques, which are particularly suited to the different segments of the tourist market.

In the field of joint tourism projects, for example, "Eurovillages" is a structure linking bodies providing "social holidays", which, through cooperation across frontiers, have set up tourism facilities co-financed by the various countries concerned.

In this sphere, the Community continues to pursue the objectives of providing European statutes for cooperatives and similar organisations, and of improving knowledge of and consultation with the sector.

## 5. TRANSPORT POLICY

Transport is a key element of the tourist industry, and the measures taken in this sector have a significant impact on the development of tourism.

Difficulty of access to a resource, whether natural or cultural, determines the use which tourists can make of it. The success of Community action to assist tourism is therefore closely linked to the quality and diversity of a transport policy which promotes a variety of infrastructure networks, ensuring maximum safety and speed of travel and reducing the time needed to reach the outlying regions of the Community.

More generally, now that the internal market is largely complete, an integrated approach should be adopted which will make it possible to meet the challenges facing transport in the years ahead.

The Commission is currently working on such an approach with a view to ensuring that transport in the Community continues to fulfil its economic and social functions but at the same preserving favourable environmental conditions.

The White Paper on the future development of the common transport policy,<sup>(82)</sup> adopted by the Commission on 2 December 1992, seeks to reduce the disparities which continue to exist between modes of transport, notably through a more equitable sharing of costs and through other measures which will ensure healthy competition, better respect for the environment and greater complementarity between modes of transport.

### 5.1 Transport and the environment

Opening borders in 1993 is intended to give a big boost to personal mobility in the Community.

People make more than 100 million journeys a year, of which 55% are by road, 30% by plane, 8% by rail and 7% by ferry. Concerned about the adverse effect of increased demand on the environment, the Commission therefore adopted on 2 December 1992 a communication entitled "The future development of the common transport policy - creation of a Community framework to ensure long-term mobility".<sup>(83)</sup>

In this document, which was the subject of widespread public debate, the Commission sets out a common strategy for reducing, or at the very least limiting, in a general and consistent manner, the impact of transport on the environment while safeguarding the user's freedom of choice.

The purpose of such a strategy is to promote long-term mobility by integrating transport into a general framework of sustainable development.

(82) COM(92) 494; Bulletin EC 12-1992.

(83) COM(92) 494, 2.12.1992.

## 5.2 Transport networks and infrastructures

Master plans for large networks of European interest are currently being drawn up to ensure that all regions of the Community are served; this is bound to have an impact on tourism in a frontier-free Europe.

These trans-European transport networks are a key element in the overall approach to the common transport policy set out in the White Paper.

The high-speed train (TGV) network is the first example of the Community tangibly demonstrating the common added value in designing a genuine trans-European network by including all the aspects concerning its conception, namely its interoperability and its economic and social effects. In December 1990, the high-speed train network was warmly welcomed by the Council of Transport Ministers (resolution of 17 December 1990).

The Commission presented other proposals on the creation of a trans-European road network, a trans-European combined transport network and a trans-European inland waterway network, all of which were adopted by the Council on 29 October 1993.<sup>(84)</sup> The Decisions were taken on the basis of Article 75 of the EC Treaty and apply until 30 June 1995. The Commission will also shortly present to the Council a communication on trans-European networks for airports, ports and conventional rail systems.

Networks for the air traffic management (ATM), vessel traffic services (VTS) and rail traffic management (RTM) systems and a citizens' network are also in preparation.

The Commission is to present the initial elements of a multimodal approach in June 1994, the Council having stated in the Decisions of 29 October 1993 that "new rules for trans-European networks in the transport-infrastructure sector along multimodal lines ... shall enter into force not later than 1 July 1995".

During the period 1982-92, ECU 702.7 million was allocated to the implementation of the transport infrastructure policy, contributing to a total investment volume of ECU 11 billion. Although the impact on tourism cannot be quantified, it is evident that the policy has a not inconsiderable effect on the promotion of infrastructures of Community interest.

Of the ECU 391.5 million allocated during 1989-92, ECU 186.2 million went to projects relating to the European network of high-speed trains.

On 25 June 1993 the Council adopted Regulation (EEC) No 1738/93 for an action programme in the field of transport infrastructure with a view to the completion of an integrated transport market.<sup>(85)</sup> The action programme lasts for two years. A sum of ECU 325 million has been set aside for its implementation.

### 5.2.1 Railways

The Council on 29 July 1991 adopted Directive 91/440/EEC on the development of the Community's railways<sup>(86)</sup> in order to facilitate their adaptation to the needs of the single market and to increase their efficiency.

(84) OJ No L 305, 10.12.1993.

(85) OJ No L 161, 2.7.1993, p.4.

(86) OJ No L 237, 24.8.1991, p. 25

The Directive provides for a number of measures to make rail transport more efficient and competitive; these include ensuring the management independence of railway undertakings, improving their financial structure, separating infrastructure management from the provision of transport services and ensuring access to the networks of Member States for international groupings of railway undertakings. The measures should not only improve the general efficiency of the Community's railways but should promote the introduction of transport services which fully meet the requirements of tourism.

The Commission has just adopted two proposals for directives supplementing Directive 91/440/EEC, one concerning the licences of railway undertakings and the other the distribution of railway infrastructure capacity and the collection of fees for using the infrastructure. The directives, which lay down general principles, should ensure that Directive 91/440/EEC is applied in a uniform and non-discriminatory manner, though they leave to the Member States the job of introducing detailed implementing rules.

The Commission has stated that it will put forward the master plan for the conventional rail network in mid-1994.

#### 5.2.2 Master plan for airports

The Commission, in close cooperation with the Member States, is currently drawing up a master plan for the Community's airports. The plan will be presented in the form of guidelines for the development of a Community airport network.

The key objectives are to ensure that airport capacity can meet future demand and that such development continues to be environmentally compatible whilst providing for interoperability and interconnection with other networks.

The guidelines will concentrate in particular on:

- existing airport capacity in the Community;
- pressure points in the airport network;
- development priorities;
- the various options available for the development priorities, and their environmental compatibility;
- links with other networks, including access to airports;
- financial requirements and the specification of the options available and the eligibility criteria for financial assistance.

#### 5.2.3 Air traffic control

Aware of the current difficulties as regards overall management of air traffic and the threat which this poses to the tourist industry, the Commission has presented the following proposals to the Council:<sup>(87)</sup>

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(87) COM(88) 577 final, 16.1.1989.



- a Decision on consultation and coordination between Member States in the field of air traffic services and air traffic flow management;
- a Decision concerning a more active Community role with regard to air transport infrastructure;
- a recommendation on the flexible and efficient use of airspace.

The Commission has also proposed that the Community become a full member of Eurocontrol, a body set up by international agreement to coordinate air traffic control in Europe.

These proposals are still pending in the Council.

On 18 July 1989 the Council adopted a resolution on air traffic system capacity problems,<sup>(88)</sup> this emphasised the need for efforts in the relevant fora to make progress in establishing compatible technical and performance specifications for air traffic control systems and equipment.

Following the resolution, the Council adopted a Directive on the definition and use of compatible technical specifications for the procurement of air-traffic-management equipment and systems.<sup>(89)</sup>

In this Directive, the Commission is proposing a two-stage approach to air traffic management.

In the first stage (the actual purpose of the Directive), the Commission adopts the principle of harmonisation of the technical specifications and air traffic management (ATM) equipment with a view to ensuring that the various existing systems can be interlinked.

In the longer term, the Commission bases itself on the concept developed by the International Civil Aviation Organisation (ICAO, CNS, ATM) which is based on new technologies and could serve as a foundation for an ATM network.

Lastly, the Commission, concerned that there should be a pan-European ATM system, is using the Phare and Tacis assistance programmes to help the countries of Central and Eastern Europe and the CIS to develop a compatible system.

### 5.3 Computerised reservation system

On 24 July 1989 the Council adopted Regulation (EEC) No 2299/89,<sup>(90)</sup> which introduced a wide-ranging and compulsory code of conduct for computerised reservation systems (CRS) for passenger air transport in the Community. The object of the Regulation is to ensure that these systems are used in a non-discriminatory, transparent manner, to lay down a number of safeguard measures to avoid abuses and to strengthen competition between air carriers and between reservation systems. The code also contains a complaints investigation and enforcement procedure.

(88) OJ No C 189, 26.7.1989, p. 3

(89) Directive 93/65/EEC of 19 July 1993, OJ No L 187, 29.7.1993 p.52.

(90) OJ No L 220 of 29.7.1989.

To ensure more competition between air carriers and better information for users, the Commission on 23 September 1992 presented a proposal<sup>(91)</sup> amending the Regulation. This was adopted by the Council on 29 October 1993.<sup>(92)</sup>

In order to be consistent with principles established in the "Third liberalisation package", the new code of conduct extends the scope of the regulation to also cover non-scheduled services and bundled products. In addition, the ranking criteria for flights offering unbundled products on the principal display have been clarified and strengthened.

Information provided to the air carrier's own system must also be passed, on request, to other systems. At the same time, reservations from other systems must be accepted on payment of the booking fee.

On the other hand strong safeguards have been introduced to separate the distribution facilities of a CRS from the air carrier's internal reservation, management and marketing facilities and to protect the data contained in the central data base of a CRS against unauthorised access by other carriers.

In addition, the new code of conduct makes a distinction between contracts concerning participation or use of a CRS system and those relating to the supply of hardware in order to facilitate the use of own, but compatible equipment and, in particular as regards travel agents, the change of systems, thus increasing competition among CRSs

Furthermore, in cases of discrimination against Community air carriers by third countries' parent carriers and their CRSs, the reciprocity rule has been strengthened.

By extending its scope to non-scheduled air services and by clarifying and strengthening the ranking criteria of the display of information on air transport services, the consumer will get even better and more transparent information for each travel option.

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(91) OJ No C 56, 26.2.1993.

(92) Council Regulation (EEC) No 3089/93, OJ No L 278, 11.11.1993, p. 1

## 6. ECONOMIC AND SOCIAL COHESION

Supporting the tourist industry is one of the means used for promoting harmonious development in the Community as a whole, in partnership with the Member States, the business sector and the regions. The aim is to reduce disparities between regions in terms of levels of development, and the backwardness of the less favoured regions, and to encourage employment as well as geographical and occupational mobility among workers and among students at different stages in their training; these aims are some of the main objectives of the efforts to reinforce the economic and social cohesion of the Community.

This means that the tourist industry is a well-placed recipient of aid granted through the various instruments used to implement Community regional policies.

The role of tourism in regional development has already been discussed, in a Commission staff working paper in November 1990.<sup>(93)</sup>

### 6.1 Regional policies

The 1989-93 Community Support Frameworks (CSFs) under Structural Funds gave priority, within the tourist sector, to measures for:

- improving supply of tourist facilities and achieving a better geographical distribution of tourism;
- reducing seasonal peaks;
- exploiting natural, historical, architectural and cultural assets of interest to tourists;
- developing rural tourism and vocational training for jobs in tourism

When the measures have been implemented, special attention has been paid to environmental conservation and to taking advantage of the opportunities it affords.

When the CSFs were drawn up between the Commission and the Member States concerned, the needs expressed by the regions were taken fully into account; however, those people responsible for tourism policy within the Member States were not always kept informed of the negotiations which resulted in the CSFs.

The point should be underlined because of the need to ensure sufficient consistency for implementing development policy at the relevant level.

There are so many different types of tourism that it is impossible, on the basis of our present knowledge, to make any analysis or specific recommendation as to those that should be given priority.

A specific report on tourism in this framework is needed, to assess not only its positive impact, notably concerning major infrastructure projects, but also the constraints encountered in its implementation.

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(93) SEC 90/2356 du 29.11.1990

Finally, to ensure optimal development of tourism as efficiently as possible in the regions receiving aid from the Funds, it is also important to ensure that the operational programmes of measures are integrated in respect of the ERDF and the ESF.

#### The Funds

##### **ERDF: European Regional Development Fund**

This Fund contributes 86% of total aid granted to the tourist sector by the Structural Funds.

##### **ESF: European Social Fund**

This Fund contributes 5% of total aid granted to the tourist sector by the Structural Funds.

The ESF is involved in the five objectives of the 1988 reform of the Structural Funds

In all cases, financial aid from the ESF complements ERDF measures. Community aid thus usually takes the form of operational programmes involving more than one Fund, with the ERDF financing infrastructure (facilities) and the ESF financing appropriate training measures.

In Objective 2 regions, ESF aid measures are, as under Objective 1, measures to back up the arrangements made through the ERDF. All ERDF project areas (installation and modernisation of facilities, promotion campaigns, improving accommodation capacity etc.) lead to a major demand for training.

In the Objective 5(b) regions (rural areas), ESF measures concentrate on the general "human resources" priority of the CSFs; this covers training and employment measures, including ones covering tourism.

##### **EAGGF: European Agricultural Guidance and Guarantee Fund**

This Fund contributes on average 9% of the total aid granted to the tourist sector by the Structural Funds (Objectives 1 and 5(b)).

To encourage the diversification of activities in the countryside, Community aid to rural tourism is planned either at the level of agricultural holdings or at a more general level, e.g. for basic infrastructure, leisure activities and nature parks.

The following tables give details of the amounts of the Community contribution within the CSFs to the tourist sector by Objective and by Member State.

#### (a) For Objective 1

COUNTRY	ECU million (1989-1993)	% of total Community aid from Structural Funds (excluding Objectives 3, 4 and 5a)
GREECE	243.6	4.5
SPAIN	182.0	2.4
FRANCE	34.3	4.8
IRELAND	188.6	6.6
ITALY	786.6	12.3
PORTUGAL	203.0	3.5
UNITED KINGDOM	46.2	5.5
Total for Objective 1	1683.7	5.6

To these figures should be added the indirect contribution to the development of tourism made by Community aid to operations to improve communications with isolated regions, almost a quarter of the total involved in the relevant CSFs.

(b) For Objective 2

COUNTRY	ECU million (1989-91)	% of total Community aid from Structural Funds
BELGIUM	12.85	7.2
DENMARK	0.50	1.6
GERMANY	5.7	2.0
SPAIN	-	-
FRANCE	44.10	7.3
ITALY	24.67	9.0
LUXEMBOURG	-	-
NETHERLANDS	10.09	13.1
UNITED KINGDOM	173.89	12.8
Total for Objective 2	271.8	7.6
Total for Objective 2 (1992-1993) 156.2 MECU		

(c) For Objective 5(b)

COUNTRY	ECU million (1989-93)	% of total Community aid from Structural Funds
BELGIUM	4.40	13.50
DENMARK	-	-
GERMANY	-	-
SPAIN	17.68	6.20
FRANCE	105.60	11.00
ITALY	51.20	13.30
LUXEMBOURG	0.40	16.00
NETHERLANDS	9.00	20.50
UNITED KINGDOM	5.80	1.70
Total for Objective 5(b)	194.08	7.48

## (d) Summary table

COUNTRY	Obj.1 (1989-93)	Obj.2 (1989-91)*	Obj.5(b) (1989-93)	TOTAL
Greece	243.6	-	-	243.60
Spain	182.0	-	17.68	199.68
France	34.3	44.1	105.60	184.00
Ireland	188.6	-	105.60	188.60
Italy	786.0	24.7	51.20	861.9
Portugal	203.0	-	-	203.00
United Kingdom	46.2	173.9	5.80	225.9
Denmark	-	0.5	-	0.50
Germany	-	5.7	-	5.70
Netherlands	-	10.1	9.00	19.10
Belgium	-	12.9	4.40	17.30
Luxembourg	-	-	0.40	0.40
<b>TOTAL</b>	<b>1683.7</b>	<b>271.9</b>	<b>194.08</b>	<b>2149.68</b>

\* Objective 2 (1992-1993) 156.2 MECU

#### 6.1.1 Branches of tourism most concerned by Community aid

##### Objective 1:

- aid to investment and infrastructure
- aid to raise the profile of cultural and historical resources

##### Objective 2:

- improving the supply of tourist facilities
- developing the tourist industry

##### Objective 5(b):

- environmental conservation in the framework of the development of rural tourism
- development of tourist infrastructure in the countryside
- promotion of rural tourism.

