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

ON

COMMUNITY MEASURES
AFFECTING TOURISM
(1995/96)

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1. GENERAL INTRODUCTION

1.1 Scope of the report

This report, which presents an overview of Community measures affecting tourism undertaken in 1995/96, is presented in accordance with Article 5 of the Council Decision 92/421/EEC of 13 July 1992 on Community actions to assist tourism¹.

Most of the actions described in the report have been implemented within the framework of a wide range of Community policies and programmes which, while not specifically designed in terms of tourism objectives, have nevertheless an important influence on the development of the tourism industry, on the interests of tourists, and on the exploitation and preservation of the assets which are utilised by tourism.

In order to give the clearest possible view of the impact of the measures on the main components of tourism, namely the tourist, the tourism industry and tourism resources, the structure of the report follows this typology. Nevertheless, it should be borne in mind that these components as well as the related measures are directly interlinked. The specified objectives, financial implications, beneficiaries, together with measurable outputs and progress made, are described in respect of each main area of Community activity relevant to tourism. A more exhaustive catalogue of information on these aspects is available by way of a Working Document of the Commission Services.

The Commission has already forwarded to the Council of Ministers and to the European Parliament a report² on the evaluation of the Community Action Plan to assist tourism (1993-95), in relation to the actions launched in the first two years (1993 and 1994). As regards 1995 many of the projects launched in that year will only come to fruition in June 1997 and one of the most important pilot actions launched under the Plan will only be concluded in 1998. Evaluation of these measures will therefore be undertaken later. Due to the nature of this exercise, the financial and control aspects of the implementation of the Plan are not addressed in this report, and will be dealt with by the Commission in a separate report to the Court of Auditors.

An effective evaluation of the large number of actions affecting tourism carried out under other Community policies and programmes (indirect measures) raises several issues in relation to methodology, selectivity, cost effectiveness etc. Besides, some of the actions to be evaluated in a tourism perspective, for example in relation to the structural funds, would be evaluated in terms of the objectives set for the policies concerned. The issues arising will be the subject of ongoing review by the Services concerned; more effective co-ordination is, of course, an essential pre-requisite to assessing priorities for the purpose of evaluation of indirect measures related to tourism.

1.2 Overview

Tourism is a phenomenon which involves the majority of European citizens, as users and providers of tourist-related services, in Member States and in a wide range of third country partners.

The European Union still maintains its leading position in world tourism with a growth rate in 1996 of 4.2% in terms of international arrivals and of 4.5% in terms of receipts.

¹ OJ L 231 of 13.8.1992, p.28.

² COM(96) 166 final of 30.04.1996

Despite Europe's decrease of world market share - between 1990 and 1996 it has been reduced by 7% in terms of receipts and 4% in terms of arrivals - it is the main originating area as well as the main destination of international tourist flows in terms of arrivals/departures, of receipts and of international commercial exchanges. EU Member States account for 12 out of 40 top tourist destinations in the world and in 1996 they accounted for 40% of arrivals, 38% of receipts and 42% of expenditure in international world tourism. Tourism activities employ directly 9 million people, representing 6% of total employment. It has an important indirect effect on employment in connected services, and in some tourism intensive economies its contribution in terms of jobs is substantially higher than the average. It is estimated that, by the end of the next decade, travel and tourism jobs will have increased by some 2 million, and will represent over 9% of total employment in the European Union³.

1995/96 represents an important period in the progressive involvement of the European Community in assisting tourism, both in the case of direct and indirect Community measures affecting tourism. Indirect measures comprise programmes and policy measures which affect tourism but which are not developed or executed in order to attain specific objectives in the field of tourism. On the other hand direct measures have specific tourism objectives and comprise in large part pilot or exploratory actions designed to show what could be achieved on a wider scale.

From an institutional point of view, the launch of a wide consultation on the basis of the Commission's Green Paper⁴ in April 1995 on the role of the Union in the field of tourism, which culminated with the European Tourism Forum held by the Commission in December 1995, represented a major effort in the assessment of the needs and scope of Community action. The outcome provided a direct contribution to the work of the Intergovernmental Conference, which however has not taken a decision in relation to whether the present reference to tourism in the Treaty should be made more specific.

From an operational point of view this period was marked by the finalisation of several programmes, the evaluation of their implementation, and the definition and launch of new initiatives and proposals such as the Commission's proposal for a first Multiannual Programme to Assist European Tourism, "Philoxenia" (1997-2000)⁵.

The measures relating to tourism undertaken by the European Community in 1995/96 continued to reflect the multi-disciplinary and horizontal nature of tourism activities, in the full respect of competences assigned to the European Union in this field, and without impinging on the direct responsibility of Member States in tourism matters.

These measures have been influenced by the specific objectives prescribed under the Community Action Plan (1993/95) to assist tourism,⁶ the mandate of the Tourism Advisory Committee⁷ composed of representatives from the Member States, and by the objectives prescribed for the purpose of other Community policies and programmes

³ WTTC, Travel and tourism - Jobs for the millennium, London, 1997

⁴ COM(95)97 final of 4.4.1995

⁵ COM(96) 168 final of 30.4.1996 and COM(96) 635 final of 4.12.1996.

⁶ OJ L 231 of 13.8.1992, p.28

⁷ OJ L 384 of 31.12.1986, p.52

which are of particular relevance to tourism (regional policies, environment, transport, consumer, education, training, cultural programmes, etc.).

In the implementation of the Community Action Plan in 1995/96, particular attention has been given to:

- Gaining and improving knowledge about European tourism;
- Promoting transnational co-operation to stimulate the quality of tourist services;
- Strengthening co-operation and consultation with public and private bodies and organisations concerned, and improved internal co-ordination within the Commission.

Over the same period, relevant measures taken under other Community programmes and policies have contributed to:

- facilitate citizens' mobility and access to tourism, as well as to improve protection of tourists as consumers;
- improve the economic and social environment for the development of tourist activities;
- bring about a sound relationship between tourist activities and natural, man-made and cultural resources, in the interest of balanced and sustainable tourism development.

The key components of tourism, namely the tourist, the tourism industry, and natural and cultural resources have all been affected by actions undertaken at Community level in 1995/96.

For reasons which have been widely indicated,⁸ many of the actions carried out in the early part of the Tourism Action Plan (1993/95) have turned out to be problematic. The Commission is carrying out a full review of all completed actions undertaken under the Tourism Action Plan in earlier years and will proceed to raise recovery orders and to pursue irregularities where necessary. The disappointing results from the Plan represent a lost opportunity both in terms of the identification of problems and opportunities for tourism in Europe and in making valuable experience and information available to the managers of other Community policies and programmes. Worthwhile projects have nevertheless been launched under the Plan, especially in the latter years, and the experience gained will be invaluable in the management of future actions.

2. ENCOURAGING MOBILITY AND PROTECTION OF TOURISTS

Recent analysis shows that the internationalisation of tourist flows is growing faster than domestic tourism. Within the European Union the number of nights spent abroad by non-residents has increased by 4.5%, while domestic tourism has increased by 1.9% in the last two years⁹. 239 million international tourists arrivals (40.3% of world market share)

⁸ Court of Auditors Report 3/96 on tourist policy and the promotion of tourism, together with the Commission's replies OJ C 17 of 16.1.1997, p.1; and COM(96) 166 final of 30.04.1996

⁹ European Commission, Tourism in Europe - Key Figures 1995-96, OOPEC, Luxembourg, 1997

and, according to the World Tourism Organisation, the equivalent of 165 billion dollars of receipts (39% of world market share) were registered¹⁰ in Member States in 1996.

The tendency for Europeans to take shorter but more frequent holiday trips during the year, together with renewed interest from the United States and from Japan in visiting several EU Member States, are contributing to the expansion of the European tourist market. This is also one of the direct effects of the progressive establishment of the Single Market and, to an extent also of the development of the consumer policy, factors which tend to add to the confidence of tourists venturing outside their country of residence.

Likewise, the gradual liberalisation of air transport rules and lower cost of fares have stimulated long-haul travel and have encouraged significant growth in tourists' flows, especially from southern to northern European countries, and more generally from EU to overseas countries. Moreover, the desire for greater mobility on the part of both the young and the elderly, and the disabled also has led to an increasing focus on their specific needs in terms of tourism related services required.

The improvement of arrangements to ensure free movement of persons within the Union, the protection of consumers' rights, and facilitating the integration of the disabled, have been among the priority questions at Community level in the context of encouraging tourist activities. The emphasis on these aspects is a practical illustration of the efforts of the European Commission to place the citizen at the centre of the construction of Europe.

2.1 Improving freedom of movement for tourists

The right of the EU citizen to freely visit any Member State without restriction has been one of the earliest and most visible achievements of the European Community. The elimination of border controls between EU countries, the central element of the single market programme, represents a further commitment of the Union in favour of greater mobility of people within Europe, and ensuring their freedom to travel throughout the full Community territory without hindrance.