#### 6.1.2 The 1993 Revision of the Structural Funds regulations

The revised regulations and the increased funding for 1994-99 can be expected to lead to an increase in aid to tourism.<sup>(94)</sup>

Extending partnership will help, by improving consistency and the flow of information at the appropriate level in the Member States when the plans and then the CSFs are drawn up and the programmes are implemented.

(94) The texts of the Regulations, with comments, can be found in "Community Structural Funds 1994-99" (Official Publications Office, Luxembourg, 1993).

The increase in the number of eligible regions will mean more measures in favour of tourism because in many of the newly eligible regions, tourism has already achieved a certain level of development or has good potential for it.

The extension of the scope of the ESF to help workers to adapt to industrial change is also relevant to the tourist industry in the framework of the enlarged partnership provided for in the review.

Some 9% of commitment appropriations from the Structural Funds will be used for Community initiatives in 1994-99.

### 6.1.3 The Cohesion Fund

On 31 March 1993 the Council introduced a temporary financial instrument intended to improve cohesion, pending the adoption of a definitive regulation under the Treaty of European Union.

The tourist industry is directly concerned by the new instrument from the outset, for two reasons:

- the instrument involves four countries where the tourist industry is traditionally important (Greece, Spain, Ireland and Portugal),
- the instrument is to finance investment relating to the environment and to transport, both of which have a direct impact on tourism.

## 6.2 Community initiatives

Community initiatives together absorbed nearly 6 billion ECU (in 1989 prices) around 10% of the total available through the Structural Funds in the period 1989-93.

Projects concerning the tourist industry were eligible under the following initiatives

### *ENVIREG (programme of regional environmental measures)*

Among the Community initiatives proposed by the Commission under Article 11 of Council Regulation (EEC) No 4253/88, the programme of regional environmental measures (ENVIREG) is of special importance to the tourist industry, especially in the Mediterranean regions.

One of ENVIREG's specific objectives was to reduce pollution in coastal areas, especially the Mediterranean areas whose economy is significantly dependent on tourist business.

One of the priorities was to support areas experiencing a considerable population increase during the summer months.

The level of tourist activity in coastal areas was a criterion for determining the allocation of Community aid, which amounted to ECU 500 million for 1990-93.

### *INTERREG (cross-border cooperation)*

This initiative concerned the promotion of cooperation between border areas.

Cross-border measures to encourage tourism were eligible for Community aid, including measures in favour of agri-tourism and the environment, and the development and management for tourist purposes of natural parks straddling a border.

The total contribution of the three Community Funds to this initiative for 1990-93 amounted to over ECU 1 billion, but it is impossible to assess accurately how much of this went to finance tourist-related measures.

*REGIS (isolated regions)*

The Commission's purpose with this initiative was to aid the most remote Community regions.

It was approved in July 1990, and provided for aid of ECU 200 million for the period 1990-93 from the three Structural Funds, for measures that included ones in favour of tourist activities and the development of the sector; the share of measures in favour of tourism financed under this initiative cannot be accurately assessed.

*RESIDER and RENAVAL*

These two Community programmes were adopted by the Council before the review was implemented

RESIDER was for the regions worst hit by the decline of the steel industry, RENAVAL for those affected by the decline of shipyards.

Both programmes explicitly provided for the possibility of Community aid for investment in the tourist industry, although it is not possible to assess accurately the share of tourism.

*LEADER (links between measures for the development of the rural economy)*

On 15 March 1991, the Commission adopted the LEADER initiative to promote local development by financing the initiatives of local groups.

Community aid could be used to finance individual and collective investment related to agricultural activities, the restoration and development of rural sites and buildings of interest to tourists, promotion campaigns, market studies, measures to extend the tourist season (short-stay tourism, week-end breaks etc.), on the basis of projects in the work programmes of selected local groups.

Among the eligible aid (Objective 1 and 5b regions), measures concerning rural tourism represented a major share: 40% of the aid available for this initiative (ECU 400 million at 1989 prices) until the end of 1993 related to projects for the development of rural tourism to be co-financed by the ERDF, the EAGGF-Guidance Section and the ESF

*RECHAR*

The purpose of this programme is the economic conversion of former coal-mining areas.

It provides, among other things, for Community support for the promotion of the tourist industry, especially activities based on industrial heritage.

The eligible areas cover 28 coal-mining areas in six Member States; the ERDF and the ESF contributed a total of ECU 300 million. The ECSC contributes to the programme with interest-subsidies up to ECU 120 million, and with ECU 40 million in additional aid to re-adjustment under Article 56 of the ECSC Treaty.



### TELEMATIQUE

This is an initiative with part-financing from the ERDF to facilitate the introduction of advanced telecommunications services in Objective 1 regions. This programme is considered in detail in Chapter III.12.3

*RECITE (regions and cities of Europe)* - (under article 10 of ERDF Regulation).

The programme, launched in 1991, covers 37 cooperation networks involving local and regional authority areas with 50 000 inhabitants and over. Tourism is one of the matters for which these networks have at least partial responsibility, and it is therefore eligible for Community aid to concerted measures. The budget for RECITE is ECU 49 million, but the share of measures related to tourism cannot be accurately assessed.

## 6.3 European Investment Bank

### 6.3.1 Direct financing for tourism

EIB financing of long-term investment that contributes to the implementation of Community policies involves benefiting tourism in a variety of ways.

The EIB's activity is mainly concerned with reducing regional disparities, a priority which the Maastricht Treaty has confirmed. Within this framework, the Bank's action in support of tourist facilities is almost exclusively allocated to the regions benefiting from Community Structural Fund aid: over four fifths of the financing granted under this heading. The total amount allocated in the period 1989-92 was ECU 953 million, of which ECU 253 million was allocated in 1992.

#### Financial aid to the tourism and leisure sector: 1989-92 and 1992

	Total ECU million 1989-92	Individual loans	Global loans allocation	Total ECU million 1992	Individual loans	Global loans allocation
Belgium	13.1		13.1	5.6		5.6
Denmark	0.4		0.4	0.1		0.1
Spain	126.7		126.7	7.6		7.6
France	275.9	181.5	94.4	99.1	73.7	25.3
Greece	25.6		25.6	11.0		11.0
Ireland	11.4		11.4	0.6		0.6
Italy	326.0	52.9	273.1	85.6	9.1	76.5
Netherlands	8.5		8.5	7.0		7.0
Portugal	50.8	12.0	38.8	2.4		2.4
Germany	64.3		64.3	34.0		34.0
United Kingdom	49.9	46.1	3.9			
Total	952.6	292.5	660.1	252.9	82.8	170.0

Grants in these regions mainly concern small and medium-sized hotel facilities (almost 150 projects, accounting for ECU 560 million from 1989 to 1992: see Table 2), financed through global loans concluded with banks and financial intermediaries close to the local scene, with which the EIB works closely. The hotel projects particularly concern business tourism, which provides year-round support for the economic development of regions that may have less tourist attractions. Since 1990, this type of investment has been especially important in the

eastern part of Germany, where such facilities were in short supply. Over the same period, some ECU 60 million in individual loans were granted for hotels and large numbers of motels in the United Kingdom and Portugal.

The rest of the investment financed related mainly to a wide variety of facilities to make the regions more attractive to tourists: camping sites, ski-lifts and leisure areas, and also, especially in Italy, places of cultural or architectural interest meriting visits by tourists.

Outside the development regions, the EIB has helped to finance an exceptionally ambitious project contributing to the Community's attractiveness to tourists: the Eurodisney park outside Paris.

#### **Allocations from global loans 1989-92 in the tourism and leisure sector**

##### **Breakdown by country (in ECU million)**

	Number	Total	of which Hotel facilities
<b>Belgium</b>	20	13.1	8.1
<b>Denmark</b>	7	0.4	0.4
<b>Spain</b>	111	126.7	120.1
<b>France</b>	228	94.4	71.2
<b>Greece</b>	35	25.6	23.7
<b>Ireland</b>	33	11.4	9.3
<b>Italy</b>	566	273.1	220.2
<b>Netherlands</b>	18	8.5	3.3
<b>Portugal</b>	43	38.8	38.7
<b>Germany</b>	231	64.3	63.6
<b>United-Kingdom</b>	10	3.9	3.0
<b>Total</b>	1302	660.1	561.8

#### **6.3.2 Financing of measures with an impact on tourism**

Besides direct financing to support investment in the tourism and leisure sector, the EIB contributes, under other headings, to a wide variety of projects whose impact on tourism, and particularly business tourism, is far from negligible.

They include in particular loans to finance facilities such as conference centres, exhibition centres and trade fair premises, often associated with hotel accommodation facilities, and loans for town planning operations involving the renovation of buildings and areas of architectural or cultural importance, or the preservation of important monuments that are part of the Community heritage.

Projects in two areas that account for half of the EIB's financing activities, environmental protection infrastructure on the one hand and transport and telecommunications on the other, also have major indirect effects on tourism (whether for business or pleasure).

For example, transport and telecommunications projects such as major motorway links, railway networks (especially high-speed trains) and the Channel Tunnel or the Great Belt bridge in Denmark, the reinforcement of airport infrastructure and the modernisation of aircraft fleets, have a major impact on tourist flows.

Likewise, there is a significant interaction between tourism and environmental protection projects such as the improvement of drinking water supplies, the drainage and treatment of used water, the collection and disposal of urban waste, as well as conservation projects in coastal areas, rivers and lakes, and reforestation projects.

#### **6.4 Trans-European networks**

The tourist industry is a major factor in achieving the aims set out for trans-European networks: it can be expected to contribute to economic and social cohesion by promoting the interconnection and interoperability of national networks, and encouraging access to them, while helping towards the establishment and development of trans-European networks.

Measures in the tourist industry relate to two major approaches:

- master plans for transport and port and airport infrastructure (see chapter III.5.2);
- telecommunications networks.

## 7. AGRICULTURAL POLICY

The reform of the Common Agricultural Policy in May 1992 aims at improving market equilibrium and the internal and international competitiveness of Community agriculture, as well as ensuring greater stability in farm incomes and more equitable distribution of the Community's resources.

Among the four main principles of the reform:

- general reduction in guaranteed farm prices;
- compensatory payments or premiums on the basis of the production factors used (hectare of head of livestock);
- measures to directly influence the quantities produced, applied in the form of quotas or set-aside of arable land;
- accompanying measures aiming to encourage the restructuring of farms and diversification of farm income).

the last one includes agro-touristic activities.

The accompanying measures support amongst other targets the maintenance of the countryside including land management for leisure activities<sup>(95)</sup>. It encourages the use of farm land for touristic activities and attractions.

Other accompanying measures affect rural tourism indirectly as regards their impact on direct selling and marketing of farm products. Organic and biological production has become very popular with the tourist. This opens a new regional market for the farmer. Furthermore direct selling allows a better price<sup>(96)</sup>. The high quality and nutritious value of the product is guaranteed and marketed by quality certificates and logos.

### Agricultural activities within the Structural Funds

Since the reform of the Structural Funds in 1988 agricultural structural policy is an integral part of the Community development strategy. Its main instrument is the European Agricultural Guidance and Guarantee Fund, complemented by the European Regional Development Fund and the European Social Fund. Since 1988 the European Agricultural Guidance and Guarantee Fund has spent 145.5 MECU for investment in farm activities, a part of which has gone to farm tourism.

Details on the relevant programmes and initiatives have been given under chapter III.6.1 and 6.2.

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(95) Regulation 2078/92/EEC, OJ L 215, 30.6.1992, p.85

(96) As a supplement to Regulation 2092/91/EEC, OJ L 198, 24.6.1991, p.1, amended by Regulation 2083/92/EEC, OJ L 208, 14.7.1992, p.15, which defines organic production methods and introduces arrangements to monitor products described as organically produced, the Council adopted Regulations 2081/92/EEC, OJ L 208, 14.7.1992, p.1, and 2082/92/EEC, OJ L 208, 14.7.1992, p.9, intended to promote and safeguard designations of origin and certificates of specific character for agricultural products.

## 8. EMPLOYMENT AND SOCIAL POLICY

The tourism industry, based on a broad range of economic activities, provides employment for more than 9 million Community workers. Community measures already implemented or in progress in the field of employment or social policy have a bearing on tourism employment like any other sector. The Community Charter of the fundamental Social Rights of workers sets out principles and identifies areas of the social dimension in need of attention, eg. the labour market, elimination of social exclusion, improvement of living and working conditions for workers. Although the Charter has been adopted by only 11 of the Member States, it forms the basis for many of the Community measures in progress.

By developing greater economic and social cohesion within the internal market, coupled with economic growth and the continued improvement of living and working conditions for all Community citizens, the objective is to achieve a greater social coherency across the Member States, where sustained economic growth permits increased rates of employment and the full integration of all Community citizens into the Single Market

In the light of the White paper on Growth, Competitiveness and Employment presented by the Commission<sup>(97)</sup>, the Council adopted, during the meeting held in Brussels on 10/11 December 1993, a short and medium term action plan based on concrete measures which aim to reverse and reduce the trend of unemployment in the Union<sup>(98)</sup>.

The Council stressed the need for Member States to draw on suggestions from the White Paper. These include the following which are of particular relevance to the tourism industry:

- improving education
- improving flexibility within enterprises and on the labour market;
- specific measures concerning young people who leave the education system without adequate training;
- developing employment in connection with meeting new requirements linked to the quality of life and protection of the environment.

Leisure and culture is foreseen in the White Paper as one of the areas better placed for job creation. The question of new sources of job is being further developed by the Commission, following the request of the European Council, and will be part of the report which will be presented at the European Council of Essen in December 1994.

The Protocol and Agreement on Social Policy appended to the Treaty on European Union seek to establish a new legal and institutional framework for the development of Community social policy and action, for example the social partners will be given an enhanced role in implementing the European social dimension. The effects of these future developments on the tourism industry remain to be seen.

### 8.1 Labour market evolution

Employment in Europe 1993<sup>(99)</sup>, the Commission's annual report on the current and future

(97) Bulletin of the European Communities, suppl. 6/93

(98) European Council in Brussels 10-11.12.93 -Presidency conclusion, SI(93)1000 of 11.12.93

(99) Com(92)354

employment trends in the Community, has identified an underlying presence of long-term unemployment which is expected to continue its rising, reaching on average, 12% in the Community by the end of 1994. This urgently needs to be addressed if the Community is to remain competitive in the 21st century. On the basis of economic growth alone, which has dropped to 1 - 2% ( it was 3.5% in the late 1980s), future improvements in European employment rates seem doubtful. Positive measures to boost job creation and to reduce unemployment are needed. Currently in Europe the rate of employment is lower than 60% whereas most other major industrial competitors, eg. the USA, Japan, and some EFTA countries have rates of over 70% and higher rates of female workers.

In response to the request made at the informal meeting of the Employment and Social Affairs Ministers on 3 and 4 May 1993, in its communication "Community wide framework for Employment"<sup>(100)</sup>, the Commission has put forward a two year programme of work, incorporating analyses, research and initiatives to address the problems of long-term unemployment and to stimulate employment expansion in Europe.

The nature of tourism as an employment sector, lends itself well to some of the issues that will be addressed within this Community-wide framework for employment, such as developing more adaptable/flexible forms of employment based on new forms of work organisation and new working time structures thus permitting more people particularly women to enter the job market. Tourism has also been recognised as an area of work which has growth potential in terms of employment intensity.

Tourism as an area of potential employment growth is an issue that has been addressed in the first European conference and exhibition on "Employment in Europe" held 19-21 October 1993. This initiative was one of the first activities organised by the Commission within the context of this work programme.

Tourism has also been incorporated in existing employment programmes which develop pilot projects and research with a view to improving employment capacity. Ultimately, if successful, these initiatives provide new ideas and good practices which can be fed into the mainstream Community employment programmes. The "Local Employment Development Action" (LEDA) programme, is a good example. A series of mini-networks have been established between 33 pilot areas in order to assist the development of new employment opportunities and the transfer of know-how and experience. One of the mini-networks has been established to concentrate specifically on developing employment opportunities in the field of rural tourism.

Opportunities for workers to take up employment in tourism services across the Member states will be assisted by the modifications currently being made to the "European clearing system for employment vacancies and applications" (SEDOC)<sup>(101)</sup>, which will be updated and computerised under the European Employment Services project, known as "EURES"<sup>(102)</sup>.