The final implementation of this principle has not however progressed as rapidly as had been anticipated, in accordance with article 7A of the Treaty. The removal of controls at EU internal frontiers has been fully implemented only with regard to customs - in respect to luggage of travellers - and, as far as individuals are concerned, only in those countries which have implemented the Schengen agreement (Belgium, Germany, Spain, France, Luxembourg, Netherlands and Portugal).

With a view to fostering the establishment of an area without "barriers" ensuring the removal of controls on persons at Member States' frontiers and facilitating persons from third countries as regards getting a visa to the European Union for the purpose of travel throughout its territory, the Commission proposed two complementary directives in 1995, which have been revised following the European Parliament's opinion of October 1996¹¹. The implementation, since

¹⁰ World Tourism Organisation, Regional Report - Europe, Madrid, 1997

¹¹ COM(95) 346 and COM (95) 347 of 12.7.1995 revised by COM (97) 106 of 20.3.1997

1996, of two Council Regulations¹² of particular interest to tourists from third countries, namely one in relation to a unique EU model of VISA and the second indicating third countries of origin for which a Visa is required to enter EU territory, should contribute to strengthening the image of Europe as a single tourist destination.

In parallel, at the level of intergovernmental co-operation, the implementation of the Schengen agreement between seven European countries (Belgium, Germany, Spain, France, Luxembourg, Netherlands and Portugal) since 1995, and its further enlargement to three other countries (Italy, Greece and Austria) envisaged in the course of 1997, will show the clear advantages for tourists in the removal of controls on persons at internal frontiers.

2.2 Ensuring the protection of tourists as consumers

Actions undertaken in the last two years have ensured in particular:

- the improvement of information to tourists in order to raise awareness of their rights in accordance with Community legislation in place;
- the assessment of "particular problems considered of general relevance and affecting the economic and safety interests of tourists;
- the consolidation of legal instruments improving consumer protection at Community level and which benefit tourists;
- the definition of a new action plan¹³ identifying targeted priorities in consumer policy over the period 1996-1998; even if the plan does not specifically identify tourists as such as a priority category its implementation will ensure more effective tourist protection, insofar as its implementation is likely to touch on major concerns of tourists.

Regarding information, three complementary instruments have been finalised in 1996. Within the framework of the Community Action Plan to assist tourism an electronic guide relating to facilities available to tourists in Europe has been distributed to many associations and enterprises concerned. Following the initiative "Citizens first" launched in 1996, in order to better inform European citizens of their rights under the single market, a user-friendly brochure devoted to "Travel in another country of the European Union" will be made available in all official languages and widely disseminated in 1997. Under the 2nd Consumer Policy programme, a new edition of the European Consumer guide has been published, which includes a specific chapter on tourists' rights; an updated version of the guide will be made available in 1997.

As regards assessment of problems involving tourists' interests, the Commission is evaluating the results of the studies carried out on the implementation of the package travel Directive, on fire security in hotels and similar establishments, and on overbooking in hotels, the latter carried out within the framework of the Tourism Action Plan.

Relevant legislation introduced in the framework of Consumer policy and which is of interest to tourists, include measures for improving information to be provided in the case of "Distance

¹² OJEC n° L164 of 14.7.95, p.1; OJEC n° L 234 of 3.10.95, p.1.

¹³ COM (95) 519 of 31.10.1995

selling" contracts - following the Directive finally adopted in 1997¹⁴ on this specific form of sale - and provisions for simplifying procedures on access to justice and settlement of individual consumer disputes by way of conciliation.

The general commitment of the Commission to ensure a better integration of consumer policy into other Community policies, as well as the recognition of the need to improve internal co-ordination with regard to Community measures affecting tourism, should contribute towards more effective protection of tourists in Europe and of European citizens travelling abroad.

2.3 Facilitating access to tourism for certain groups of the population

Psychological and physical barriers, which make it more difficult to travel and take holidays in the case of persons concerned, are factors which can compromise full integration and participation of these citizens. The disabled and the elderly, who often suffer from reduced mobility, and which represent a significant part of both the EU population and of visitors from third countries fall into this category. Persons with disabilities of one type or another in the EU are reckoned to account for upwards of 10% of the population¹⁵, and to represent potential demand for commercial tourism related accommodation estimated at 350 million nights accommodation¹⁶. The part of the population over 65 years is increasing rapidly and is especially important to tourism from the point of view of time available for leisure all year round; this category represents 16% of the total EU population and it is expected to increase by a further 5% or 61 million by the year 2000¹⁷.

Against this background and bearing in mind the importance of the various segments of tourism demand, the Commission completed in 1996 an assessment of basic requirements and best practices with regard to the production, marketing and supply of tourist services to people with disabilities and to senior citizens. The joint work undertaken by the competent Commission Services has helped to develop the necessary synergy in the exercise of the Community instruments available; the direct implication of public authorities, and of the main European and national associations active on these issues, has helped to consolidate the co-operation process at a European level. This avoids overlapping of initiatives and helps identify best practices in the interest of tourists.

The main actions finalised in the framework of the Community Action Plan to assist tourism, include two guides, one on special assistance and dedicated services available for tourists with disabilities in the EU and EFTA countries¹⁸, and the second on good practices to be considered by tourism operators for meeting the basic requirements of the disabled when organising and taking holidays¹⁹. With regard to senior citizens, an analysis of trends, needs and behaviour of

¹⁴ European Parliament and Council Directive 97/7/EC of 20.1.1997.

¹⁵ Eurostat, Statistics in Focus, Disabled persons: statistical data, 1995/10, Luxembourg.

¹⁶ European Commission, Making Europe accessible for tourists with disabilities, OOPEC, Luxembourg, 1996

¹⁷ Eurostat, Yearbook 1996, OOPEC, Luxembourg, 1996.

¹⁸ European Commission, Travel Guides for disabled travellers (to be made available in 1997).

¹⁹ European Commission, Making Europe accessible for tourists with disabilities, OOPEC, Luxembourg, 1996

this category has been developed in a report supported by the Commission and available to interested parties²⁰.

In the context of social policy and of transport policy, the actions carried out in favour of tourists with disabilities have permitted, on the one hand, to explore the question of training measures for tourism professionals and of specific accommodation facilities and, on the other hand, to progress the work of defining the technical requirements for facilitating accessibility to different modes of transports.

The wide dissemination of results of the work achieved will contribute to raise awareness of the specific needs of the elderly and of tourists with disabilities. The growing awareness of these issues by the tourism industry, supplemented by greater attention given to these issues at national and local level, will contribute towards a situation of equality of opportunities for persons often denied access to tourism facilities in the past.

2.4 Encouraging responsibility - combating child sex tourism

1996 was a year in which the awareness of the problem of child sex tourism came to the fore among European public opinion, tourists and the tourist industry in particular. Recognising the many dimensions of the problem and that co-ordinated action must be taken to discourage this phenomenon, led the Commission to adopt a communication on combating child sex tourism in November 1996²¹. The communication provides a reference framework for Community action in this field, placing it in a medium and long term perspective, with the emphasis on a limited number of targeted objectives. The comprehensive set of proposals for action included in the communication are designed to help deter and punish child sex abusers, stem the flow of sex tourists from Europe, help to combat sex tourism in third countries and encourage Member States to take a united stand against child sex tourism. The approach set out is based on reinforcement of consultation and concertation, involving the member States, the tourism industry and the non-governmental organisations principally concerned.

3. REINFORCING THE COMPETITIVENESS OF THE EUROPEAN TOURISM INDUSTRY

Rapid changes in the world economic environment and greater internationalisation of both demand and supply of services are having a significant impact on tourism-related activities, in particular in Europe, which continues to represent the driving force of tourism world-wide. However, the traditional leadership of European tourism, built mainly on the diversity of its business activities and on the richness of its attractions, cannot be taken for granted.

The combination of increasing challenges in the form of increased competition among tourist destinations, the opportunities offered by expanding segments of demand, coupled with greater expectations on the part of customers, require adjustments to tourism development strategies as far as the conception, production, marketing and provisions of tourist services are concerned. The effectiveness of these adjustments depends on the dynamism and efficiency of tourism enterprises and also on a wide range

²⁰ AIT-FIA, La mobilité et les personnes âgées, Brussels, 1995

²¹ COM(96) 547 Final of 27.11.1996

of other activities which have a direct impact on the success of the tourism industry, without necessarily being part of the industry.

Bearing in mind the significant contribution of tourism activities to the EU economy in terms of GDP (5.5%), of employment (6% of total employment), and of foreign trade (about 1/3 of trade in services), there is a continual need to promote the conditions for a favourable economic environment in which European tourism can develop.

Within the framework of Community programmes and policies four main aspects have been considered central to improving the competitiveness of the European tourism industry and ensuring its development:

- fair competition among tourism enterprises;
- the modernisation of the tourism industry, and improving quality of tourist services through the training and qualification of the workforce;
- tourism development in less developed areas of the Union;
- encouraging quality-led tourism policies in third country partners.

3.1 Stimulating a favourable environment for tourism business

The effectiveness of the tourism market mechanism depends on the application of the single market, the respect of competition policy, and on better knowledge of the market structure and its evolution; more generally a "business-friendly" legislative environment is also essential.