Maintained and managed by the Commission, the new computerised system links all the public employment service systems to a central operating machine and database. Eures will permit for the first time data collection according to a wide range of criteria such as occupational classifications, industrial sectors, languages required and job location.

(100) COM(93) 238 final, Brussels, 26 May 1993

(101) Council Regulation (EEC) N° 1612/68, OJ L 257/2, 19.10.68

(102) Council Regulation (EEC) N° 2434/92, OJ L 245/1, 26.08.1992

## 8.2 Employment and Improved living and Working Conditions

The potential of tourism as a growth employment sector is being increasingly recognised. Its flexibility can be attractive to some groups in the job market and entry in to this industry, because of its labour intensive nature, may be easier than others. At the same time professional training and better career structures are being steadily progressed in this sector, adding to its attractiveness. Assistance from the Community has contributed to these developments (see later chapter III.9 on education and training).

The seasonal nature of the tourism industry with its peak period of intense activity lasting 3-4 months every year, means that much employment in the industry is part-time or temporary and yet, in these peak periods when surges of activity are experienced, workers are asked to undertake extra-long or unsociable working hours. Indeed, in some tourism sectors this can be the norm for example, tourism employees, providing leisure/entertainment services for others on holiday may be required to work at night or weekends.

In all sectors, tourism included, the Commission has given consideration to issues concerning the nature of the employment, pay and how living and working conditions can be improved.

### 8.2.1 A-typical Work

The Commission has made three proposals for Council directives concerning a-typical employment relationships with a view to realising several objectives: removing elements of competitive distortion sometimes created by part-time or temporary employment relationships as compared to open-ended full time employment relationships<sup>(103)</sup>; the introduction of rules to improve working conditions for part-time and temporary workers with regard to vocational training, information and social security benefits<sup>(104)</sup>; and the treatment of temporary workers, in terms of health and safety at the work place. While the Commission's proposal concerning health and safety has been adopted as a Council directive on 25 June 1991<sup>(105)</sup>, the other proposals are still under consideration by other Community institutions.

### 8.2.2 Improvement of living and working conditions

Within the framework of improving living and working conditions, attention is being given to the organisation of working time<sup>(106)</sup> and the protection of young people at work<sup>(107)</sup> in Commission proposals for Council directives. On both, a common position has been adopted by the Council in 1993.

#### 8.2.2.1 Organisation of working time

A common position was adopted by the Council in Luxembourg on 1 June 1993, on the Commission proposal for a directive on the organisation of working time. The proposed

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(103) COM(90) 533/I final, OJ C 305/12, 5.12.1990

(104) COM(90) 228/I final, OJ C 224/4, 8.9.90

(105) Council Directive 91/383/EEC, OJ L206/19, 29.7.1991

(106) COM (91) 130 final, OJ C124/8, 14.05.91

(107) COM (93) 35 final, OJ C 77/1 18.3.93

directive sets out minimum rules covering rest periods, conditions for the use of shift work and the protection of health and safety.

While article 6 establishes a maximum weekly working time of 48 hours, there is scope for applying derogations to this maximum working week. These provisions accommodate to some extent the way in which working time can be organised in the tourism sector. According to the proposed directive, derogations can be introduced where a firm eg. in the tourism industry, experiences a surge of activity over a certain period. The reference period over which an average maximum working week of 48 hours needs to be achieved can be extended to 6 months and where there is a collective agreement between the employers and workers representatives, this can be extended to 12 months. In the case of the United Kingdom, an option applies, whereby employers can ask workers, upon their agreement to work more than 48 hours. However, a worker should not suffer prejudice where he is unwilling to work extra hours.

#### 8.2.2.2 Protection of young workers

On 12 October 1993, the Council adopted a common position on the proposed directive of the Commission concerning the protection of young people at work. Through the adjustment of national labour regulations applicable to workers, this Community legislation seeks to ensure that the specific development needs of young workers, their vocational requirements and their access to employment needs are met. It does not, however, apply to young people who work for their families on a limited or occasional basis (a phenomenon that is quite common in certain aspects of the tourism industry); In general, children under fifteen years of age are banned from working altogether, a ban has been placed on young people of all ages up to eighteen prohibiting them from engaging in night work and children under fifteen and adolescents under 18 still in full-time education may not work for more than fifteen hours per week or three hours per day; young people not in full-time education or on school holidays are limited to working no more than 40 hours per week and no more than 8 hours per day.

These measures have a bearing on tourism employment. Firms will need to adapt to and develop according to the changing labour market and at the same time ensure the continued development of the tourism industry.

### 8.3 Improvement of Social Dialogue

#### 8.3.1 European works councils

As a significant employer in Europe, a number of large transnational undertakings and groupings operated within the tourism sector, - hotel chains, travel and tour operators; transport operations, for example, have an interest in employer/worker relationships at the European level. With the completion of the internal market these types of groups could easily increase in numbers, if only because of company mergers. Thus increasingly tourism is an industry in which mechanisms for providing workers with information and consultation procedures are required.



The Commission proposal for a Council directive to establish European Works Councils<sup>(108)</sup> in Community-scale undertakings - having at least 1000 employees with 100 employees in each of at least two Member States was intended to give further momentum to this initiative, providing information to workers, consulting them and facilitating their increased participation in the decision making process. This proposal is presently being reconsidered on the basis of the Agreement on social policy concluded in the context of the Maastricht Treaty. This Agreement provides for a wide consultation of the social partners, including several organisations in the tourism domain<sup>(109)</sup>.

### 8.3.2 Social dialogue

Within the framework of the Social Dialogue Hotrec, the Confederation which incorporates national associations of hotels, restaurants and cafes within the European Community and in total some thirty associations in 17 countries, represents the views of employers. Hotrec has also a long established dialogue with UNICE.

The sectorial social dialogue between Hotrec and the workers' representative organisation, ECF-IUF was established with support from the Commission<sup>(110)</sup>.

Within this formal social dialogue structure established in the hotel sector, a steering group has been set up to identify and evaluate initiatives. On the basis of two studies financed by the Community on "the influence of 1992 on intra-EC labour mobility within the hotel and restaurant industry"; and "Environmental Management in European lodging and restaurants industry", two working groups are currently looking at the issues of mobility for workers and protection of the environment.

## 8.4 Health and Safety

As in any working environment, the tourism industry has a duty to ensure the physical health and safety of its employees. To highlight the importance of this issue, 1992 was designated European Year of Safety, hygiene and health at work<sup>(111)</sup>.

The main objectives were to underline the social and economic importance of problems related to health safety and hygiene at work, making everyone more aware of occupational hazards and how to overcome them, and supporting a number of actions considering these issues. A number of Commission proposals for Council directives in this domain are still under consideration by the other Community institutions which aim to improve this aspect of the working environment. It is the proposals for a directive on the protection of young workers, and for a directive on health and safety in transport activities<sup>(112)</sup> which will have the most direct effect on the tourism industry.

(108) COM(91)345, OJ C336/11 31.12.1991

(109) SEC (94) 193

(110) Social Dialogue and European Area (93/C 54/03) OJ C54/3 25.2.1993

(111) Council Decision 91/388/EEC of 25 July 1991, OJ L 214/77, 2.8.91

(112) COM(92)234, OJ C25/17, 28.1.93

#### 8.4.1 Public Health

Within the framework of the Community Action Plan to assist tourism, article 4, paragraph 2, point (f) states that Community measures should lead, not only to improved information for some tourists but also greater protection. In terms of public health, a number of EU policies both directly and indirectly have a bearing on protecting the health of tourists and raising their awareness in about taking preventative health measures for themselves. Explicit reference is made to the objective of achieving higher levels of public health in the Treaty on European Union, in articles 3(O) and 129(l).

Other Commission activities have an indirect impact on tourism in terms of protecting the tourist:

- The European "Drink and Drive" information campaigns of 1991 and 1992-1993 which targeted the effects of alcohol abuse<sup>(113)</sup>;
- The programme "Europe against Aids"<sup>(114)</sup> - within this framework, the Commission adopted on 23 September 1993 a proposal for a Council decision to prolong the 1991-1993 action plan until the end of 1994 (COM(93)453 final). Within the context of "activity 3" of this action plan, "travel and tourism" has been identified for the implementation of specific measures to promote preventative health care in tourist resorts by means exemplary pilot projects and networks;
- The Council resolution of 29 May 1986 concerning the introduction of the emergency health card<sup>(115)</sup>;
- A communication, proposing an action plan to promote public health (COM (93)559 final, 24.11.93), was prepared and adopted by the Commission on 24 November 1993. This document is currently before the Council, the Economic and social Committee and the Committee of the Regions for consideration.

#### 8.5 **Combating Social Exclusion and encouraging the integration of persons excluded from the labour market**

It has been estimated that some 40% of Community citizens still do not have access to tourism. Very often these are the same people who for reasons of poverty, physical or mental disabilities and or old age find themselves on the margins of economic activity in the internal market. Action is needed to overcome the obstacles which prevent them for gaining access to leisure and tourism activities as well as those which exclude them from employment opportunities in the leisure and tourism industry.

In the Social Charter, which sets out how the social dimension of the Community is to be developed, senior citizens and persons with disabilities have been identified as target groups for assistance. The Community Action Plan to Assist Tourism has identified social tourism as an area for attention. However, priority has been given to facilitating access to tourism for people with disabilities.

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(113) Council Resolution, 29.05.86 on alcohol abuse, OJ C184, 23.07.86

(114) Council Decision of 4.6.91, OJ L 175, of 4.7.91

(115) OJ C184, 23.7.86

### 8.5.1 Initiatives to assist disabled people

#### Helios II

The third Community action programme to assist disabled people, adopted 25 February 1993<sup>(116)</sup>, established for the period 1 January 1993 to 31 December 1996 with a budget of ECU 37 million, seeks to promote equal opportunities for and the integration of disabled people.

"Independent living for disabled people" is one of the 12 major areas to be addressed by this programme. Measures designed to promote this aspect will cover tourism and sport, increased mobility for people with disabilities, accommodation, culture and creativity.

The European Disability Forum specified at article 9 of the action programme will play a major role in identifying priority measures for implementation. Mobility International, the NGO concerned with travel issues for the disabled people, as a European Coordinator, will represent the views of national and regional disability NGOs to the Commission on actions to be taken to develop independent living for the disabled. Initiatives concerning tourism could be included.

#### Handynet

"Handynet", the computerised European information system which offers users a multilingual data base, a multilingual electronic journal and networking facility was established under Helios I<sup>(117)</sup>. Under Helios II it will be further developed with priority being given to information concerning technical aids helping people with various types of disabilities in various aspects of their daily lives including those which aid personal mobility, participation in leisure activities, and improve the living environment.

Under Helios I, a future objective envisaged, was the inclusion of a specific information module for disabled tourists. Although this is not mentioned in the current programme, it has not been ruled out as a long-term objective which could be included when the system is re-examined by the Council before the end of 1994.

People with disabilities represent a viable economic tourism sector. It has already been noted that on average a disabled tourist is generally accompanied by one or two other tourists. Recognition of the need for the Community to be pro-active in implementing measures to further integrate people with disabilities and reduced mobility into society is increasing.

#### Other initiatives

Following the Council resolution of 16 December 1991<sup>(118)</sup> concerning a Community action programme on the accessibility of transport for persons with reduced mobility, the Commission has recently undertaken a study looking at the provision of transport information for disabled travellers. the role played by travel and tour operators is also considered. Complementary to these initiatives and indirectly of benefit to improving access to tourism for elderly and disabled

(116) Council Decision 93/136/EEC, OJ L 56/30, 9.3.93

(117) The second Community Programme for disabled people,  
Council Decision 88/231/EEC, OJ L 104/38, 18.4.88

(118) OJ C 18/1, 24.01.1992

people is the Tide (Technology initiative for disabled and elderly people) Programme which is supporting development work on the application of information and communication technologies in the field of rehabilitation technology<sup>(119)</sup>.

Developing and exploiting employment opportunities in tourism for people with disabilities is being achieved with assistance from the European Social Funds, and more specifically through the Horizon Initiative<sup>(120)</sup>.

A number of projects selected by national administrations under this programme have a tourism element.

### 8.5.2 Senior citizens

The Community has an ageing population. More than 60 million Community citizens are over 60 years old, many of whom are living and actively participating in society for longer. National reports indicate that, for various reasons, in the majority of EC countries, the living standards of older people have risen in recent years<sup>(121)</sup>. By the year 2000 older people will comprise more than 20% of the population. Many are taking retirement from work earlier, thus having more leisure time to pursue personal interests. Others though retired, have part-time employment which results in business travel. The older generations represent a growth sector of tourism demand in all its forms particularly package holidays, tours and travel, throughout the year<sup>(122)</sup>.

In order to focus attention on the pertinent issues affecting the older citizens of Community both positive and problematic, 1993 has been designated the "European Year of Older People and of Solidarity between Generations"<sup>(123)</sup> with a budget of 7.5 million ECU. The European Year will close at the end of December 1993 when an evaluation and a report will be undertaken.

By co-financing projects and events, establishing European networks and producing statistical reports, the main topics being addressed concern greater independence and active participation in society by older people, issues concerning a minimum standard of living, social security and pensions for retired persons and improving dialogue between generations within the Community.

Within the calendar of the events organised to focus attention on older people throughout the year (over 300) a number of events focus on the European senior travel market and its future growth. One project, "Travel and Culture" has looked at the various reduced tariffs and concessionary schemes in the twelve Member States which benefit older people who have reached retirement age and are linked to travel, tourism and culture. A report which formed the basis of a seminar held on 15 October 1993, was produced and a complementary European travel guide for older people which sets out the existing schemes and benefits.

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(119) TIDE programme, Call for proposals, 93/C 111/08, OJ C 111/11, 21.04.1993

(120) Community initiative concerning handicapped persons and other disadvantaged groups, 90/C 327/05, OJ C327/9 29.12.90

(121) Older People in Europe: Social and Economic policies, the 1993 Report of the European Observatory, Commission of the European Communities

(122) "Europe's Senior Travel Market", report published by the European Travel Commission with support from the European Commission

(123) Council Decision, 92/440/EEC, OJ L 245/43, 26.8.92

In the field of tourism, the Commission has supported several complementary actions : a study has been produced and a conference held on "Europe Senior travel Market" in November 1992. The study analyses in detail the nature and the potential of this segment of the tourism market. "Tourism 2000 - Tourism for All in Europe" a conference held in October 1993 paid particular attention to the importance of building accessibility into the design and architecture of tourism facilities for the benefit of all tourists, in particular those with problems of mobility or disabilities which in some cases may be a result of old age:

All of these actions are serving to emphasise the importance of this sector as a primary travel market and at the same time consider issues which need to be addressed in order to improve and diversify the quality of the product on offer, eg access to information on specialised holidays and services, additional assistance older people may need when taking holidays, where age has led to reduced mobility.

## 9. EDUCATION, VOCATIONAL TRAINING AND YOUTH

Since 1986 numerous programmes, measures and initiatives have been launched with a view to enabling workers and students to improve and make better use of their skills and qualifications for the good of the Community as a whole.

Workers, employers and the tourism industry's vocational training bodies have actively contributed to and taken part in the implementation of the Commission's various specific vocational training programmes and measures, and it has become clear that a strategy to develop the Community's human resources is needed for the industry itself to grow.

### 9.1 Higher education

#### COMETT (period of programme: 1986-94)

(Programme on cooperation between universities and enterprises regarding training in the field of technology)<sup>(124)</sup>

The objective of the programme is to improve training in advanced technology and to develop highly skilled human resources and the competitiveness of European industry.

It is aimed at students, persons who have completed their initial training, personnel from universities and industry, and at the workers, employers and instructors concerned.

Under the programme transnational synergy has been promoted between firms and universities responsible for courses in the tourism industry with a view to expanding training in the new technologies and meeting firms' needs in terms of skilled personnel.

The funding allocated to projects relating to tourism has amounted to ECU 590 500 (1% of the overall COMETT budget).

#### ERASMUS (period of programme: 1987-94)

(European Community action scheme for the mobility of university students)<sup>(125)</sup>

The objectives of the programme are:

- to increase the number of university students completing a recognised period of study in another Member State;
- to promote cooperation between higher-education establishments in all the Member States by means of increased mobility of teaching staff, thereby improving the quality of training;
- to train graduates with direct experience of life in other Community countries with a view to consolidating the concept of a People's Europe.

(124) COMETT (1986-89): OJ No L 222, 8.8.1986.  
COMETT II (1990-94): OJ No L 13, 17.1.1989.

(125) OJ No L 166, 25.6.1987.  
OJ No L 395, 30.12.1989.

Since the 1992/93 academic year the various activities under the ERASMUS programme have been extended to the EFTA countries,<sup>(126)</sup> the eligibility criteria being the same as for the Community Member States.

Many players in the tourism industry have regarded the ERASMUS programme as the preferred instrument for inter-university cooperation and student mobility within the Community.

In 1990/91 691 students of tourism completed a recognised period of study in another Member State; 69 establishments took part and the Community's financial contribution totalled ECU 160 000.

The corresponding figures for 1993/94 will be 1 600 students, 124 establishments and ECU 320 100, the Commission having approved 27 Inter-university cooperation programmes (ICPs) in the discipline. The proportion of students moving between Germany, France and the United Kingdom amounts to only 37%; flows of students from the outlying Member States are also represented, sometimes to a lesser extent, as in the case of Denmark and Portugal. Apart from the United Kingdom, France and Germany, the destinations favoured by students are the Netherlands, Ireland and Spain. In addition, 124 teaching staff are due to take part in exchanges. Following the extension of the programme, 12 establishments, around 70 students and 4 teaching staff from the EFTA countries will be taking part in 1993/94.

The ICP coordinators have taken a number of significant measures leading to the realisation of the European dimension through the introduction of European degrees. For example, the United Kingdom and French partners in a network coordinated by the University of Savoy award a joint MST/BA Hons degree on completion of a year's study in France and the United Kingdom (ICP-93-F-1162). The post-graduate diploma in European tourism management is awarded on completion of a fully integrated course of study during which each student spends periods at three establishments in different countries (ICP-93-UK-1103). A group of 15 universities has finalised a one-year course, entitled "Homo ludens: leisure and tourism policy, management and education", leading to an MA degree awarded by the host establishment (ICP-93-B-1179).

## 9.2 Basic training

**PETRA** (period of programme: 1988-94)

(Action programme for the vocational training of young people and their preparation for adult and working life)<sup>(127)</sup>

The objective of the programme is to support and supplement the policies of the Member States designed to:

- ensure that all young people who so wish receive one or, if possible, two or more years' vocational training at the end of their compulsory education;
- raise the standards and quality of initial vocational training and improve the preparation of young people for adult and working life and for continuing training;

(126) OJ No L 332, 3.12.1991.

(127) OJ No L 346, 10.12.1987; OJ No L 214, 2.8.1991.

- diversify vocational training provision to match young people's different levels of ability and ensure that the training given leads to recognised qualifications;
- enhance the capacity of systems of training to adapt to economic, technological and social change.

The Petra programme is particularly appropriate for tackling the problem of the lack of suitable applicants for jobs in tourism which the industry is experiencing in most Community countries.

Between 1988 and 1993 there were 442 projects relating to tourism, costing ECU 6 820 million.

### 9.3 Continuing training

**FORCE** (period of programme: 1991-94)

(Action programme for the development of continuing vocational training in the European Community)<sup>(128)</sup>.

The programme is designed to improve the provision and quality of continuing vocational training for workers in firms. Its objectives are:

- to encourage a greater and more effective investment effort in continuing vocational training;
- to promote the dissemination of good practice and innovation in continuing vocational training;
- to support transnational continuing training projects, particularly in the context of the completion of the single market;
- to contribute to greater effectiveness of continuing vocational training mechanisms.

The programme is centred on transnational partnerships and the establishment of a network for testing, evaluating and disseminating innovation and good practice which meets the practical needs of firms and employees.

The projects supported under Force are also designed to improve access to continuing vocational training for all workers, particularly those in industries or regions where provision is currently inadequate.

The programme is aimed at firms, employers' organisations, trade unions, public authorities and training bodies.

Following invitations to tender issued in 1991 and 1992, 30 different projects relating to tourism activity were selected at a cost of ECU 1 554 400.

The Commission is launching a Community measure to promote a network which will bring together the various players involved in continuing training in tourism firms. At a cost of ECU 300 000, the measure will involve experts designated by the Member States, workers and employers, and organisers of Force and Eurotecnet projects pertaining to the tourism industry. The aim is to compile information on practices relating to continuing training in firms.

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(128) OJ No L 156, 21.6.1990.



In accordance with the objectives set so far, work will focus particularly on:

- continuing training practices and plans in the hotel and catering trade and in travel and tourism-promotion firms;
- training in the context of the seasonal nature of tourism and multiple activities;
- continuing-training agreements in the various branches of the tourism industry (within and between firms, and between firms and public bodies);
- analytical methods for the development of forecasting qualification trends;
- the operation of vocational-training consortia for local and regional tourism development and experiences of training/development projects.

**EUROTECNET** (period of programme: 1990-94)

(Action programme to promote innovation in the field of vocational training resulting from technological change in the Community)<sup>(129)</sup>

The objective of the programme is to promote innovation in the fields of basic and continuing vocational training with a view to taking account of technological changes and their impact on employment, working procedures and qualifications.

Three tourism projects have been included in the network of innovative demonstration projects so that the impact of technological changes on employment, working procedures and qualifications can be studied.

The projects are now acquiring a transnational dimension as part of the reinforcement of the programme under the Community's European Social Fund EUROFORM initiative.

#### **9.4 Improving information and the comparability of qualifications**

In carrying out its task of promoting vocational training the Commission is assisted by the European Centre for the Development of Vocational Training (CEDEFOP),<sup>(130)</sup> which conducts studies and surveys in order to gain a better understanding of training-related problems.

With regard to tourism, CEDEFOP has undertaken:

- a number of studies on the structure of professions and qualifications in the industry;
- a documentary study on vocational training.

CEDEFOP has also initiated and monitored the Archipelago project aimed at introducing modular distance-learning courses for managers of small and medium-sized tourism firms. The project is currently being extended under the Force and Eurotecnet programmes.

In 1989 and 1990 the Commission, with the technical assistance of CEDEFOP, continued its analytical work in connection with the implementation of Council Decision 85/368/EEC of 16 July 1985 on the comparability of vocational training qualifications.<sup>(131)</sup> The Decision aims

(129) OJ No L 393, 30.12.1989.

(130) CEDEFOP was set up under Council Regulation (EEC) No 337/75 of 10 February 1975 (OJ No L 39, 13.2.1975).

(131) OJ No L 199, 31.7.1985.

to improve the transparency of the vocational profile of the qualifications examined in each Member State and encourages the free movement of workers by providing them with an additional means for the improved presentation of their experience outside the country in which they obtained their qualification. The professions covered by the work have included eight in the hotel and catering trade.<sup>(132)</sup>

- receptionist
- porter
- storeperson
- floor supervisor
- waiter/waitress
- barman/maid
- chef
- wine waiter/waitress.

Further tourism professions have also been studied,<sup>(133)</sup> namely:

- animator assistant (leisure/tourist assistant)
- courier/tour escort
- retail travel agency clerk
- conference assistant
- tourism development officer
- tourist information officer
- leisure park officer.

As regards the comparability of vocational training qualifications, it is worth recalling that Council resolution 93/C 49/01 of 3 December 1992<sup>(134)</sup> calls on the Member States to improve the transparency of descriptions of corresponding vocational qualifications and experience.

It should be noted that all the Community programmes on vocational education and training will finish at the end of 1994.

The Commission is currently preparing its proposals for a further phase of programmes<sup>(135)</sup> which will cover the period 1994-99.

These are based on a new approach involving the development of measures relating to:

- universities, higher-education establishments and schools;
- training and qualifications.

The first type of measure is intended to encourage innovation and improve the quality of education by strengthening cooperation at Community level and involving the active participation of universities and other higher-education institutions.

The second type is based on the principle that the Community's vocational training policy should be designed to support and complement measures developed by and in the Member States. To this end, Community action will fully respect the Member States' responsibility for the organisation and content of vocational training.

(132) Commission communication 89/C 166/01 (OJ No C 166, 3.7.1989).

(133) Commission communication 92/C 320/01 (OJ No C 320, 7.12.1992).

(134) OJ No C 49, 19.2.1993.

(135) COM(93) 183 final, 5.5.1993.

## 10. ENVIRONMENT

The success of tourism relies to a great extent on the quality of the environment where it takes place. While tourism is influenced by the environment, the environment is equally influenced by tourism. Without proper planning and management the industry can cause damage to the resources it depends on for its success.

In 1973 the Commission developed the first Environmental Action Programme. Since then four Programmes have been completed giving rise to legislation under two broad headings: combating pollution and stimulating improvement in the management of natural resources. The development of tourism has been influenced by both headings: the first includes legislation relating to the control of air, water and ground pollution, while the second includes legislation related to environmental impact assessment and the protection of certain species. A wide range of Community initiatives and financial instruments have also been progressed to complement this legislative base.

### 10.1 The 5th Environmental Action Programme

"Towards Sustainability"<sup>(136)</sup>, the 5th Environmental Action Programme begun in January 1993 and provides a framework for policy and action until the end of the century. The programme is founded on the principles of sustainability and shared responsibility and seeks to encourage action by a range of different actors including public authorities, the private sector and the general public. The Programme also aims to ensure that the principles of preventative action, 'polluter pays' and subsidiarity are put into practice in a collaborative and integrated manner.

Tourism has been selected as a priority area, both because of the industry's significant environmental impact, and the relevance of action at a Community level. For tourism there are three main lines of action which will encourage:

- better planning, development and management of mass tourism especially in coastal and alpine areas;
- sustainable tourism development and the development of different types of activities and products in other areas;
- changes in tourist behaviour and raising visitor awareness.

As part of the initial groundwork a study on Environment and tourism in the context of sustainable development has been carried out. This study, starting from a case study approach for different settings, aims at developing a general framework to evaluate the relationship between environment and tourism, to identify the existing problems and to propose possible solutions.

Furthermore, a number of projects which increase environmental awareness in the tourism sector will be supported in 1993/4.

The coordination and integration of environmental policies and actions into other areas of Community activity is also an important component of "Towards Sustainability". A number of documents have addressed the need for sectoral integration including a Green Paper on the

(136) COM(92) 23, 27.3.92 Vols.1-3

impact of transport on the environment<sup>(137)</sup>; a Communication on industrial competitiveness and environmental protection<sup>(138)</sup>; and a Communication on the integration of environmental policies<sup>(139)</sup>.

## 10.2 Community Initiatives

Two financial instruments and programmes established to address environmental issues are relevant to tourism. These are:

### ENVIREG

An instrument of the structural funds, ENVIREG<sup>(140)</sup> helps to protect the environment and to promote economic development, principally in coastal regions of the Objective 1 areas. More details on this programme are given under chapter-III.6.2.

### LIFE

The LIFE programme was established in 1992<sup>(141)</sup> and allocated 400 mecu for the 5 years 1991 - 95. In 1993 approximately 66.5 mecu will be allocated to partnership projects throughout the Community. The types of projects supported will be those which contribute to the development and implementation of environmental policy. These include innovative pilot projects in areas such as land use planning and the use of 'clean' technologies; awareness campaigns and actions providing incentives; and the provision of technical assistance. In 1993 the specific priorities are:

- Promotion of Sustainable Development and the Quality of the Environment;
- Protection of Habitats and Nature;
- Establishing Administrative Structures and Environment Services;
- Education Training and Information.

Within this framework the Programme will seek to stimulate a planned approach to tourism development, especially in supporting actions which implementation of new concepts which draw particular attention to respecting the natural environment. The allocation of funds to stimulate longer term integrated tourism planning will in turn help regions reduce the likelihood of a 'boom to bust' lifecycle which has been an unwelcome characteristic of mass tourism development.

Moreover, in the context of the "call for offers" that is published every year for general actions of information and environmental awareness, tourism is one of the main sectors in which sensitisation projects can be co-funded. In 1993, 7 projects (totalling 670,000 ECUS) were subsidised.

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(137) COM(92) 46 final, 20.2.92 (sec S14)

(138) SEC(92) 1986 final, 4.11.92

(139) SEC(93) 785/5, 28.5.93

(140) O.J. C 115, 9.5.90

(141) O.J. L 206, 22.7.92

### 10.3 Protection of Natural Resources

#### Water

The Bathing Water Directive<sup>(142)</sup> has improved the quality of bathing water throughout the Community. The Directive is likely to be revised to take greater account of improved technical knowledge and subsidiarity. Every year the Commission publishes a report to inform about the quality of more than 16,000 bathing zones throughout the Community. This directive has also given rise to several campaigns for making the public aware of the quality of the environment. Among them, the campaign which is largely known is the Blue Flag Campaign. This scheme is run by the FEEE (Foundation of Environmental Education in Europe) with the support from the Community. The award is based on criteria relating to water quality, beach quality and the facilities available for tourists. It has become an important indicator which ensures a common quality standard for bathing beaches throughout Europe. Although the participation to the campaign is free, it has created a considerable stir in the public opinion and has contributed to the improvement of the bathing water quality.

Safeguarding the Community's coastal heritage is an important element of the 5th Action Programme. As a result of a Council Resolution<sup>(143)</sup>, a Communication of the Commission to the Council and to the European Parliament is being prepared to emphasise the need for coastal zone integrated management plans. Often the major activity in coastal areas, tourism will be a fundamental element of most management plans.

#### Natural Areas

The Habitats Directive<sup>(144)</sup> was adopted by the Council in 1992 with the objective of helping to maintain biological diversity in Europe. It establishes a common framework for the conservation of animals, plants and natural habitats and provides for the creation of a network of conservation areas. These areas will rehabilitate and maintain habitats and species of special interest. Given the growing interest of wildlife and nature reserves it is likely that the areas created will become important tourist resources.

The Directive on Environmental Impact Assessment<sup>(145)</sup> is designed to ensure that the environment is considered in the development process. Various types of projects are required to undertake EIAs and these include certain tourism projects. In the light of experience over 5 years a proposal to modify the Directive will be put forward in 1994.

#### Air Quality and the Energy Sector

Community air quality legislation is in the process of a major revision. The Commission plan to adopt in 1994 two proposals in this field, namely a proposal for a Council framework directive

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(142) O.J. L 31, 5.2.76

(143) O.J. C 59/1, 6.3.92

(144) O.J. L 206, 22.7.92

(145) O.J. L 175, 5.7.85

on ambient air quality assessment and management and a proposal for a Council decision establishing a reciprocal exchange of information and data from networks and individual stations measuring ambient air pollution within the Member States.

The aim is to replace all the existing air quality legislation and to set air quality standards for the Community, establish rules for monitoring and define a framework for improvement measures. The proposal will foresee limit values below the current permitted value, to be mandatory within a period of 10-15 years and alert thresholds requiring provision of information to the public. In areas where the air pollution levels are above the current levels the Member States/regions/cities will be required to develop programmes in order to meet both the current levels and the long term limit values. In view of the importance of transport emissions in overall emissions of air pollutants it is clear that measures for transport will need to figure strongly in the programmes. However the choice of measures will be left up to the responsible national, regional and local authorities.

#### Air Pollution and the Energy Sector

Carbon dioxide emissions stemming from the use of fossil fuels have been identified as one of the main agents responsible for the greenhouse effect. The Commission has published a Community-wide strategy<sup>(146)</sup> with the objective of stabilising CO<sub>2</sub> emissions at 1990 levels by 2000. As part of this strategy a joint environment / energy Council adopted a proposal for a Directive introducing a CO<sub>2</sub> / energy tax. The tax will be determined at Community level but the arrangements for levying and collecting it will be left to Member States which will also benefit from the accrued revenue.

Its introduction is also dependent on similar action being taken by the Community's major trading partners.

In general, taxation on energy raises the cost of transport and therefore will make tourism more expensive. The exact impact of this policy will only become clear after its phased introduction but demand for transport is more resilient to changes in price (price inelastic) when compared to the industrial or consumer sectors. Other fiscal measures (such as airport taxes) are likely to continue to have a greater short term impact.