The structural characteristics and demography of the tourism industry make it particularly sensitive to full implementation of the requirements of the single market and of competition policy. The tourism industry involves a wide range of activities and several different branches, covering businesses which include a limited number of very large multinational companies together with a very large number of Small and Medium-size Enterprises (SMEs); all parts of the industry must be familiar with the various segments of rapidly evolving demand, which is influenced by several external and unpredictable factors. The need for reliable information explains the particular attention given by the Community to the development of a European statistical system on tourism, which can help decision-makers to better define their market strategies and to assess their performance.

The preponderance of SMEs in tourism is evident. In the case, for example, of the "HoReCa" sector (covering hotels and other lodging accommodation, restaurants, canteens and catering), which accounts for more than 1.3 million enterprises in the EU (about 8.5% of the total) and generating 5.2% of total employment and 269 billion ECU in turnover, half of the 5.3 million persons employed work in small businesses (1 to 9 employees), a further 15% are "one-man" enterprises, and some 10% of persons employed work in large enterprises (more than 250 employees)²². The importance of large HoReCa enterprises in employment is especially significant in some countries, for example twice as much in the case of France and three times in the case of Finland, the

²² European Commission, Enterprises in Europe - Fourth report, OOPEC, Luxembourg, 1996

European Union average; in other Member States (Germany, Spain, Italy) the importance of large enterprises is below the EU average.

As regards international comparison, in the case of the USA and Japan the process of restructuring, which is stimulated arguably by a more favourable business environment, has taken place earlier than in Europe; in these cases the importance of small business in terms of employment is on average four times less significant in Japan and about three times less in the US than in Europe.

An analysis of the creation of new enterprises²³, while not exhaustive in terms of coverage of all Member States, confirms the potential and the dynamism of tourism-related enterprises: half of one million newly created firms in 1992 were in the Trade and HoReCa sectors. In countries such as France and the Netherlands, the survival rate after five years of activity in the HoReCa sector is respectively 42% and 68%, which is generally fairly typical of small firms.

Recent analysis confirms that the full utilisation of Community instruments has positive effects on the competitiveness of business, on employment, and on the economy in general²⁴. On the contrary, a conservative approach towards maintaining barriers to non-resident operators and unjustified protectionist measures tend to frustrate new entrepreneurial initiatives and put a brake on business dynamism.

In parallel with the improved application of the single market and competition rules, positive results can be expected for tourism enterprises following the launch of a range of actions at Community level devoted to improving the competitiveness of European enterprises. Examples are to be found in the simplification of administrative procedures and legislation, the arrangements for assisting business to make best use of opportunities such as the network of "Euro-Info centres", or for stimulating business co-operation and internationalisation (such as "EC-NET" and "BRE"). These instruments are being used to a growing extent (for example 575 business profiles for the HoReCa sector alone have been introduced via the BRE network in 1995-96 for the purpose of researching a partner), and the implementation of the Third Multiannual Programme for SMEs²⁵ adopted in 1996 and covering the period 1997-2000 will provide further opportunities for tourism-based SMEs.

Transport is an important area of activity which influences tourism development and the competitiveness in tourism. Significant progress has been made at Community level in 1995/96 towards the implementation of important objectives in this area. Despite the fact that the majority of tourists continue to prefer the car as their main mode of travel, the growing importance of air transport, especially for international tourists, has been directly influenced by the progressive implementation of the liberalisation measures applied by the Community, and which entered their final phase from 1 April 1997. Liberalisation has already created increased opportunities for European travellers in terms of better connections, greater choice and lower fares. As an illustration of this, the production capacity of the Community air traffic market (seats offered per KM) reached 370 billion

23 Ibidem

24 Communication from the Commission to the European Parliament and the Council on the impact and effectiveness of the Single Market. COM(96) 520 final of 30.10.1996

25 JO L 6 of 10.1.1997, p.25

in 1995, of which more than half (56%) is managed by charter companies²⁶. The proportion of air passengers travelling with reduced ticket prices on regular flights has increased from 60.5% in 1985 to 70.9% in 1995; when charter passengers are included the share represented by reduced prices is between 90% and 95% of the total market. The problem of air traffic congestion and delays²⁷, which was the subject of a White Paper in March 1996, compromises the efficiency of the European air transport system and causes serious difficulties for tourists; the revision of the provisions governing the Code of Conduct on Computer Reservation Systems (CRSs) should help to bring about greater transparency and effectiveness to the systems through which most air booking is made. CRSs play a fundamental role in the tourism industry and, with the diffusion of internet based services and applications (e.g. World Wide Web), industry is now undergoing radical changes. By 2005 it is expected that 30% of the tourism-related information and 20% of commerce will pass through Internet.

The adoption of Community guidelines for the development of the Trans-European networks and of several measures devoted to improving safety in different means of transport, will contribute to a safer and more comprehensive system of mobility in Europe, as well as bringing many European tourist destinations within easy reach of greater numbers of people.

The significant volume of transfrontier commercial transactions and payments for tourist services gives rise to a particular interest for the tourism industry in progress being made in the preparations for the changeover to the European Single Currency (EURO). The tourism industry and tourists are important targets in the general campaign launched by the Commission with a view to increasing the awareness of enterprises and of citizens of the practical aspects of the introduction of the EURO. Representatives of the main tourism-related sectors are part of the Round Table established by the Commission for this purpose. Moreover, it is intended to launch a study on the specific tourism aspects in 1997.

Efforts made in recent years to improve statistical information related to tourism have been consolidated with the adoption by the Council of Directive 95/57/EC on tourism statistics²⁸. Its implementation started already in 1996, with the aid of financial assistance from the Commission. Preliminary results were made available to tourism operators in 1996 and in 1997, by way of new publications presenting key figures on European tourism. Assistance is being provided also to third countries in Central and Eastern Europe and in the Mediterranean region with a view to extending the European system to them. Improving knowledge of tourism was also the aim of specific studies undertaken within the framework of the Tourism Action Plan, in particular on business and conference tourism and yield management in tourism SMEs. The dissemination of the results began in 1996, notably in the context of work-shops and conferences involving the participation of industry representatives.

As part of its work in monitoring the implementation of the single market, the Commission has been addressing the question of tourist guides and tour managers professions; the respect of the

²⁶ Communication from the Commission to the European Parliament and the Council on the impact of the Third package of liberalisation measures of air transport, COM(96) 514 final of 23.10.1996.

²⁷ COM(95) 318 and White paper on air traffic management "Freeing Europe's Airspace" of 6.3.1996.

²⁸ OJ L 291 of 6.12.1995, p.32

right of establishment as hotel manager has also been considered and a motivated opinion has been addressed to a Member State considered to be in breach of the rules. As far as competition policy is concerned, several cases regarding tourism-related activities have been examined and accepted by the Commission in the framework of the state aids regime and of the control of mergers and acquisitions.

As regards direct taxation there is a need for greater transparency and co-operation between Member States, notably regarding tourism-related services which are often treated differently at the national level. The development of a general tax framework envisaged by the Commission in its 1996 report, which reviews tax systems in the Member States, could lead to opportunities for developing enterprise and job creation in tourism. With regard to indirect taxation, VAT applicable to tourism-related services, and the future of duty-free sales are the main issues on which concern has been expressed by the tourism industry. With regard to duty-free sales which are not compatible with the principles of the Single Market, both the Commission and the Council have confirmed the deadline of 1999 for the end of the transitional period, thus avoiding further distortion of competition vis-à-vis businesses selling goods tax-paid, and between different means of transport. Regarding VAT, in the framework of the follow-up to the programme set up by the Commission in 1996 on a common VAT system and a timetable for the presentation of formal proposals to introduce this system, there will be specific opportunities to allow the tourism industry to state its opinion. The Council decision in 1996 on the standard rate of VAT should help to reduce existing disparities in relation to the treatment of tourism services.

Despite much progress, there is still a certain lack of awareness of business in relation to European Community opportunities provided at Community level and insufficient co-operation and consultation between all the parties concerned at the local, regional, national and European levels. The Commission's proposal of April 1996 on the First Multiannual Programme to Assist European Tourism "Philoxenia", still under examination of the Council, envisages a coherent framework within which measures may be taken to help overcome this situation. In the meantime, efforts will continue in order to stimulate a better environment for tourism by identifying some of the more important problems and opportunities to be faced by the tourism industry.

3.2 Fostering the modernisation of the tourism industry

Up-grading human resources and techniques as well as improving management skills are basic requirements for speeding up the process of modernisation of the tourism industry in Europe; this is all the more important in that tourism is acknowledged as among those offering the best prospects for growth and job creation²⁹.

This process, already well advanced in the main EU competitor tourism markets, is being implemented more gradually in Europe; many tourism enterprises, especially SMEs, have difficulties in overcoming structural deficiencies in respect of education and vocational training on the one hand, and technological innovation on the other hand.