Further measures based on the polluter pays principle will be considered where appropriate under the 5th Action Programme and within the framework of Energy Policy. Other measures pursued in this field aim to reduce energy demand, hasten the transfer to cleaner fuels and increase energy efficiency. Specific programmes include SAVE and THERMIE, which seek to reduce energy consumption and develop innovative energy technologies. Other specific actions launched in this framework and which can be useful for tourism include:

- PACE: To promote the efficient use of electricity, especially since savings in electricity generation correspond to still greater savings in primary energy demand.
- JOULE II: This program is aimed at research and technical development in new energy options and energy savings technologies.
- ALTENER: To promote renewable energies.

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(146) COM 92/246 of 4.6.1992

## The Urban Environment

The Urban environment was the subject of a Green Paper in 1990<sup>(147)</sup>. This work will be developed in 1994 by the publication of a communication on sustainable cities which will seek to provide the basis for collaborative action. This sustainable city report is essentially a follow-up to the Green paper on the urban environment. It will include a discussion of the concept of sustainable development in urban areas to be followed by an outline and first assessment of the best available practice of sustainable local development. It will also formulate recommendations on the basis of this assessment. The focus of the report will be the integration of sectorial policies at the urban level accompanied by examples in three areas:

- urban economy
- urban mobility
- land use planning

For each of these issues the report presents an outline of the problems facing European cities, the objectives to be reached in the light of national, Community and international commitments and an analysis and assessment of the contribution to these objectives being made by a number of actions at local level.

Following wide consultation at both local and national levels and in particular at the Sustainable Cities and Towns Conference planned for May 1994 in Alborg (DK) and in the light of new information the report will be expanded and updated in 1994 and again in 1995, when it will be presented as a Communication from the Commission. In addition the revised report will aim to contribute to the 1995 review of the Fifth Action Programme.

The best practice guide will present the selected actions in greater detail and provide additional practical information. It is hoped that its publication will stimulate other cities and organisations to come forward with their own ideas and recommendations.

One of the recommendations to cities contained in Agenda 21 is participation in environmental networks in order to exchange experience and information and in fact Agenda 21 calls for the mechanism for increased cooperation and coordination to be in place in 1994.

To this end the Commission proposes to launch the sustainable city network during the international conference to be held in Alborg, where discussions will focus on the potential benefits of this approach and putting the new structure into place, which could involve coordinating existing European networks of cities and organisations rather than creating a new network. The conference will aim to finish with the signing of a "charter" by the authorities and organisations who wish to participate in the network.

The management of tourists and their vehicles within cities and historic towns is an issue which has been addressed by a study on tourism and the urban environment. The recommendations of this study will be developed in 1994 by the urban environment expert group composed of representatives from Member States and independent experts as part of the sustainable city project.

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(147) C.E.C. Green Paper on the Urban Environment EUR 12902

#### 10.4 International Cooperation

Environmental protection and tourism development are important components in the Community's development programmes with the African, Caribbean and Pacific (ACP) countries, Latin America and Asia (through the ALA agreements), and in the non-EC Mediterranean region. In addition financial support from the PHARE programme, established to aid the economic development of specific Eastern European countries, has also been used to formulate and integrate environmental policies and tourism strategies into broader development frameworks.

The Commission participated in the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in June 1992. The "Earth Summit" agreed a range of conventions and actions which the Commission has begun to implement over the past year. Amongst these was the adoption of 'Agenda 21' which aims at providing the foundations for sustainable development, the Rio Declaration which sets out the fundamental principles to ensure sustainable development and the Declaration on Forests. Two conventions, one on climate change and the other on biodiversity were also signed.

The Contracting Parties to the Barcelona Convention, among which the Community, adopted in 1985 the Genoa Declaration with the aim of halting degradation of the environment in the Mediterranean region. This has been followed by the Nicosia Charter (1990), a first coherent approach towards a sustainable development and, at the initiative of the Commission the Cairo declaration (1992) which is a common long-term strategy. The long term phase was designed to achieve effective integration of economic, i.e. tourism industry, and environment policies through the implementation of national strategies for sustainable development.

A Euro-Mediterranean Conference on Tourism in Sustainable Development has been organised by the French Government in collaboration with the Commission in September 1993. In the framework of this Conference the Euro-Mediterranean Declaration on Tourism in Sustainable Development was adopted.

The Community participates in other international activities and initiatives in the fields of environmental protection with an impact, either direct or indirect, in the tourism sector. As an example, the Commission is participating in the preparation of a Protocol on tourism to the Alpine Convention, to which the Community is a signatory.

In 1993 the Commission attended the meeting of "Environment Committee" of World Tourism Organisation in Madrid and of the "Group of Specialists Tourism/Environment" set up by the Council of Europe in Strasburg.

The Commission was also present in Salonica at the "International Conference on the impact of tourism on traditional and historic settlements in the countries of Mediterranean and Southern Europe", organised by the Greek Government in cooperation with the UNESCO.



## II. ARCHITECTURAL AND CULTURAL HERITAGE

Anything that can be done to conserve heritage is not only of cultural importance but also represents a key investment in the economic and social development of Europe's regions and also of the growth of their tourism activity.

The Commission's action here is aimed at ensuring more efficient use of existing resources and highlighting the richness and diversity of Europe's heritage.

It is therefore an invaluable asset for the development of the European tourism industry.

### 11.1 Safeguarding the architectural heritage

The Commission's action in this field is being developed in the context of the Council resolution of 13 November 1986 on the protection of Europe's architectural heritage<sup>(148)</sup> and is spelt out in the communication on "New prospects for Community cultural action"<sup>(149)</sup> for which the Council adopted guidelines<sup>(150)</sup> on 12 November 1992.

Safeguarding the European architectural heritage is one of the priority objectives, and efforts in this area are organised along the following lines:

#### - Pilot projects to conserve the architectural heritage

The aim of these projects is to support Member States in their efforts to preserve, improve and promote their architectural heritage.

The Commission part-finances restoration and conservation projects, and invites applications by publishing a notice once a year in the Official Journal.<sup>(151)</sup> The scheme concentrates on annual themes; the theme for 1993 was gardens of historic interest, and the budget for that year was ECU 3 million.

The recipients of the support are the owners of the buildings or sites or the project managers (national or regional conservation bodies).

The theme for 1994 will be theatres and concert halls.

#### - Restoration of European monuments and sites of exceptional historic interest

The Commission helps finance restoration work on monuments and sites that are particularly important to European culture.

Finance to the tune of ECU 4.25 million was available in 1993 for the Mount Athos, Acropolis and Chiado pilot restoration projects.

(148) OJ No C 320, 13.12.1986, p. 1.

(149) COM(92)149 final, 29.4.1992.

(150) O.J. C336/1, 19.12.92

(151) For 1993, OJ No C 261, 10.10.1992, p. 11.

- Restoration training bursaries

Each year the Commission awards a global grant to restoration institutes to enable professionals and students to improve their skills in their particular field.

**11.2 Cultural action**

Alongside action to safeguard the architectural heritage, Community initiatives creating European cultural events undoubtedly help to stimulate cultural interchange and tourism.

The European Cities of Culture scheme is thus designed to make certain cultural aspects of the chosen city, its surrounding region and the country to which it belongs accessible to the European public. It makes the city the venue for a number of cultural contributions from other Member States.

Antwerp was designated European City of Culture in 1993; Lisbon takes over the title in 1994.

In the same vein the Kaleidoscope scheme is intended to facilitate access to European culture and develop artistic and cultural cooperation between Member States. Under the scheme, the Commission encourages cultural events or activities with a European dimension, i.e. open to participants in at least three Member States.

In 1993, the scheme is organised around three different types of action:

- cultural events;
- encouragement of artistic and cultural creation;
- promotion of cultural cooperation through networks.

The eligibility conditions are published each year in the Official Journal<sup>(152)</sup>

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(152) For 1993, OJ No C 237, 16.9.1992, p. 8.

## 12. RESEARCH AND DEVELOPMENT POLICY

Combining Telecommunications with Information Technology allows tourism facilities and products to be made more accessible to both tour-operators and travel agents, and consumers. It can give tourists access to the best, most complete and up-to-date information with regard to choice, quality and price, and also in terms of attractions, events or general information about a destination.

The European information services market is increasingly becoming better established. However, the conditions necessary to permit the full operation of this market in many sectors including tourism, are still not yet fully in place. There are still technical problems to overcome and obstacles to the development of telecommunications in the Community, caused mainly because of the absence of trans-European structures.

Full maturity has yet to be achieved in this market, in particular, in terms of standardisation and regulation among the Member States. At present, companies continue to orientate their activities towards national markets and coupled with the different rates of speed at which electronic information services in central and peripheral zones are being developed, these two phenomena represent potential threats to the smooth operation of a truly "Internal Market of telecommunications and information technology".

The Community, acting as a catalyst in Europe, has already set out the broad framework for improving access to information by using and improving communications technologies and strengthening the orientation of the European information market. Tourism is well represented in the above framework. Tourism-related projects use this field in order to develop the already existing technology or promote the research stage of potentially commercial applications. The subject most commonly addressed, is providing information to the tourist through the use of new technological means.

This general framework consists of four axes:

1. Research and Development. The aim is to improve the development of telecommunication technology in Europe through scientific research. It includes Community programmes promoting new technological applications for specific projects in a pre-competition, pre-commercial stage.

2. Establishment of an internal information market. This covers Community programmes and actions which are commercially oriented and use already existing technology at national or Community level to develop the European information market by means of overcoming barriers and stimulating European initiatives.

3. Initiatives linked to regional development. These are Community initiatives implemented through the Structural Funds. They promote already existing technology and are adapted to the needs of the Community regions. The implementation of such initiatives comes under the responsibility of the Member State concerned.

4. The Community Action Plan to assist Tourism<sup>(153)</sup>. This is the action plan directly related to tourism, the aim of which is to provide a long-term common approach to European tourism, and improve the quality and competitiveness of the European tourism product. The plan

(153) Council Decision 92/421/EEC, OJ. L 231, 13.08.92, p.26

specifies support for transnational initiatives which contribute to the improvement of tourist information, in particular, those using new technology, for the purpose of best providing updated information to the tourist.

Furthermore, the introduction of the concept of Trans European Networks in Title XII of the Treaty on European Union identifies and reinforces new priorities in the harmonisation of standards across the various existing or developing systems and networks in the Community.

## 12.1 Research & Development on Information and Communication technology

Within the context of the Third Research and Technological Development Framework Programme 1990-1994<sup>(154)</sup> the second phase of the programme "Research and Development in Advanced Communications technologies in Europe" (RACE 2) was established. This programme includes projects that have either a direct or indirect bearing on tourism.

Moreover, within the same context, the programme "Telematic systems of general interest" specifically supports action in the field of "Opportunities for telecommunication for Rural Areas" (ORA)<sup>(155)</sup> with a budget of 14 MECU. This budget has been used to co-finance two projects in the field of Rural Tourism.

The guidelines for the Fourth Research and Technological Development Framework Programme show a more selective approach and a concentration of available funds on a limited number of technologies which have a multi-sectorial impact. This framework programme will envisage, among others, the development of the concept of Trans European Networks in the area of telecommunications. Preparatory work has already started in the "Trans European Network: Integrated Broadband Communication" (TEN-IBC), based on an advanced broadband network which has still to become commercially operational. However, it is likely to be extensively used in the future and could become an effective marketing tool for those who are able to use it rapidly and efficiently in the coming years.

### 12.1.1 Research & development in advanced communication technologies in Europe

The RACE programme, launched in January 1988, forms an integral part of the telecommunications and standardisation activities of the Community, intended to bring about the completion of the Internal Market. The programme focuses on advanced networks and the development of advanced communications' technologies at a pre-commercial, pre-competitive stage.

A second phase of RACE, a four-year follow-up programme, was launched in 1991. Yet at the same time, the ultimate aim of RACE is to introduce commercially viable applications in 1995.

One of the identified priorities concerns "Advanced Communications Experiments" which involves work in areas such as interpersonal communications, telemarketing, the distribution of entertainment and leisure services, multimedia interpersonal messaging and information assembly. The project *TOURISM-INFORMATION-MARKETING (TIM)*, which is directly linked to the interests of the tourism industry is being developed within this framework.

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(154) Council Decision 90/221/Euratom, EEC, OJ. L117,8.05.90, p.28

(155) Council Decision 91/353/EEC, OJ.L 192, 16.07.91, p.18

The TIM project is designed to support multimedia information services which encourage direct marketing links between hotels, tourist boards, event organisers and point of sale companies such as travel agencies and the independent planning and purchase of tourism products at points of sale. Thus, hotels, tourist boards and event organisers will be able to create and update multimedia promotional information and distribute it through public networks to the local, regional and national databases of their choice. Links also to the major Computer Reservation Systems will promote the purchase of tourist packages and booking reservations.

TIM is an innovative project which has the potential and the set objective of becoming market - oriented in the future. It has started in April 1992 as a co-operative venture between 6 Community countries (D, F, E, I, UK, GR), based primarily on the use of advanced network standards but capable of using more conventional standards also. It is intended that TIM will be operated via 80 terminals across Europe. A 3 year project, with a total budget of 10,9 MECU (EC contribution: 5.2 MECU), TIM is scheduled to be completed by March 1995.

#### 12.1.2 Telematic systems for rural areas

The specific programme of research and technological development in the field of "Telematic systems of general interest" was adopted by the Council on the 7th June 1991<sup>(156)</sup>. This programme has identified specific action in "Opportunities for telecommunication for Rural Areas" (ORA) with a budget of 14 MECU.

Tourism and the provision of recreation and leisure facilities are important to rural areas since they represent an expanding new area of economic activity. Telematic systems can assist small rural tourism facilities by providing information and booking services and thus permitting the offer of better organised and co-ordinated rural tourism products. Among the aims of ORA is the identification of potential applications for telematic systems in tourism and leisure which can have a significant impact on rural development.

Within ORA, two of the sixteen co-financed projects concern rural tourism:

*RUTOTEL - Telematics Applications for Tourism and Leisure in Rural Areas*, is a joint Greek, Spanish, Italian and Irish project aiming to identify potential telematic services which have applications that can be implemented in rural areas and used for tourism and leisure activities. RUTOTEL is a 2-year project started in January 1992 with a budget of 770.000 ECU, 50% financed by the Commission. The project may be extended in 1994. During 1992, a multimedia system demonstrator terminal was developed in Ireland, to provide information on local hotels, guest houses, restaurants, events, attractions, etc. Activities during 1993 include training support, monitoring and evaluation of the demonstrator terminal, as well as exploitation and dissemination of results.

*DIAMMS - Distributed Inter-regional Agritourism Multimedia Management System* - is the second project related to rural tourism under the "Telematic Systems for Rural Areas". The project is an Irish, French and Italian pilot project, and aims to develop an information, reservation and management system to cater for all sectors of rural tourism. This is a two-year programme with a budget of 550.000 ECU, 50% financed by the Commission. In 1992, a common management system was adopted by the three participating countries. A common management software was also established. The plans for 1993 include a user-friendly system

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(156) Council Decision 91/353/EEC. OJ. L 192. 16.07.91, p.18

to complement the management system and the establishment of links between the participating regions. The reaction of users will be studied through a detailed survey.

### 12.1.3 Training through research and mobility of researchers

The main aim of the human capital and mobility programme (1992-94) is to boost the number and calibre of research workers in the Community by increasing their mobility between the different Member States and enabling them to improve their training through research. Human capital and mobility is one of the specific programmes that make up the third framework programme of Community activities in the field of research, technological development and demonstration (1990-94). It is set to become the fourth activity in the fourth framework programme, under the proposal presented by the Commission to the European Parliament and to the Council, which agreed its common position on 22 December 1993.

Four main areas are covered:

- training through research and stimulation of mobility by means of a system of fellowships awarded to researchers to enable them to take part in advanced research projects outside their home country;
- creating and developing networks of laboratories engaged in joint R&D work. Grants are made to help researchers meet each other, carry out joint experiments or increase their team strength by recruiting scientists on a temporary basis, preferably from other countries;
- helping researchers gain access to major scientific and technical facilities;
- Euroconferences, which enable high-level specialists to meet and exchange experience between themselves and with young research workers.

The programme covers all areas of science and technology and, as far as the human and social sciences are concerned, activities that are likely to improve Europe's competitiveness and contribute to lasting economic development.

In the social and economic sciences, a significant number of research projects selected for support under the programme relate to subjects of interest to the tourism industry, such as rural, urban and regional development in the Community, land-use planning, transport, and management of the environment.

In 1992-93 nearly 8 000 proposals were submitted, of which just over 2 000 were selected for support. Some 1 700 researchers were granted fellowships enabling them to work in a different Member State.

The programme has a budget of ECU 556 million.

## 12.2 **Establishment of an internal information services market**

In line with the general framework to improve access to information by improving communications technologies and strengthening the orientation of the European Information market, the Commission launched the programme IMPACT (Information Market Policy Actions). The Council decision for IMPACT <sup>(157)</sup> stipulates explicitly the need to analyse the

(157) Council Decision 88/524/EEC, OJ. L 288, 21.10.1988, p.39.

strengths and weaknesses of the European information market, requests specific attention for less favoured regions and small and medium sized enterprises and calls for the exploitation of results achieved under other national or Community programmes. IMPACT is a market-oriented programme which seeks to stimulate and develop the information services market in Europe by removing barriers and stimulating European initiatives. Tourism is an important chapter in this programme. Under the first phase of IMPACT, three tourism-related projects were financed<sup>(158)</sup>.

In launching phase two of the IMPACT programme <sup>(159)</sup>, "improving accessibility of information at the European level for all interested parties"<sup>(160)</sup> was established as the central theme of development. IMPACT-2, which is currently being implemented, seeks to obtain maximum value by concentrating on fewer actions but with stronger multiplier effects. Two Calls for Proposals were launched in order to support strategic information initiatives in the framework of IMPACT-2:

- 1) Interactive Multimedia Information services, and
- 2) Geographic Information Systems.

*Interactive Multimedia* <sup>(161)</sup>, is being implemented in two phases: Initial support up to a maximum value of 50.000 ECU per project has been provided during a definition phase of 6 months. 22 successful projects have been selected for a 12-month implementation phase, currently under development. Two of these projects are directly concern tourist information provision about European regions. Their total cost is 1.5 MECU. (Community participation: 325.000 ECU). Four other projects provide information on particular themes also of interest to tourists and travellers - arts, culture, social life, attractions, environment, etc., with total cost 1.9 MECU (Community participation: 837.000 ECU).

*Geographic Information Systems* (GIS) represent a technology which aims to present information in relation to given sets of geographic co-ordinates anywhere on the earth. These systems are obviously of direct interest to the tourism sector. The Call for Proposals on Geographic Information Systems launched in November 1992 is also being implemented in two phases: a definition phase of 6 months, from June to December 1993, with a maximum amount of 50.000 ECU available per project; this will be followed by an implementation phase of 18 months in which the maximum Community contribution per project will be 400.000 ECU. This implementation phase is expected to start early in 1994. Under Geographic Information Systems initiative 9 tourism-related projects are currently being developed in the definition phase. Their common aim is the provision of information to the tourist/traveller about one or more destinations. The area of application of these projects varies considerably both technically and geographically.

### 12.3 Data communications for regional development

The accelerating process towards European economic and monetary union requires continued action towards greater economic and social cohesion between core and peripheral areas within the Community. In the field of telecommunications, however, wide disparities exist between the standards of services available in core Community economies and those in the less favoured

(158) SEC (92) 702 final of 27.05.92

(159) Council Decision 91/691/EEC, OJ. L 377, 31.12.91, p.41.

(160) Doc IMPACT 19/92 Final, IMPACT-2 Work Programme 1993, DGXIII, 2.12.92, p.2.

(161) OJ.S 106, 2.06.92

regions. Tourism, often a key economic activity in these regions, is becoming increasingly dependent on marketing and other activities based on advanced telecommunications and information technology infrastructure.

Two Community initiatives in the field of telematics, co-financed through the European Regional Development Fund which were designed to reduce these disparities are STAR and TELEMATIQUE. STAR, Special Telecommunications Action for Regional development, which ended in October 1991, focused on infrastructure and services.

TELEMATIQUE<sup>(162)</sup>, which represents the continuation of the "services" part of STAR, is a two-year (1992-93) initiative which supports the development of data communication services and applications in the less favoured regions of the Community (Objective 1). With a total budget of 216.7 MECU, TELEMATIQUE aims to strengthen regional development in three ways:

- by facilitating the introduction of advanced telecommunication services into SMEs;
- by supporting the introduction of data communication services in the public sector;
- by improving access to data communication networks within the Community.

As the above actions presuppose the availability of an appropriate network and facilities, TELEMATIQUE also seeks to promote standardised access to trans-European networks, so that peripheral regions can establish data links among themselves and with the rest of Community within the framework of the internal market.

In implementing TELEMATIQUE, various aspects of the new telecommunications environment have been taken into account in relation to:

- competition and legislation related to open networks;
- the use of standards;
- the use of the results of other similar programmes.

Through TELEMATIQUE, tourism projects are being co-financed in a number of Community regions. Examples of projects with a tourism impact in these regions include infrastructure and transregional networks, data communications applications for SMEs, database networks etc. In many projects, it is not always possible to identify the tourism related aspects of the initiatives being undertaken, although they exist. Very often they are contained within the framework of more global actions. For example, a project which indicates only that it is providing aid to SMEs, may very well involve tourism SMEs.

#### **12.4 The Community Action Plan to assist Tourism**

The three-year Community Action Plan to assist Tourism includes specific support for transnational initiatives to improve tourist information mainly through the use of new technology. This support complements other measures being taken in this field, at a Community level and focuses mainly on the best and most efficient provision of updated information to the tourist.

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(162) Commission Communication of 25.01.91, O.J. C33, 8.2.91, p.7



The Call for Proposals concerning "Transnational Projects" specified, among others, initiatives which sought to develop tourist information provision through the use of new technological means, responding to the needs of the tourists for ever better quality information about tourism-related services. The projects selected cover all the Member States and favour a structure of co-operation among private and public organisations, at the regional and national levels and include Central and Eastern European countries as well. The Community wishes to encourage synergies between these projects and other major initiatives currently in progress in order to establish co-operation on as large a scale as possible between all actors in this field. Implementation of the selected projects is expected to start in January 1994.

#### **12.5. Environmental research and Tourism**

Tourism frequently exerts stresses on areas of environmental fragility such as coastal zones, alpine and other upland regions. Many of the Community Environment research programmes and to some extent the research programme for Marine Science and technology (MAST) are directed towards understanding and dealing with the behaviour of the environment in these areas. On a larger scale tourism is highly dependent on climatological factors and the industry of whole regions which enjoy favourable summer climates or require specific conditions for such activities as winter sports could be profoundly affected by global climate change. The tourist industry can only flourish within a framework of sustainable development and Community research on socio-economic questions related to the environment are making an important contribution to understanding how appropriate models could be constructed.

Some typical examples of EC R & D Environmental projects which could have a direct effect on tourism are:

- the MEDALUS project on desertification in the Mediterranean which seeks to understand the causes of the desertification process both in the continuing decrease in rainfall and land use practices and to find ways in which the environment can be preserved;
- the various water pollution reports; for example report 16 on eutrophication phenomena in the Adriatic sea and in other Mediterranean coastal zones;
- development of improved methods to incorporate environmental considerations into sectoral policies, including tourism;
- increase understanding of the degradation of historic buildings and monuments and improve the scientific basis for their conservation. This is of a particular importance in relation to "cultural" tourism.

### 13. EXTERNAL RELATIONS AND DEVELOPMENT COOPERATION

#### 13.1 Relations with EFTA countries

The European Economic Area is intended to give new impetus to the relationship between the countries of the European Community and the European Free Trade Organisation (EFTA), which is built on their geographical proximity, the importance of their economic relations, their common values of democracy, the market economy and their common European identity<sup>(163)</sup>.

The EFTA states which are part of Agreement will incorporate existing Community legislation concerning the Single Market in their national legislation. Cooperation will further be extended to include the "horizontal policies", notably social policy, consumer protection, environment, statistics and company law, and to the "flanking policies" covering amongst other issues tourism.

In the field of tourism the Agreement on the European Economic Area, in force since 1st January 1994, envisages in its Article 78a a strengthened and broadened cooperation with the framework of the Community's activities. According to Protocol 31 of the EEA Agreement, article 8 on "Tourism" states that the contracting parties shall seek in particular to strengthen co-operation in the framework of Community activities which may result from the implementation of the Community Action Plan to assist tourism.

The EC and EFTA countries represent a vast potential for tourism and travel, thus providing opportunities for sustainable growth in jobs and revenues. In order to improve the competitiveness of the European tourism industry combined efforts and resources are necessary.

Already during the European Year of Tourism in 1990 cooperation between EC and EFTA countries was established. A series of pan-European projects was launched and financed with support from both, the European Community and the EFTA countries.

Since then further collaboration in the field of tourism statistics has taken place and future participation in Community tourism actions on a wider scale is being considered.

In the context of the implementation programme of the Community Action Plan to Assist Tourism, projects from EFTA countries were eligible within the measure of "Transnational Cooperation" in 1993.

#### 13.2 Relations with Central and Eastern European Countries

Tourism has always been a major component of the economy and of social life in Central and Eastern Europe.

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(163) The European Economic Area includes the European Community, its Member States and the EFTA countries Austria, Liechtenstein, Finland, Iceland, Norway and Sweden. After the negative result of the Swiss referendum on 6 December 1992 Switzerland will not participate in the EEA. The Agreement was initialled on 14 April 1992, and signed in Oporto on 2 May 1992, following two opinions delivered by the Court of Justice on the conformity of the draft agreement with the Treaty of Rome. The European Parliament gave its assent on 28 October 1992. The Agreement, ratified by the end of December 1993 by all the contracting parties, is entered into force 1st January 1994.

The annual tourist flow within those areas in the 1980s was estimated at more than 50 million, a figure which, together with the 15 million tourists from the West each year, accounted for 11% of the total flow of tourism throughout the world.

Although most of the countries of Central and Eastern Europe undeniably possess a number of tourist attractions and resources, their tourist industry was largely conditioned by the economic and institutional environment which, until recently, was a feature of those countries.

The quality of the services available in Central and Eastern Europe is, generally, not as good as in Western Europe. Now, however, the new governments there recognise tourism's importance as a means of developing their international trade. The growth of tourism in those regions is attracting western operators through direct investment, joint ventures and involvement in the privatisation schemes now under way.

### 13.2.1 The Phare programme

Phare,<sup>(164)</sup> the programme defining the European Community's economic and technical assistance to Central and Eastern Europe, now covers the following countries: Albania, Bulgaria, the Czech Republic, the Slovak Republic, Estonia, Lithuania, Latvia, Romania, Slovenia, Poland and Hungary.

The assistance is of a technical and financial nature. Phare had a budget of ECU 500 million in 1990, 785 million in 1991, 1 015 million in 1992 and 1 005 million in 1993.

The assistance programme covers a range of sectors from environment to transport, energy to the restructuring of businesses, and from the social sector to public and administrative infrastructure.

A number of countries are already the subject of a tourism programme under Phare: Poland, Romania, Slovenia and the Baltic States.

#### Poland

Poland is set to receive from Phare financial assistance totalling ECU 4.5 million over a two-year period (1992-94) to help develop its tourism.

The aim is to foster the tourist industry by setting up the necessary legal and institutional framework and a training, tourism-product development and marketing programme.

Other major aspects of the assistance relate to the development of transport and work on improving environmental protection.

Privatisation is, together with support for SMEs, one of the prerequisites of the success of this development. The tourism programme will accordingly be implemented in close cooperation with the agencies responsible for privatisation and the development of SMEs.

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(164) Council Regulation No 3906/89, OJ No L 375, 1989, p. 11.

### Romania

Under the Phare programme, Romania's tourist industry will receive an estimated ECU 4.5 million in financial assistance from 1992 to the end of 1994. The aid is earmarked for improving environmental conditions, infrastructure, services (in particular telecommunications services), management training and the quality of tourism facilities and resources.

### Slovenia

In December 1992 the Republic of Slovenia received ECU 300 000 from the Commission for a tourism package comprising:

- an analysis of current tourism strategies with a view to increasing foreign cooperation and improving the marketing of Slovenian tourism;
- programmes for the development of human resources, the aim being to cover all aspects of training.

### The Baltic States

Through the resources provided by the Phare programme the Community is helping Estonia, Latvia and Lithuania to develop their tourist industry, in particular the business-tourism sector. A total of ECU 600 000 has been allocated for the following:

Lithuania: privatization and restructuring programme;

Latvia: facilities-related general technical assistance;

Estonia: multi-purpose.

Other measures to assist Central and Eastern Europe are being undertaken under the Community Action Plan to Assist Tourism, the aim being to help define possible guidelines for balanced growth in the tourist industry.

The measures planned consist of:

- the development, in Eastern and Central Europe, of activities designed to promote training and, more generally, awareness of the problems which tourism faces in a market economy. These would supplement the Phare programme and would, therefore, relate to countries which have not so far received such aid;
- the launching of other similar measures, in particular for the training of tourism managers and directors, which would supplement the Phare programme when aid from the latter is likely to be sought (as in the case of Albania and Bulgaria at present);
- initiating measures, in particular detailed research geared towards the development of specific tourism products or branches or, in the case of countries whose tourist industry is more developed, promotion and marketing schemes conducted jointly with Member States of the European Union.

### 13.3 Relations with Mediterranean countries

The keynote of the relations that exist between the Community and Mediterranean countries has, from the outset, been general cooperation, a cooperation which has not led to the signature of interregional cooperation or association agreements on the lines of the Lomé Convention.

An increasing number of cooperation agreements of varying types have thus been signed with most Mediterranean countries. Apart from the financial aspects, which are the subject of protocols covering five-year periods, their validity is not limited in time.

Certain Mediterranean countries have, in the context of those protocols, succeeded in implementing a number of limited measures designed to develop their tourist industries.

Tunisia, Jordan, Malta, Syria and Turkey have thus received aid for programmes ranging from technical assistance and cooperation in the field of tourism to tourism promotion and vocational training.

Generally speaking, the tourist industry in those countries has not been granted special privileges. Following the adoption by the Council of guidelines for a new Mediterranean policy, however, there have been signs of a regional trend to assist tourism.

In the second fortnight of September 1993, in response to an invitation issued jointly by France's Minister for Tourism and the Commission of the European Communities, a Euro-Mediterranean conference was held with, on, "Tourism within sustainable development".

It forms part of the Mediterranean Action Plan and its instrument, the Blue Plan, which emerged from the Barcelona Convention.

The conference, which brought together the signatories to the Convention, Jordan and, as observers, the Occupied Territories, focused on two aspects:

- adoption, by the Commission and the various ministers responsible for tourism, of a declaration on tourism within sustainable development; this being a framework of principles and rules to provide the countries concerned with tourism policies which are coherent, structured and integrated at national level but which also address regional aspects of the issue;
- forums of experts from the public and private sector centred on
  - water and the sea (water management, developing lasting and innovative tourism activities relating to marine resources);
  - land and activities (ancillary activities which would fall within the scope of tourism in the context of a lasting process of development; tourism prospects and long-term technological development in the Mediterranean area);
  - people and their heritage (changes in attitudes among the host population; diversifying tourism supply by enhancing the value of the common cultural heritage).

The conference was followed by a declaration referring, *inter alia*, to the fact that tourism is the prime economic activity of Mediterranean countries and that its growth is an absolute necessity.

The fields of application of the declaration are as follows:

- facilitating the movement of people and capital;
- improving tourism promotion and marketing;
- developing new tourism products;
- implementing environmental policies.

### **13.4 Relations with Asia and Latin America**

#### **13.4.1 Relations with Asia within the framework of EC-Asia Economic cooperation**

The Council Regulation of 25 February 1992<sup>(165)</sup>, set down new guide-lines for economic co-operation between the Community and Asian countries. Whereas before tourism initiatives, and all actions in general, had as their main purpose to assist the economic development of Asian countries, henceforth, the ultimate goal of projects and programmes is the development of mutually beneficial business to business collaboration between the private sector operators in the Community and Asian countries. Thus, tourism initiatives (eg, training programmes) should seek to develop the tourism industries in these partner countries in order to make them attractive to potential Community tourism investors.