Tourism-related activities, generally considered capable of regular growth and of high levels of employment, have confirmed this potential over many years. The skills of the

²⁹ CSE(96) 6 final of 27 November 1996, Communication from the Commission to the European Council, "Putting services to work"; WTTC, Travel and Tourism - Jobs for the millennium, London, 1997.

workforce do need, nevertheless, to be improved. In the case of hotel, restaurant and catering activities, where educational attainment levels are significantly below average in all Member States, 54% of those employed in 1995 had not progressed beyond basic schooling and only 7% had university degrees or the equivalent. The sector has registered the highest unemployment and long-term unemployment rate for woman (18%) and the second highest for men (15%)³⁰. The contrast between the positive growth rates of the sector and the high unemployment rate registered might be explained by the high turnover of persons employed in the HoReCa sector. This could arise from the fact that this sector is often considered as transitional by job-seekers and the fact that many tourist-related activities are seasonal. Tourism due to its structural conditions, has been among the first sectors to experiment with various forms of flexibility in the labour market; nevertheless it has proved very difficult to reduce precarity in employment or to limit the effect of seasonality on the professional careers of employees.

These problems have been addressed by representatives of employers and employees of the HoReCa sector both in the framework of the social dialogue platform and by way of several projects presented by tourism operators and supported by the Commission in 1995 and 1996 which are within the framework of improved Community measures to encourage the employment and development of human resources. The main principle underpinning many of the projects concerned is the development of trans-national co-operation among public authorities, the industry, and education and vocational training institutes. This approach should facilitate the exchange and development of best practices, thereby helping to overcome deficiencies of knowledge and of experience on several aspects of tourism activities.

As an example of what can be achieved, encouraging results have been recorded through the progressive use by tourism business of the European Employment Services (EURES), which was established by the Commission in co-operation with the public employment services of the European Economic Area, with a view to facilitating worker mobility among participating countries.

The application of technological development to tourism services - information oriented by the nature of their business - is also an important area of activity. The situation in Europe, while improving, falls short of the progress achieved in other major markets such as the United States. The sale of on-line travel services is considered a major success in the US market where they account for more than half of electronic commerce³¹ and have expanded the turnover from 142 million dollars in 1994 to 600 million in 1996; a turnover of 3 billion dollars is estimated for the year 2000³². In the US more than 70% of hotel reservations are made through a central reservation system to which the hotel is linked; by contrast to the case of France, a leader in Europe in this field, the largest hotel groups which are linked to an international reservation system attract only 8 to 10% of their total reservations through the system³³. Internet-based integrated traveller information systems which combine tourism, culture and leisure information with travel and mobility information aspects are appearing in the marketplace. These open-systems could support a better approach to mobility and a more rational use of tourist resources. In this context new challenges and opportunities will also arise for the European tourism

³⁰ European Commission, *Employment in Europe - 1996*, OOEPEC, Luxembourg, 1996

³¹ Forrester Research consultants.

³² "Les nouvelles technologies", *Cahier Espaces* n° 50, p.51, Paris, 1997

³³ *ibidem*, p.10.

industry, especially for SMEs; peripheral and less known tourist destinations can now count on a new ally to improve marketing and management of tourist services. Delay in availing of up to date technological facilities will deprive European enterprises of opportunities for further market expansion and could in some cases compromise existing markets. Research in several scientific fields are still needed (e.g. multilingual aspects, search methods, user interface, business process). SMEs, which have a limited capacity to invest in innovation, will need training courses, support for learning best business practice in the new electronic environment, transfer of knowledge about telematics opportunities, development of common procedures and protocols. This is an aspect which the Commission is taking into account in the development of relevant Community Programmes.

Conscious of the strategic influence of new technologies on the competitiveness of the European tourism industry, between 1994 and 1996, some 31.8 million ECU has been allocated for new technology applications for tourism services within the 4th Framework programme for Research, technological development and demonstration activities, in particular under the "IMPACT II" and "Telematics" programmes. Most of the selected projects, developed in partnership with tourism operators and specialised firms across several Member States, have focused on the development of information-tools for SMEs and for tourists capable of appreciating and promoting natural, cultural and other tourist attractions, and facilitating sustainable use of tourist facilities and of natural resources.

Consultation and concertation at Community level between the social partners representing the HoReCa sector have progressed within the framework of the Social Dialogue Committee focusing in particular on the problems linked to professional profiles, worker mobility, and working conditions.

For the purpose of implementing the Community initiative "Employment and development of human resources" (1994-1999), rural tourism as a source of employment has been considered in one of the networks established for local employment development actions. Under the European Employment Services programme (EURES), a network of 450 advisers provides assistance and guidance to workers on work availability and social security rights. The specific section of the job vacancy data base devoted to tourism, which is part of the programme, has been often solicited for the research of workers in the HoReCa sector and in well established tourist theme parks. Another example is the seasonal placement project for hotels and guesthouses in the regions of South Bavaria and Baden Württemberg, co-ordinated by EURES and the German *Bundesanstalt für Arbeit*, which creates an opportunity to place 260 Irish workers every year.

Under the renewed Community programmes Socrates³⁴ and Leonardo³⁵ (1995-1999), over the first two years of implementation support has been provided for 16 projects in the field of tourism, catering and hotel management aimed at curricula development, teaching staff and student mobility, and for 40 projects dealing with the analysis and development of vocational training methods and activities in tourism professions, as well as trainee exchanges.

Under the ESPRIT III programme, where the development of computerised and multimedia-tourism oriented tools have been supported, and within the framework of the various sectorial applications of TELEMATICS, projects have also been supported in relation to the provision of information on tourism facilities, and on cultural attractions and events.

³⁴ Decision No. 819/95/EC of the European Parliament and the Council. OJ No. L 87 of 20.4.1995, p.10

³⁵ Council Decision No. 94/819/EC OJ No. L 340 of 29.12.1994, p.8

The focus at Community level on developing instruments for the effective monitoring and evaluation of employment and labour market policies, and on establishing employment and innovation as key priorities for Europe will be of particular interest to the tourism industry. The Commission will support the activity of the social partners meeting in the context of the European social dialogue with the aim of promoting integration of the human factor as an indispensable element in the development of tourism.

3.3. Stimulating tourism development in less developed areas

The recognition of tourism's contribution to economic growth and to employment is reflected in the increased interest of Member States and of the Community in better exploiting its potential, especially in the less developed areas. The reduction of regional disparities is essential to ensure balanced economic development and to encourage the changes required throughout the Community in order to adapt to the requirements for successful participation in the Single Market. European structural policies are a key instrument in this process and tourism is an activity covered by most of the operational programmes of the Member States.

The interlinkage between tourism and regional development is evident as shown by the number of measures (some 300 up to 1996) supported under the Structural Fund programmes and Community Initiatives, which specifically identify tourism as a subject for action. Most measures relate to infrastructure, human resources and to productive investments. The Structural Funds also contribute to the development of tourism in a wider sense. In rural areas, for example, they contribute to the preservation of the countryside, to maintaining local cultural traditions and skills, to the restoration of villages - all important factors in increasing the attractiveness of Europe's rural areas to visitors - as well as to the development of newer rural tourism markets such as "eco-tourism", "sport tourism", etc. The main objectives of the operational programmes established in partnership between the member States and the Commission aim at:

- improving tourist accommodation, facilities and attractions;
- developing tourism related enterprises;
- upgrading professional qualifications and management resources in tourism;
- stimulating the tourism product and market development.

The breakdown of the amount made available by the Community for tourism related measures under the structural funds is estimated as follows:

- 5850 million ECU, for the period 1994-1999, is available in regions whose development is lagging behind (Objective 1) and in regions of northern Europe with sparse populations (Objective 6);
- 600 million ECU, mainly for the period 1994-1996, is available for measures in regions worst affected by industrial decline (Objective 2);
- 800 million ECU, for the period 1994-1997, is available for measures in designated rural areas (Objective 5b).

The overall effort is greater than the sums indicated might suggest as they do not include measures which at this stage are not directly identifiable in respect of tourism. This is the case also for assistance which can be provided to farmers for diversification into tourism under objective 5a; and, more generally, for additional resources from public and private sources which in most cases complement the Community contribution.

Tourism projects have also been supported under the Structural Funds within the framework of the Community Initiatives launched by the Commission in partnership with the Member States; these include actions designed to encourage local development in particular areas of the Community, as for rural areas under LEADER II, the SME Initiative, as well as measures designed to encourage cross-border and inter-regional co-operation.