Within the framework of economic co-operation between the Community and Asia, tourism plays a more important role in the development of some partner countries than others, which is reflected in the strategies developed by the Commission for each partner country concerned. All Tourism projects undertaken must be consistent with and complement the overall coherency and cohesion of the strategy developed.

In order to ensure the long-term success of the tourism actions initiated and to enhance the potential for attracting EC private sector involvement, a clear interest and commitment from the private sector in the partner country concerned is an essential pre-requisite. At the same time, in identifying and preparing potential tourism initiatives an assessment of likely interest by private sector Community investors is also necessary.

Given the potential of tourism initiatives to destroy a site if the appropriate supporting infrastructure is not in place, measures to sustain and preserve the local environment and culture are increasingly being taken into account when developing tourism actions and projects with Asian partners.

Currently there are a number of projects which are either being prepared for implementation, in progress or under consideration for future development.

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(165) Council Regulation (EEC) No 443/92 on financial technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America, OJ L 52, 27.2.92, p.1

*Projects Being Prepared for implementation*

South Asia Tourism Training Study

The aim of this study, which received EC support valuing ECU 165 275, is to review the existing manpower resources and training facilities and identify future needs in Bangladesh, Butan, India, Maldives, Nepal Pakistan and Sri Lanka in order to prepare an integrated regional tourism training plan wherein actions will be taken to develop and up-grade the capacity of individuals and institutions directly involved in the tourism industry. Ultimately it is intended that this will help to maximise the benefits accrued from tourism developments in these countries and so encourage greater Community cooperation from private investors in this sector of economic activity.

Maldives Tourism Master Plan

In order to maximise the mutual benefits derived from the future development of the tourism sector in the Maldives the Commission has provided ECU 495 000 for a study which will develop a Tourism Master Plan, defining long-term policies and strategies. Work on the study which will begin in October 1993 will involve close co-operation between European experts and local counter-parts.

*Projects in Progress*

ASEAN Tourism Integrated Manpower Training Programme

Now in its second phase, this two year regional tourism training programme costing ECU 1.850 000, focuses on the development of training manuals, the testing and accreditation of technical skills standards, developing instructor and supervisory skills training and providing a permanent resource for records and regional training aids support. It has also been a useful tool for developing a strong system of working co-operation in the field of tourism with all the region. Ultimately it is intended that the ASEAN Tourism Association (the private sector) will integrate the initiative into its own activities.

Philippines Technical Assistance Programme (Phase II)

Provided with ECU 1.655 000 from the Community; this three- year programme, initiated in 1992, in co-operation with the Philippines' Department of Tourism, seeks to improve the overall effectiveness of the tourism sector and to increase the economic and social development of the Philippines.

The programme has a number of immediate objectives: development of a co-ordinated approach to product development, marketing and project implementation by the relevant Government agencies; aid the development and conservation of selected areas for tourism purposes; further elaboration of the Philippines Tourism Master Plan and further development of the level of tourism skills amongst personnel in relevant public and private sector organisations.

### Tourism Marketing Strategy for ASEAN countries

This economic co-operation project worth 2.4000 000 ECU was set up in 1989 to run for three years. Its objective is to develop an integrated marketing strategy targeting selected European markets for the ASEAN tourism industry. In order to achieve this the ASEAN Tourist Information Centre, has sought to develop regional marketing activities to create and extend dual and multi-destinations for the ASEAN region as a whole.

#### *Future Projects currently under Consideration*

Currently there are two projects under consideration: a master plan study for the Mustang region of Nepal which will take into account an overall development strategy for the area; and a tourism sector workshop in India. The Indian project will involve the organisation of an interactive workshop where private sector representatives (eg tour operators) from the Community and India can interact in order to identify priority areas for joint collaboration. A possible Master Tourism plan study for India is also being considered by Indian government officials and the private sector.

#### 13.4.2 Relations with Latin America

Commercial promotion, an instrument which forms an integral part of economic cooperation, is aimed at increasing exports of goods and services within the Latin-American region and from that region to other markets, in particular Europe and the United States.

The tourism subsector is of major importance in the context of commercial promotion. In 1993 ECU 9 million, i.e. slightly more than a quarter of the ECU 34 million available for commercial promotion in Latin America, was earmarked for tourism projects.

Technical and financial assistance to those countries is in the form of outright grants to which Member States and other countries and organisations can contribute under a joint-financing scheme. The grants are awarded in the light in particular of

- the economic importance of tourism in relation to other sectors of activity in that country or in other regions;
- the characteristics of the schemes put forward by the country concerned;
- the budget funds available in respect of that year.

Projects which the Commission regards as potentially suitable are then the subject of closer, on-the-spot technical scrutiny by an *ad hoc* mission.

Annex 4 contains a list of projects funded in recent years.



### 13.5 Relations with ACP States and Overseas Countries and Territories

Although barely mentioned in Lomé I and Lomé II, tourism is referred to in Lomé III as an integral part of cooperation in the field of commerce and services, regional cooperation, social and cultural cooperation and EIB-assisted sectors.

In line with actual requirements, the schemes reflect the constraints under which the sector operates. They are aimed at developing, on the one hand, human resources and institutions and, on the other, the product and the market, while improving the capacity for research and information of the countries concerned.

The main beneficiaries include regions already geared towards tourism, e.g. the Pacific, the Caribbean and the Indian Ocean and, in addition, an increasing number of African countries attempting to diversify their sources of foreign earnings. Moreover, many ACP States and some Overseas Countries and Territories are, through annual programmes, able to take part in specialised events on the basis of special provisions covering regional measures in the field of commerce and services. Lastly, looking beyond activities of a strictly sectoral nature, tourism benefits indirectly from the efforts deployed by ACP States and the Overseas Countries and Territories in other fields such as transport and communications.

#### 13.5.1 Lomé IV

The fact that Lomé IV (1990-2000) devotes a whole chapter to tourism in the context of the services title reflects the importance of tourism as a tool of development for the economies of the countries concerned.

The signatories to the Convention are in the process of implementing measures designed to develop and underpin tourism.

Those measures can be implemented at any stage, from the identification of a tourism product to its marketing and promotion.

The aim is to help ACP States to exploit fully their national, regional and international tourist industry, in view of the impact the latter can have on economic growth, and to help develop tourism in those States by attracting private funds from the Community and elsewhere. Special attention is paid to the need to make tourism an integral part of the social, cultural and economic life of the populations concerned.

Measures specifically designed to encourage tourism consist in defining, adapting and drawing up suitable national, regional, local and international policies.

Tourism-development programmes and projects centre on four main themes, as follows:

1. human resources and the development of institutions;
2. development of tourism products;
3. market development;
4. research and information.

In the case of ACP States and the Overseas Countries and Territories, funding for these

measures comes from the European Development Fund, the detailed arrangements concerned being set out in the Lomé Conventions (ACP States) and the Decisions of Association (Overseas Countries and Territories).

The measures undertaken in 1989-93 are set out in Annex 5. The combined commitment appropriation (i.e. for all aid instruments) for this period totals ECU 83.166 million.

### 13.6 Multilateral trade negotiations

Tourism also features in the outcome of the Uruguay Round negotiations on GATS.

As part of that multilateral agreement the Community has, subject to certain requirements, undertaken to guarantee foreign investors non-discriminatory access to the following markets in tourism services:

- hotels, restaurants and catering (with the exception of catering services in transport undertakings);
- travel agencies and tour operators (including tour managers);
- tourist guides.

In exchange, many countries have also offered concessions in respect of this sector. It will help to liberalise tourism services throughout the world and, thereby, increase trade in this field.

These international commitments will certainly have to be taken into consideration in future when drawing up Community policies in the field of tourism.

## 14. STATISTICS

Conscious of the strategic importance of statistical information also in the field of tourism, the Commission has continued to develop a common set of definitions and to disseminate gathered statistics at Community level.

The development of a Community frame of reference for the compilation of tourism statistics by harmonising the concepts and methods used by the Member States forms the basis of the work carried out by the Commission while implementing the two-year ad hoc programme (1991-1992) established by the Council<sup>(166)</sup>.

Agreement between the EC Statistical Offices and the EFTA countries has facilitated their active participation in this work. The EFTA countries have also been integrated into the existing EC Working Group on Tourism Statistics, alongside participants from the OECD and WTO Secretariats, to reinforce and widen the scope of international cooperation in the collection, analysis and distribution of information on tourism.

The statistics programme is designed to create a basis for national and international statistical systems capable of satisfying the real demand for information in both the private and public sector. Its success depends on the cooperation and coordination of all the forces working in

(166) Décision du Conseil du 17 décembre 1990, JO L 358, 21.12.90, p.89

this field.

Consultations conducted throughout the two-year programme have revealed a unanimous consensus in favour of the establishment of a coherent statistical system for tourism.

The results of a wide ranging survey carried out in 1991 show that the main users of statistics on tourism in the public and private sectors and at regional, national and international levels, have expressed a need for statistical information on tourism which is reliable, comparable and available at short notice and that:

- permits them to better plan and implement strategies vis-à-vis the completion of the Single Market and the creation of the new European Economic Area;
- allows for a more accurate assessment of the impact of specific measures in the field of tourism.

Users give priority to the following aspects:

- monitoring the main activities connected with tourism supply using structural and performance indicators;
- evaluating the micro and macroeconomic importance of tourism activities;
- analysing the structure of tourism demand, including business tourism.

The study on existing statistical systems and available data in the EC/EFTA Member States provides evidence that differences in methodology are linked to structural characteristics both in terms of the propensity to develop tourism and to geographical conditions. Differences in the of national systems do not necessarily reduce the effectiveness of working together in terms of the comparability of results.

Analysis of the methodology for gathering tourism statistics carried out during the 1991-1992 work programme contribute considerably to the rate of progress achieved in other national and international tourism statistics projects. Although the results of the analytical work cannot be considered exhaustive, they nevertheless provide the basis for developing a framework of reference for tourism statistics at the Community and European level.

During the periodic consultations with European professional associations the Commission has been requested to act as a driving force for developing tourism statistics.

The development of Community statistics on tourism was also considered a priority by the Council in its Decision of July 1992 on a Community action plan to assist tourism, wherein scope was provided for continuing this activity in 1993.

Without underestimating these requests, Community activity in this field has to continue to be based on a pragmatic approach, which is consistent with the principle of subsidiarity. This involves consolidating the work already done to create an appropriate methodology and the development of flexible yet coherent monitoring instruments which optimise the use of the existing statistical systems.

On the basis of the results of the two-year programme<sup>(167)</sup> and following orientations given by the Member States within the framework of both the Tourism Management Committee and the Working Group on Tourism Statistics, the Commission is working on:

- the completion and consolidation of the methodology for tourism statistics, which will be further supported by a specific legal instrument such as a Recommendation;
- a project of Directive in order to collect and disseminate harmonised statistics.

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(167) Final report to the Council, European Parliament and the Economic and Social Committee, COM(93) 345 final of 1.9.93

**IV. ANNEXES**

RATE OF VAT APPLIED TO PRINCIPAL TOURISM SERVICES

ANNEX 1

Services	B	DK	D	E	F	GR	IRL	I	L	NL	P	UK
Hotels etc.	6 %	25 %	15 %	6 % 15 %	5,5 % 18,6 %	8 %	12,5 %	9 % 19 %	3 %	6 %	5 %	17,5 %
Restaurants	19,5 %	25 %	15 %	6 % 15 %	18,6 %	8 % 18 %	12,5 %	9 % 19 %	3 %	6 %	16 %	17,5 %
International passengers transport	Exon. 6 %	Exon.	Exon. 15 % 7 %	Exon. 6 %	Exon.	Exon.	Exon.	Exon.	3 % Exon.	6 % Exon.	Exon.	Exon.
Entry to sporting events	6 %	*) 25 %	7 %	6 % 15 %	18,6 %	8 %	Exon.	9 %	3 %		5 %	17,5 %
Entry to cinema's theatres, etc.	6 %	*) 25 %	7 %	6 %	cin. 5,5 % theat. 2,1 % 5,5 %	theat. 4 % others. 8 %	12,5 %	9 %	3 %	17,5 %	5 %	17,5 %
Use of sports facilities	6 %	Exon.	0 %	Exon. 15 %	18,6 %	8 %	12,5 %	19 %	3 %		5 %	17,5 %
Travel agencies	19,5 %	Exon.	15 %	15 %	18,6 %	18 %	Exon.	19 %	12 %	Exon.	16 %	17,5 % 0 %

\*) Some activities are exonerated

VAT RATES IN THE HORECA SECTOR

	ACCOMMODATION IN HOTEL		RESTAURANT SERVICES					BARS AND CAFES SERVICES				FOOD AND BEVERAGES BOUGHT IN A SHOP		
	NORMAL	LINE	NORMAL	LINE	TAKEAWAY	DELIVERY OUTSIDE	ALCOHOLIC BEVERAGES	NORMAL	LINE	NIET/CLUBS	ALCOHOLIC BEVERAGES	FOOD	NON- ALCOHOLIC BEVERAGES	ALCOHOLIC BEVERAGES
BELGIUM	6 %		19,5 %				19,5 %	19,5 %			19,5 %		19,5 %	19,5 %
DENMARK	25 %		25 %				25 %	25 %			25 %	25 %	25 %	18,6 %
FRANCE	5,5 %	18,6 %	18,6 %		5,5 %		18,6 %	18,6 %			18,6 %		5,5 %	18,6 %
GERMANY	15 %	15 %	15 %	15 %	7 %	7 %	15 %	15 %	15 %	15 %	15 %	7 %	7 %	7 %
GREECE	8 %		8 %				18 %	8 %		18 %	18 %		8 %	18 %
IRELAND	12,5 %		12,5 %				21 %	12,5 %			21 %		21 %	21 %
ITALY	9 %	19 %	9 %	19 %			9 %	9 %	19 %	19 %	9 %	4-19 %	4-19 %	12-19 %
LUXEMBOURG	3 %		3 %					3 %			15-12 %		3 %	15-12 %
NETHERLANDS	6 %		6 %				17,5 %	6 %			17,5 %		6 %	17,5 %
PORTUGAL	5 %		16 %					16 %					16 %	16-5 %
SPAIN	6 %	15 %	6 %	15 %				6 %		15 %			6-15 %	15 %
UK	17,5 %	17,5 %	17,5 %	17,5 %	*17,5 %	17,5 %	17,5 %	17,5 %	17,5 %	17,5 %	17,5 %	0 %	17,5 %	17,5 %

\* Cold take-away food for consumption off premises is free of VAT if sold as individual items.

General note:

Blank spaces indicate that the general rate for the category of goods or services concerned applies.

## VAT RATES FOR PASSENGER TRANSPORT(%)

Domestic transport						International transport (taxation of domestic journey)				
M.S.	AIR	SEA	WATERWAY*	RAIL	ROAD	AIR	SEA	WATERWAY*	RAIL	ROAD
B	6	6	6	6	6	0	0	6	6	6 flat rate amounts (1)
DK	exempt.	exempt.	exempt.	exempt.	exempt (2)	0	0	-	exempt.	exempt. 25 flat rate amounts (1)
D	15	7	15/7 (3)	15/7 (3)	15/7 (3)	0	0	7/exempt. (4)	15/7 (3)	15.7 flat rate amounts (1)
F	5.5	5.5	5.5	5.5	5.5	0	0	5.5	0	5.5 - exempt (5)
IRL	exempt.	exempt.	exempt.	exempt.	exempt.	0	0	-	0	0
I	12	9	19	9/exempt. (6)	19/exempt. (6)	0	0	0	0	0
L	6	-	exempt.	3	3	0	-	exempt.	0	0
NL	6	6/exempt. (7)	6/exempt. (7)	6	6	0	0	6	6	6 (8)
UK	0 (9)	0 (9)	0 (9)	0 (9)	0 (9)	0	0	-	0	0
P	5	5	5	5	5	0	0	0	0	0
ES	6	6	6	6	6	0	0	6	6	6
GR	8 (10)	8 (10)	8	8	8	0	0	-	0	8

## \* Inland WATERWAY.

- (1) A flat-rate amount is generally imposed when a vehicle registered abroad is brought into the country. A VAT rate is applied to domestic vehicles. The current exemption in Denmark applies to all scheduled traffic, whether domestic or foreign. In Germany, a rate of 7% is applied to short journeys.
- (2) Unscheduled traffic: 25%.
- (3) Long distance: 15%; short distance: 7%.
- (4) Exemption for ferries on the Rhine, Danube, Oder and Neisse.
- (5) Transit is exempt. Other: 5.5%.
- (6) Urban transport: exempt.
- (7) Ferries opting for taxation and scheduled vessels: 6%.
- (8) No VAT in practice.
- (9) Means of transport carrying less than 12 persons: 17.5%.
- (10) 6% for transport operations on and between certain islands.