Tourism related projects supported in the framework of Community initiatives, concern:

- local development in rural areas ("LEADER II"), where almost all of the 98 programmes approved, up to 1996, include measures to assist tourism activities; it is estimated that some 40% of funds available (Community contribution 1.755 billion ECU for the period 1994-1999) will be made available for actions concerning the development of rural tourism;
- transborder and interregional co-operation ("INTERREG II"), for example five tourism oriented projects involving in particular Germany, Denmark, Luxembourg and Greece for which 68.7 million ECU have been made available;
- economies of the remote regions, most of which have a dependence on tourism activities, so as to strengthen their integration with the rest of the Union; one such project, financed for an amount of 29.5 MECU, concerns the Canary Islands;
- local development in areas depending on fishing ("PESCA"), contributing to reconvert human resources, and diversification/reconversion of activities in coastal zones to other sectors, including tourism. For the period 1994-99, approximately a total of 50 MECU (EC contribution) have been allocated to tourism projects³⁶. The United Kingdom and Germany, for example, have each allocated 5 MECU for tourism projects, while other countries may benefit from a more general PESCA measure regarding "reconversion to other activities". In this framework a transnational co-operation project ("sea houses" network) has also been supported involving Portugal, Denmark, France, the United Kingdom, Italy, Greece, Sweden and Spain;
- alternative investments and employment in areas hit by the decline of the defence sector ("KONVER II"), where six tourism projects presented by Germany, France, Denmark and Belgium, for an amount of 8.1 MECU have been approved; the proportion of funds available for use by tourism projects is particularly high in the case of the Wallonia region of Belgium (61%); South Normandy in France (87%) and Saarland in Germany (62%);
- economic conversion of coal-mining areas ("RECHAR II"), where eight tourism-related projects presented by Germany, the United Kingdom and France have been adopted for a total amount of 15.9 MECU; and economic conversion of areas affected by the decline of the steel industry ("RESIDER II") where six such projects for an amount of 6.8

MECU concerning France, the Netherlands and several regions in Germany have been approved.

the process of peace and reconciliation in Northern Ireland ("PEACE"), the special support programme agreed in 1995 includes a tourism project involving co-operation with Ireland for an amount of 49.9 MECU.

In June 1995³⁷, the Commission presented its Communication on "a European strategy for encouraging local development and employment initiatives", highlighting both the potential that exists at local level for the creation of new jobs and the structural obstacles that have to be removed in order to ensure their development. The tourism sector was identified as one of 17 areas offering untapped job-creation potential.

Since then, the question of local employment development has become a major theme in the context of Community action and has been the subject of numerous initiatives not only at the political level but also in terms of assistance from the Community Structural Funds³⁸.

Following the Commission President's initiative aimed at establishing a European Confidence Pact, the Florence Summit of Heads of State and Government (June 1996) gave a favourable response to the Commission's suggestion that around sixty territorial employment pacts be launched by way of experiment. These also related to tourism, and would be partly financed by exploiting the scope for manoeuvre available within structural policies.

A full analysis of progress made towards achieving economic and social cohesion and on the manner in which the various instruments provided at Community level have contributed to that goal, is developed in the First Report on Economic and Social Cohesion adopted by the Commission in 1996³⁹. In this context, examples of Community financed tourism-related activities are provided. While it can be stated with confidence that Community measures designed to encourage tourism have contributed significantly to economic and social cohesion, more precise indications of the impact of such measures are difficult to determine. There are significant difficulties in any event evaluating the precise impact of structural policies, especially over a relatively short time scale. An evaluation of measures in terms of tourism is even more problematic in the sense that tourism comprises a wide range of economic activities and to varying degrees.

The improvement in co-operation with Member States and in internal co-ordination within the Commission is essential for the purpose of proper assessment of the Structural Funds measures, which represent the main source of assistance to tourism development made available at Community level. Further initiatives are certainly required, as acknowledged by the Commission and confirmed by the Court of Auditors in its special report on tourism adopted in 1996⁴⁰, by the European Parliament, by the Economic and

37 COM(95) 273 final of 13.6.1995

38 COM(96) 109 of 20 March 1996, Community structural assistance and employment

39 European Commission, First report on Economic and Social Cohesion, OPOEC, Luxembourg, 1996

40 OJ C17 of 16.1.1997 p. 1

Social Committee and by the Committee of the Regions, in the course of resolutions and opinions adopted in 1995 and in 1996⁴¹.

3.4 Encouraging tourism development in third country partners

Recognising the role that tourism can play in the economic and social development of our partners and in the re-enforcement of relationships with Member States tourism is included among the areas of co-operation in most of the bilateral and regional agreements in place, as well as in the Lomé Convention, whose signatories now total 70 African, Caribbean and Pacific countries.

The support of the European Community has taken various forms and has involved allocation of significant levels of funding in accordance with the priorities established by the beneficiary countries and agreed by the Union. Examples of actions supported by the Community in this field, relate to the exchange of know-how; planning in tourism development; enhancement of training and education systems; and development of marketing tools.

Central and Eastern European countries on the one hand, and Mediterranean countries are areas which have received particular attention within the framework of reinforced co-operation with the European Union.

Progressing the pre-accession strategy with a view to the enlargement of the Union in the case of the ten associated countries of Central Europe and of Cyprus is an important objective. The Commission, in co-operation with the national authorities concerned is evaluating the financial and legislative implications of the Community activity in the field of tourism. In the course of on-going bilateral meetings with tourism authorities of these countries, their particular interest in Community actions relating to tourism has been confirmed. The implementation of specific tourism projects approved under the Community programme "Phare" has also progressed; total EU funds of 38.9 MECU have been made over the period 1991 to 1995. Support has also been made available within the framework of 1995 Russian Action Programme, with a view to strengthening training and management in tourism skills.

Following the adoption of the Barcelona Declaration in December 1995 and of the Council resolution of 13 May 1996 on Euro-Mediterranean co-operation in the field of tourism, co-operation in the field of tourism statistics has been promoted by the Commission, this being one of the priority domains foreseen by the Council and by our partners. It has not been possible to take measures in the two other domains, namely training and promotion in the field of tourism, but the elements for a coherent working programme of co-operation on tourism, including training and promotion, will be explored in 1997. The contribution which tourism and European professionals can provide in the framework of two of the main axes of Euro-Mediterranean co-operation, namely on the economic and social side as well as on the cultural side, will be further considered and encouraged by the Commission, taking into account the position

⁴¹ OJ C347 of 18.11.1996, OJ C30 of 30.1.1997, OJ C42 of 10.2.1997

expressed by the European Parliament in its Resolution regarding the follow-up of the Barcelona Conference⁴².

Regarding the Lomé Convention, with a view to ensuring more effectiveness in the implementation of the 8th European Development Fund (EDF) and to define a more coherent co-operation strategy in the field of tourism, an analysis of achievements and of the needs for future action should be finalised by the end 1997.

As far as other regions are concerned, the Commission has noted the interest expressed by several countries in Central and Latin America and Asia in fostering co-operation in the field of tourism, which can be of mutual benefit for business in the EU and in the beneficiary countries.

Consistent with the progressive liberalisation of trade in tourism-related services, the enforcement of the General Agreement on Trade in Services (GATS) which came into force on 1995 applies also to tourism. A large number of the World Trade Organisation's members have made commitments under this Agreement; this could lead to new opportunities being opened to European tourism business in providing services in a global market, in establishing a commercial presence abroad, and in supplying services in other countries. An assessment of the implementation of the GATS with regard to tourism and of its implications for the European tourism industry is the subject of ongoing examination.

In the framework of the Phare programme, the specific projects concerning tourism cover several years and concern Poland, Hungary, Estonia, Latvia, Lithuania, Romania and Slovenia; they focus in particular on:

- the provision of technical assistance for the establishment of a legal and institutional framework for tourism;
- training activities for tourism professionals;
- improvement/establishment of tourist information offices and of promotional tools;
- credit facilities for enterprises investing in the sector.

Cross border co-operation projects on tourism have been supported by the Phare programme in 1995 and include:

- co-operation between sea border regions of Estonia, Latvia, Lithuania, Poland, Germany, Denmark, Sweden and Finland, (1.4 million ECU);
- co-operation between border regions of Hungary and Austria (1.2 million ECU);
- development of a tourist border zone between regions of Slovenia and Austria (0.45 million ECU).

Under the Tourism Action Plan, six complementary projects encouraging transnational co-operation on tourism product development and culture and involving certain EU Member States, PECO, Maghreb countries, Cyprus and Malta, have been supported in 1995 and are due to terminate in 1997 (0.8 million ECU).

Under the financial instrument for the Euro-Mediterranean co-operation ("MEDA"⁴³), the project of co-operation on tourism statistics for the period 1997-1999 will benefit from an

⁴² EP, Resolution on the joint report by the Presidency of the Council and the Commission on Mediterranean Policy (EP.257.133 of 13.3.1997).

⁴³ Council Regulation 1488/96 of 23.7.1996 (OJ L189 of 30.7.1996)

allocation of 2.8 MECU. In the framework of the Middle East "Peace Process" programme, two projects have been financed in 1995/96. These concern the establishment of a "University of Tourism and Culture for Peace", involving the Palestinian Authority, Israel, Morocco, Algeria, Tunisia and France (1.2 MECU); and the creation in Europe of a branch of the "Middle East and Mediterranean Travel Agency and Tourism Association" (0.2 MECU).

In the framework of the Lomé Convention and, on the basis of funds made available for the 6th and 7th European Development Fund (EDF), 27 tourism-related projects have been financed in 1995/96, for a total amount of 8.3 MECU bringing to 69 MECU the allocation for tourism programmes over the period 1990 to 1996. The projects cover various measures of assistance such as marketing of the destination, training, tourism planning and product development.

The range of instruments of co-operation which are being made available at Community level, in full respect for the needs of our third countries partners and in the mutual interest of both parties, can help decision-makers to meet opportunities and challenges in evolving tourism markets in the interest of encouraging growth and employment. Their effectiveness will depend on sound management of the resources available, of the efficiency of the enterprises concerned and of the action of public authorities in beneficiary countries in implementing a long-term tourism development strategy which is balanced and sustainable.

4. ENCOURAGING RESPONSIBLE USE OF TOURISM RESOURCES

There is now greater awareness than ever of the importance of the responsible use of non-renewable resources and of the need to ensure their transfer to future generations. According to the results of a Eurobarometer survey in 1996, 98% of the European population believes that protecting the environment and fighting pollution is a priority for the Union, and most (82%) consider that the problem is an immediate one requiring urgent attention⁴⁴. This sensitivity to the environment is also reflected in the public's approach to planning holidays; the increasing importance of quality, including environmental conditions, is a factor which influences tourists' choice of a destination. All branches of the tourism industry and public authorities in the main destinations must focus on the problems linked with the impact of tourism activities on resources; and, on the positive side, it raises also the question of what tourism can bring by way of contribution to safeguarding the wealth of man-made, natural, and cultural resources.

This direct link between tourism and cultural heritage, and the environment is widely recognised. As tourism depends on these resources as essential factors for the production and marketing of leisure activities it represents an ideal test-bed for monitoring the implementation of the principle of sustainable development. The main object of Community activity in this field has been to stimulate a "virtuous circle" which helps to guide the economic environment relationship in tourism towards long-term sustainability.

Despite commendable efforts undertaken by parts of the tourism industry and by various public and private organisations and individuals in favour of tourism planning and management, there is scope for concerted actions which allow the parties concerned to

⁴⁴ Eurobarometer, n° 43.1 bis, June 1996

explore, in a more systematic way, measures applied in various Member States and Regions with a view to the identification and dissemination of the best practices. Care should be taken also to provide information to tourists and to tourism enterprises on the condition of the environment and of cultural sites in tourist destinations, and to encourage them to contribute to environmentally friendly use of sensitive resources.

4.1 Strengthening sustainable tourism development

Strengthening the quality of the natural and man-made environment is central to the success of tourist destinations and business, and an essential pre-requisite to achieving sustainable tourism development.

Implementation of the relevant Community policies and actions in 1995/96 has involved continued efforts to integrate the principle of sustainability into tourism development strategies and practices. It is appropriate to underline that tourism is one of the five key sectors identified by the Commission for integrating this principle into other policies. Following an assessment of this policy⁴⁵, Community activity has focused on the consolidation of existing measures and on the launch of selective new legislative and financial instruments which are of particular relevance to tourism development. The extension of the "LIFE" instruments from 1996 to 1999 have provided valuable financial support for pilot projects on sustainable tourism development.

In the framework of the 5th Community Action Programme on the Environment, which has been reviewed in 1996, coastal zones have been the subject of special attention. The object is more effective systems of integrated management of areas often faced with serious problems generated by tourists flows, especially when concentrated in space and time⁴⁶. As regards urban areas, an expert group set up by the Commission has made good progress in the definition of policy options and orientations for local development; the object is to combine the positive effects of tourist activities in cities with the safeguard of their human, cultural and environmental assets.

Other measures, more of legislative nature, concern:

- the proposal for a revision of the Council Directive on Environment Impact Assessment⁴⁷, which includes tourist facilities and resorts in its field of application;
- the establishment of a list of sites of Community importance and of a European network of protected areas ("Natura 2000"), in which some forms of "soft tourism" could be admitted, and which would contribute to the protection and management of these sites.

It should be noted that the structural funds can also make a positive contribution to the development of environmentally sustainable forms of tourism, for example in rural areas

⁴⁵ See progress report from the Commission COM(95) 624 final of 10.01.1996.

⁴⁶ See COM (95) 511 of 31.10.95 and the Council conclusions on integrated management of coastal zone adopted on 18.12.95.

⁴⁷ Council common position of 25.7.1996 on a Proposal for a Directive amending Directive 85/337/EEC.

where a high quality natural environment is one of the key attractions for tourists; programmes under Objective 5(b) and the Community Initiative LEADER II are promoting actions which develop tourism in rural areas based on learning about and preserving the natural environment.

Complementary measures implemented in 1995-96 in the framework of the Action Plan to assist Tourism have focused on increasing the awareness of tourism operators to environmental issues, and on encouraging the dissemination of best practices which combine tourism development and sustainability. The "European Prize for Tourism and the Environment" was awarded for the first time in 1995 following a competition among 269 tourist destinations in the European Economic Area. This allowed several regions and destinations to be identified and recognised for their outstanding efforts in the planning, development and management of "sustainable tourism". There is a widespread interest in repeating this initiative as confirmed by the results of the specific evaluation carried out in respect of each phase of the Prize. Within the framework of the Tourism Action Plan, eight demonstration projects focusing on traffic and visitor management and on the development of a network on tourism and the environment involving the main actors in this field, were launched in 1995. The results will be available in 1997.

4.2. Enhancing the partnership between tourism and culture

European heritage, and more generally European culture, is rightly considered as one of the oldest and most important generator of tourism; it continues to contribute to the attractiveness of European cities and regions for visitors from all over the world, and highlights awareness of the European identity.

According to a survey carried out at major cultural sites in Europe, 60% of visitors interviewed are international tourists and a further 25% are domestic tourists⁴⁸. The attraction of heritage has been a major factor in tourism expansion in several European destinations and has influenced the implementation of more effective policies of marketing, while preserving cultural sites.

Community actions on culture undertaken in 1995/96 in accordance with Article 128 of the Treaty, contribute to this process⁴⁹. Pending the adoption of the Commission's proposal for a multiannual programme called "Raphael"⁵⁰, over 300 pilot projects relating to the conservation of European architectural heritage have been supported in 1995-96, with a contribution of 17.5 MECU by way of Community funding. With regard to contemporary culture, the Community has continued to support the European City of Culture and the European Cultural Month initiatives and, within the Kaleidoscope programme⁵¹, a range of pilot projects have been initiated based on transnational partnerships for the organisation of cultural events; these contribute to attracting greater numbers of tourists.

⁴⁸ G.Richards- C.Bonink, Marketing cultural tourism in Europe, in "Journal of vacation marketing", vol.1, n°2, 1995.

⁴⁹ For the assessment of all Community actions interesting culture, see the "First Report on the consideration of cultural aspects in European Community action", COM (96)160 final of 17.04.1996.

⁵⁰ COM (95)110 final of 29.3.1995

⁵¹ After the implementation of working programmes on annual basis, following a Commission's proposal, the European Parliament and the Council have adopted the multiannual programme "Kaleidoscope 2000" on 29.3.1996; OJ L 99 of 20.04.1996.

Within the Community Action Plan (1993/95) to Assist Tourism, the focus is on visitor management techniques for cultural sites. The results of projects supported in previous years have been disseminated and discussed on the occasion of specific workshops organised in 1996. On that occasion also, as a result of the joint co-operation established with other international organisations, such as the Council of Europe and Unesco, the need for a reinforced partnership between tourism enterprises and cultural interests has been underlined, and the value of full involvement of the Community in this process is evident.

On the question of a more responsible use of energy in tourism activities, a number of pilot actions which encourage the use of renewable energy and energy consumption efficiency in tourism facilities and resorts have been supported under the Community energy policy⁵².

5. CONCLUSIONS

The review of Community actions affecting tourism in 1995/96, shows that the great majority of Community programmes and policies either now include a tourism dimension or have a significant impact on tourism-related activities. In this way Community policies affect directly or indirectly, European citizens, public authorities at various administrative levels, European enterprises and, in certain cases also, tourism interests in third countries. The progressive impact of Community actions reflects the recognition of the potential contribution of tourism to achieving the general objectives of the Union (as confirmed by article 3t of the Treaty on European Union) and the value added which Community actions bring in terms of the balanced and sustainable development of tourism.

Despite the lack of a specific legal basis on tourism in the Treaty the Community has been able to undertake a wide range of tourism related measures based on the general provisions of the Treaty and/or on the provisions relating to sectoral policies. Nevertheless, as indicated by the Commission in its report to the Council on Civil Protection, Tourism and Energy, the continuity and coherence of Community action in this field could be facilitated by inserting provisions into the Treaty which would make such action more efficient and more visible⁵³.

From a tourism perspective, the impact of the important global effort could be further improved if the objectives and instruments of tourism measures could be taken into account more fully in the definition and implementation of other Community policies; improved co-ordination and joint actions between the Commission Services on key issues relating to developing the potential of tourism and which would contribute also to achieving the Union's objectives will help this process.

In summary, the improvement of co-ordination and consultation with Member States and organisations representative of the various branches of tourism, is an essential pre-

⁵² See in particular Community programmes THERMIE (in OJ L 185 of 17.7.1990), SAVE (in OJ L 307 of 8.11.1991) and ALTENER (in OJ L 235 of 18.9.1993).