**LIST OF AID SCHEMES FOR THE TOURIST SECTOR  
EXAMINED BY THE COMMISSION**

<u>Country</u>	<u>Aid number</u>	<u>Title</u>
Germany	N/0347//88	Hesse - aid in the tourism sector
	N/0653//90	Interest-relief subsidies for industry and tourism in the Saarland
	N/0441//91	Lower Saxony - measures to assist tourism
	N/0476//91	Measures to assist rural tourism, Rhineland-Palatinate
	N/0670//91	Promotion of restaurants and of the tourism service sector in Mecklenburg-Western Pomerania
	N/0732//91	Bavaria - measures to assist tourist industries
	N/0180//92	Investment premiums for agricultural tourism
	N/0313//92	Measures to assist the promotion of rural tourism (Saxony)
	N/0537//92	Bitburg-Prüm - measures to assist the promotion of farm tourism
	N/0030//93	Regional programmes in the tourist sector
Denmark	N/0688//91	Tourism Network Scheme
	N/0396//92	Aid scheme for tourism
Spain	N/0181//89	Measures to assist SMEs in the tourist sector - Castile-La Mancha
	N/0078//90	Measures to assist rural tourism - Asturias
	N/0293//90	Measures to assist the tourist sector - Rioja
	N/0462//90	Measures to assist the tourist sector - Castile-Leon
	N/0525//90	Measures to assist the tourist sector - Murcia
	N/0016//91	Measures to assist industry, crafts and services to firms and tourism - Galicia
	N/0209//91	Modernization of tourist establishments Andalusia
	N/0210//91	Measures to assist the tourist sector in Malaga
	N/0257//91	Measures to assist rural tourism - Aragon
	N/0301//91	Measures to assist the tourist sector - Navarre
N/0448//91	Basque Country - measures to assist tourism	

N/0452//91	Measures to assist tourism - Balearic Islands
N/0453//91	Measures to assist tourism - Catalonia
N/0138//92	Aid in the tourist sector:
N/0139//92	Grants, tourist policy programme
N/0141//92	Hotel modernization and construction
	Farm accommodation
N/0143//92	Aid in the tourist sector - standardization of commercial signs
N/0144//92	Aid in the tourist sector - standardization of signs for tourist establishments
N/0161//92	Measures to assist rural tourism Catalonia
N/0258//92	Measures to assist rural tourism Canaries
N/0259//92	Canaries - investment grants: improvement of tourist enterprise infrastructure
N/0281//92	Measures to assist rural tourism Catalonia
N/0398//92	Galicia - measures to assist tourism in Sierra de Courel
N/0399//92	Galicia - measures to assist rural tourism and seaside resorts
N/0440//92	Measures to assist winter sports Catalonia
N/0473//92	Measures to assist the tourist industry Rioja
N/0463//92	Measures to assist SMEs in the tourist sector
N/0565//92	Measures to assist tourism
N/0568//92	Measures to assist SMEs in the tourist sector
N/0626//92	Navarre - measures to assist tourism
N/0203//93	Measures to assist the development of tourism
N/0211//93	Huelva - measures to assist regional tourism supply
N/0224//93	Measures to improve the competitiveness of tourist industry enterprises Andalusia
N/0225//93	Measures to assist the improvement of tourism supply
N/0263//93	Grants for small and medium-sized enterprises in the tourism industry in Madrid
N/0275//93	Aid to the tourism industry Investment in tourist establishments Basque Country
N/0299//93	Andalusia - grants for tourist establishments

Italy	NN/0050//87	Aid from the Piedmont region to assist the promotion of tourism
	N/0365//88	Trento - aid in the tourist sector: ski slopes
	N/0126//86	Measures promoting tourism Paese-Albergo project - Calabria
	N/0012//88	Friuli-Venezia Giulia - special measures in the tourism sector
	N/0060//88	Aid for farm tourism (Lazio)
	N/0051//87	Aid from the Piedmont region concerning the development of tourist services
	N/0040//89	Emilia Romagna - measures to assist tourism
	N/0304//89	Measures to assist tourism - Abruzzi
	N/0024//90	Aid to tourism: financing under the NPCI in accordance with an Italian law
	N/0203//90	Measures to assist tourism - Liguria
	NN/0035//90	Unnotified aid concerning tourist activity in the Adriatic area
	NN/0073//90	Aid to assist tourism in Abruzzi
	NN/0023//91	Aid to assist tourism and crafts Calabria
	NN/0019//91	Measures to assist tourism under Laws 46/47, 32/72 and 78/76 - Sicily
	NN/0025//91	Aid to assist tourism in Molise
	NN/0116//91	Law on assistance for tourism and sport
	NN/0034//91	Aid to assist tourism, sport and crafts Campania
	NN/0045//91	Unnotified aid concerning Law No 2 of 21 January 1991 of the autonomous province of Bolzano - tourism
	NN/0046//91	Unnotified aid concerning the aid scheme contained in the Italian IMPs - tourism (Emilia-Romagna)
	N/0387//91	Trento - measures to assist tourism
	N/0525//91	Measures to assist regional tourism
	NN/0115//91	Measures to assist tourism under the IMP for Apulia
	N/0600//91	Trento - measures to assist tourism
	NN/0129//91	Aid to tourism (IMP for Lazio)
	N/0722//91	Measures to assist tourism
	N/0397//92	Lombardy - measures to assist tourism
	N/0690//92	Tuscany - measures to assist tourism

	N/0702//92	Refinancing under regional Law 33/91 regional tourism supply
	N/0184//93	Friuli-Venezia Giulia - law to assist tourism development in the mountains
	NN/0034//93	Aid to tourism - Basilicata regional Law of 22 December 1992
	N/0277//93	Marche - measures to assist tourism
	N/0304//93	Measures to assist tourism Friuli-Venezia Giulia
Portugal	NN/0070//88	Aid for tourism in the Azores
	N/0147//86	Aid measures to promote new investment in tourism
	N/0049//87	New investment in tourism
	N/0120//87	Financial incentives for investment in tourism
	NN/0001//87	Aid to assist the tourist industry in the Azores
	N/0452//90	Multifund operational programme (SIAT scheme of aid to assist tourism)
	N/0673//90	Measures to encourage tourist accommodation
	N/0079//91	Aid measures for investment in tourism
	N/0291//91	Measures to assist tourism - Azores
	N/0317//92	Scheme of financial incentives for tourist activities (SIFAT)
United Kingdom	N/0156//82	Promotion of tourism - British Tourist Authority (BTA) and English Tourist Board (ETB)
	N/0156//82	Promotion of tourism - Welsh Tourist Board
	N/0156//82	Promotion of tourism - Scottish Tourist Board (STB)
	N/0129//88	Aid to tourism
	N/0444//90	Aid for the development of tourism in Northern Ireland
	NN/0002//92	Durham County Council Tourism Enterprise Scheme

GRANTS TO LATIN AMERICAN COUNTRIES IN THE FRAMEWORK OF TECHNICAL ASSISTANCE  
PROJECTS (1987-1992)

COUNTRY	PROJECT N° AND AMOUNT	DESCRIPTION OF MEASURE
<u>SOUTH AMERICA</u>		
Argentina	NTP/87/528/980 NTP/88/528/980 NTP/89/528/980  Amount: ECU 1,2 million Duration: 5 years	<ul style="list-style-type: none"> <li>- tourist classification system</li> <li>- tourist information system</li> <li>- marketing strategy</li> <li>- preparation of promotional material (brochure, folder, audiovisual material)</li> <li>- commercial fairs and activities</li> <li>- marketing seminars</li> <li>- survey of tourist flows at Ezeiza airport</li> <li>- DP training (statistics - surveys)</li> </ul>
Brazil	NTP/87/508/984  Amount: ECU 1,8 million Duration: 7 years	<ul style="list-style-type: none"> <li>- collection of statistics on tourist flows computerization of the system</li> <li>- study of features of tourist services (tour-operator, agencies, hotels) from a structural and functional viewpoint with a view to their improvement</li> <li>- training seminar: ecotourism</li> </ul>
Chile	NTP/92/512/908 Amount: EC: ECU 0,8 million Chile: ECU 0,12 million Duration: 4 years	<ul style="list-style-type: none"> <li>- strengthening the system for marketing Chilean tourism supply in the Community</li> <li>- improving the level and quality of supply and the country's tourist services</li> <li>- promoting the integrated development of new tourist products</li> <li>- training of the public and private sector</li> </ul>
Colombia	NTP/88/480/910  Amount: ECU 1,2 million Duration: 5 years  NTP/90/480/8  Amount: ECU 0.15 million Duration: 3 years	<ul style="list-style-type: none"> <li>- setting up of a marketing task force</li> <li>- aid for the preparation of commercial fairs and their follow-up</li> <li>- preparation of promotional material (brochure, poster, video)</li> <li>- seminar on operational marketing</li> <li>- supplementary measure of technical assistance to the sectors (fairs, training)</li> </ul>

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COUNTRY	PROJECT N° AND AMOUNT	TECHNICAL ASSISTANCE
Bolivia	NTP/88/516/917  Amount: ECU 0,5 million Duration: 3 ans	<ul style="list-style-type: none"> <li>- development of tourist products</li> <li>- institutional assistance (analysis of the planning of the tourist industry, introduction of a DP system, analysis of air transport)</li> <li>- recommendation for the drawing up of a tourist strategy ( tourist circuits, air transport regulations, coordination of public and private sectors)</li> </ul>
Paraguay	NTP/90/520/11  Amount: ECU 1,4 million Duration: 1 year	<ul style="list-style-type: none"> <li>- aid for tourism promotion</li> <li>- participation at specialist fairs in the Community</li> <li>- information system</li> </ul>
Peru	NTP/90/520/11  Amount: ECU 1,4 million Duration: 4 years	<ul style="list-style-type: none"> <li>- development of tourist products and human resource qualifications</li> <li>- assistance for various tourist bodies, coordination of measures to be carried out in the tourist sector</li> <li>- introduction of a DP system ( software and database) - promotion amongst users</li> <li>- supervision of promotional material (brochures, video)</li> <li>- participation in specialist fairs</li> </ul>
Uruguay	NTP/92/524/017  Amount: EC: ECU 0,5 million Uruguay: ECU 0,16 million Cofinancing bodies: ECU 0,22 million  Duration: 2 years	<ul style="list-style-type: none"> <li>- technical assistance for product definition at national and international level</li> <li>- formulation of marketing strategy</li> <li>- formulation of product development strategy</li> </ul>
Venezuela	NTP/92/484/909  Amount: EC: ECU 0,4 million Cofinancing bodies: ECU 0,1 million Duration: 3 years	<ul style="list-style-type: none"> <li>- training of Corpoturisme and private sector staff</li> <li>- promotion and development of ecotourism product,</li> <li>- creation of a database</li> <li>- measures for the promotion in the Community of tourism in Venezuela</li> </ul>
SUB TOTAL SOUTH AMERICA	EC: ECU 9,35 million	

COUNTRY	PROJECT N° AND AMOUNT	TECHNICAL ASSISTANCE GRANTED
<u>CENTRAL AMERICA</u>		
Costa Rica	NTP/89/436/914  Amount: ECU 0,23 million Duration: 3 years	<ul style="list-style-type: none"> <li>- preparation of a strategic marketing plan</li> <li>- identification of tourist products</li> <li>- training within the I.C.T. (database, management tourist promotion, seminars for hotel industry, travel agencies, tour operators)</li> <li>- monitoring and supervision of the "Tourism Master Plan" 19 91-95</li> <li>- measures to promote foreign investments</li> <li>- improvement of services supplied by LACSA (airline)</li> </ul>
Guatemala	NTP/90/416/927  Amount: ECU 0,25 million Duration: 3 years	<ul style="list-style-type: none"> <li>- assistance for marketing (visual database on tourism, making a film for seminars and workshops, publication of a brochure)</li> <li>- institutional assistance (canvassing investment)</li> <li>- product development (chichicastenango)</li> <li>- training of senior civil servants from INGUAT: investment, physical planning, managing, the training of human resources</li> <li>- training in the tourist industry itself (hygiene, European cooking, tourist guides)</li> </ul>
Mundo Maya	NTP/90/965/926  Amount: ECU 0,75 million Duration: 3 years	<ul style="list-style-type: none"> <li>- measure to encourage regional cooperation in the field of tourism among the five recipient countries (Mexico, Honduras, El Salvador, Belize, Guatemala)</li> <li>- promotion of regional integration and economic development</li> <li>- institutional assistance (system of national and regional tourism, statistics, canvassing international finance)</li> <li>- product development assistance (analysis of Mundo Maya systems, product development and feasibility study)</li> </ul>
Regional	NTP/92/23  Amount: ECU 0,2 million Duration: 1 year	<ul style="list-style-type: none"> <li>- grant for the seven Central American countries to attend fair ( Mundo Maya organisation, Costa Rica, Panamá, Nicaragua, El Salvador, Guatemala and Honduras)</li> </ul>
Equador	NTP/87/504/992  Amount: ECU 0,5 million Duration: 4 years	<ul style="list-style-type: none"> <li>- evaluation of Equador's programme for the promotion of tourism on European markets</li> <li>- preparation and implementation of an action plan for the promotion of tourism</li> </ul>
SUB TOTAL - CENTRAL AMERICA	EC: ECU 1,93 million	
TOTAL - LATIN AMERICA	EC: ECU 11,28 million	





		1989	1990	1991	1992	1993	Total (x000)
<b>Caribbean</b>							
Anguilla	A	14	14	16	20	-	64
Antigua & B	A	28	-	12	32	-	72
Netherlands Antilles	A	-	-	-	94	-	94
Netherlands Antilles	E	120	-	-	-	-	120
Netherlands Antilles	B	38	3	-	-	-	41
Netherlands Antilles	G*	-	19.150	-	-	-	*19.150
Netherlands Antilles	D	-	5	-	-	-	5
Aruba	A	28	-	-	165	-	193
Aruba	B	-	57	-	-	-	57
Aruba	D	-	2	-	-	-	2
Barbados	A	-	-	26	-	-	26
Belize	E	11	-	-	-	-	11
Dominica	A	-	30	-	-	-	30
Grenada	E	183	15	-	-	-	198
Grenada	G	-	979	308	812	-	2.099
St. Kitts & N	A	-	-	-	36	-	36
Trinidad & T	G	-	-	1.000	-	-	1.000
Regional	B	-	60	-	-	-	60
Regional	G	-	12.000	-	-	-	12.000
Regional	H	4605	-	-	-	-	4605
Regional	D	-	-	-	624	-	624
Subtotal Caribbean							40.487
<b>Regional all ACP/OCTs</b>							
ACP	I	1.622	2.381	2.911	3.011	3.106	13.031
OCTs	I	318	198	432	720	800	2.468
<b>TOTAL:</b>		<b>11.638</b>	<b>35.054</b>	<b>4.839</b>	<b>7.970</b>	<b>23.665</b>	<b>83.166</b>

**Legend:**

- A Participation in a fair
- B Study and planning
- C Publication of material
- D Promotion
- E Technical assistance and cooperation
- F Conference
- G Development programme
- H Training
- I Participation in tourist events under the regional integrated programme for the development of commerce and services (fairs, technical assistance, advertising, seminars)
- J Cross-border tourist circuit

\* of which 8.800 loans