⁵³ See SEC(96) 496 final of 03.04.1996, p.6.

requisite to the practical implementation of this approach and, within the limits of the current framework and resources applicable to tourism, is being developed as far as possible.

Building on the experience of recent years, including the conclusions of both the Court of Auditors and of the evaluation of Community actions to assist tourism⁵⁴, and of the wide consultation launched following the Green Paper on the role of the Union in the field of tourism, the key issues relating to the future of Community tourism policy have been addressed very fully by the Commission in 1995/1996. The Community needs to make a qualitative leap in its activities in the field of tourism which, taking full advantage of new developments and opportunities becoming available notably with regard to the "information society", will make the tourism industry more dynamic and more capable of creating new and better jobs.

A more imaginative approach to Community tourism measures, focused on real priorities and attainable goals, can help Europe to maintain its leading position in the world tourism market and can bring value to the efforts of Member States and regions which will continue to exercise primary competence in this area.

Under its proposal on the First Multiannual Programme to assist European Tourism - "Philoxenia" 1997-2000 the Commission has proposed a framework which will provide a sound basis for action to encourage a more competitive industry and to improve quality in tourism in Europe. The proposal was presented to the Council of Ministers on 13 May 1996 and has been the subject of a Resolution of the European Parliament⁵⁵, and opinion of the Economic and Social Committee⁵⁶ and of the Committee of the Regions⁵⁷. The Council has not yet taken a decision on the proposal.

⁵⁴ COM(96) 166 final of 30.04.1996.

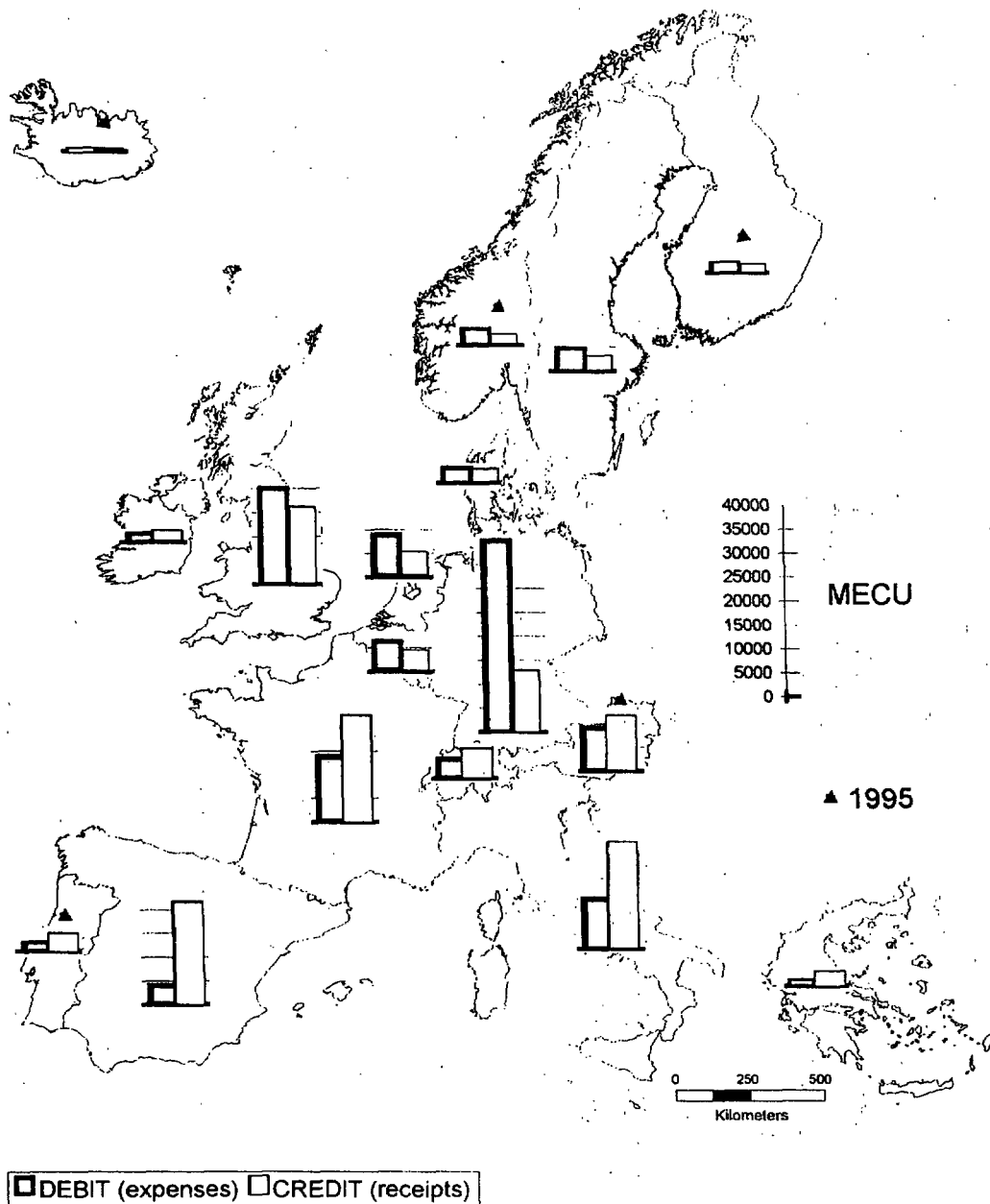
⁵⁵ OJ C347 of 18.11.1996

⁵⁶ OJ C30 of 30.1.1997

⁵⁷ OJ C42 of 10.2.1997

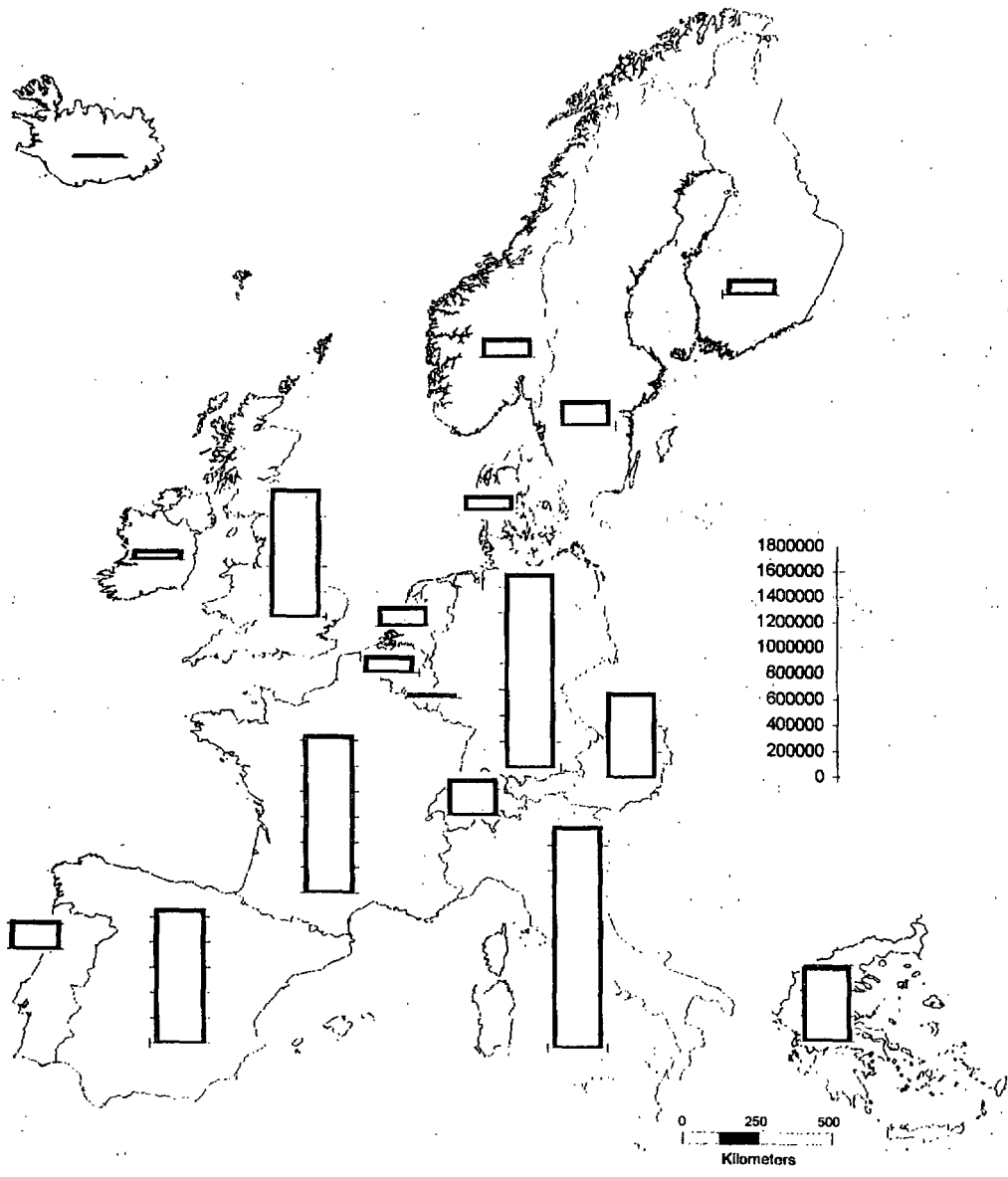
ANNEXES

Tourism in the balance of payments - 1996



Source: Eurostat

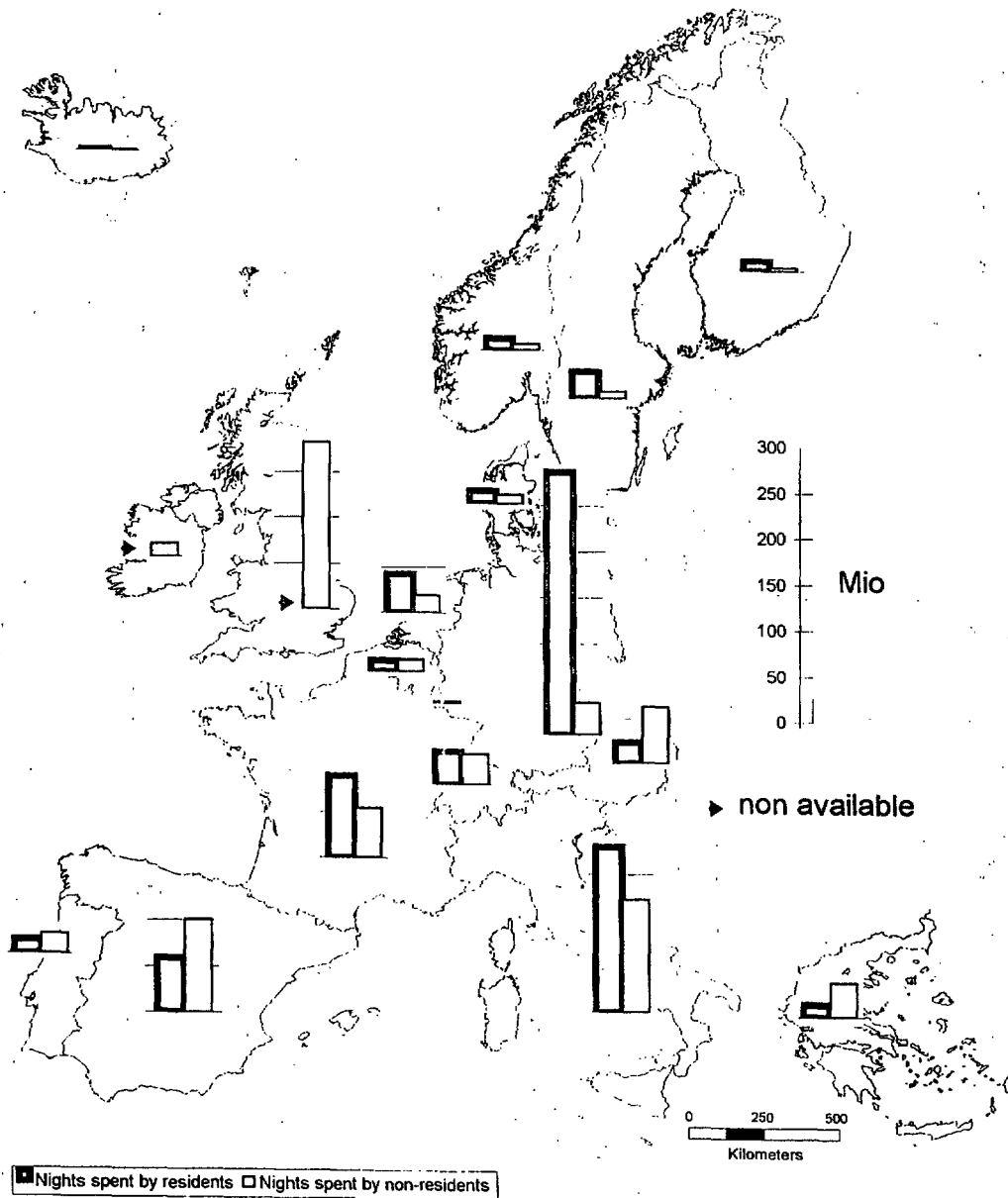
Number of bedplaces in hotels and similar establishments -1996



▣ Number of bedplaces

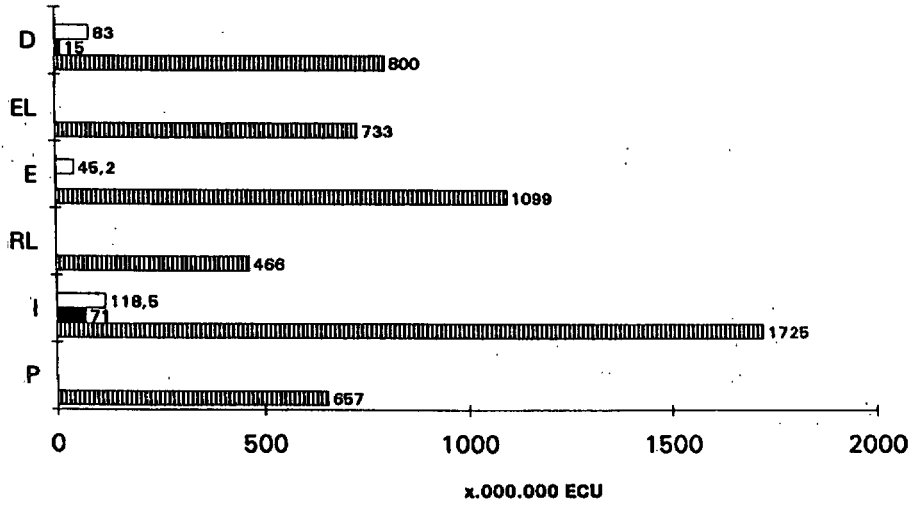
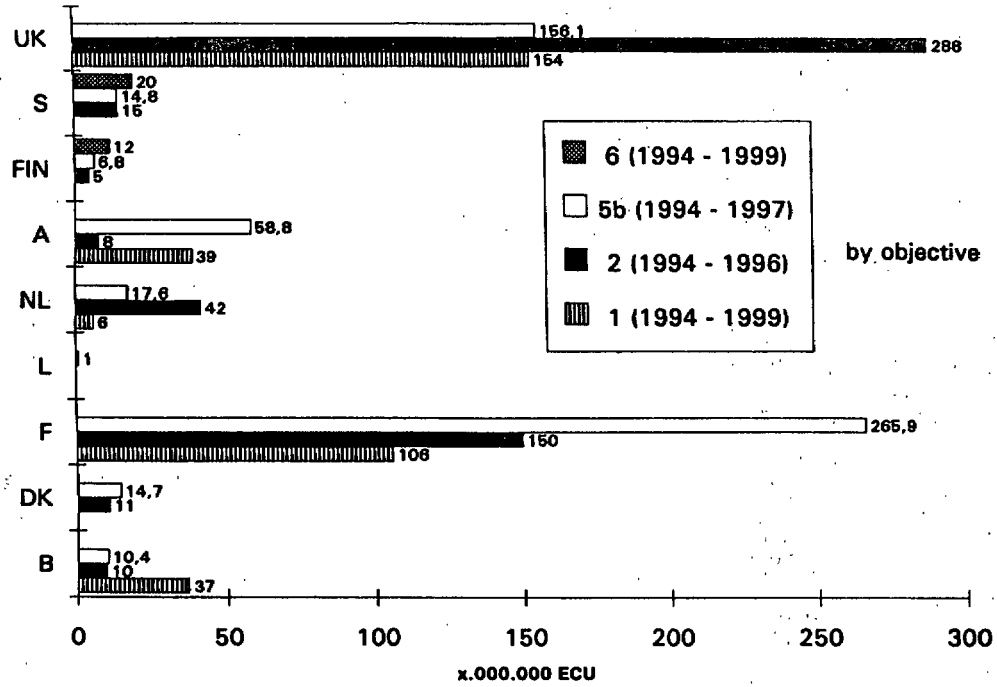
Source: Eurostat

Nights spent by tourists in all types of registered tourist accommodation - 1996

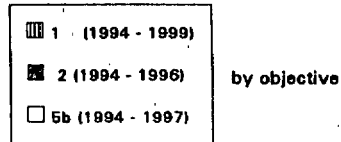
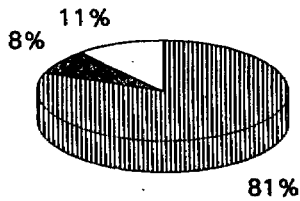


Source: Eurostat

Community contributions allocated to tourism in Single Programming Documents and Communities Support Framework



Total



**COMMUNITY CONTRIBUTIONS ALLOCATED TO TOURISM IN
SINGLE PROGRAMMING DOCUMENTS AND COMMUNITY SUPPORT
FRAMEWORKS (STRUCTURAL FUNDS 1994 - 1999)**

