



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.3.2001
COM(2001) 171 final

**REPORT FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT, THE COUNCIL,
THE ECONOMIC AND SOCIAL COMMITTEE AND
THE COMMITTEE OF THE REGIONS**

Community measures affecting Tourism (1997/99)

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INTRODUCTION

This report, which presents an overview of Community measures affecting tourism undertaken in 1997-1999, is presented in accordance with Article 5 of the Council Decision 92/421/EEC of 13 July 1992 on Community actions to assist tourism¹. It has to be seen as a continuation of the previous three reports of this kind, referring to the period until 1993², to 1994³, and to 1995/96⁴.

During the reporting period, the European Union maintained its leading position in world tourism as a main source and a main destination of international tourist flows. Spain, France and Italy were the most visited destination countries for one out of four tourists in the world. However, a significant slowdown of the extra-EU receipts produced in 1998 for the first time an EU external travel balance deficit. Besides the significance of small and medium sized enterprises (SMEs), the important mergers concerning the European tourist services providers highlight the economic stake of this sector.

Although not providing a legal basis for a specific Community tourism policy, Article 3(1)u of the current Treaty establishing the European Community refers to 'measures in the sphere of tourism' as part of the Community activities that shall be undertaken in support of the Community's overall objectives.

These measures must in particular reflect tourism's importance for prosperity in terms of growth and employment, to which the tourism sector contributes at the level of about 6 % each. They have to take into account the specific structure of the sector which is dominated by SMEs, with nearly 95 % of the European tourism businesses being micro-enterprises⁵. 6.5 % of the total turnover generated by SMEs in Europe can be attributed to tourism SMEs and they make a significant contribution to the GDP of many Member States. Many tourism SMEs are dynamic in creating employment, and the key to further growth lies in maintaining competitiveness.

As for previous periods, most of the activities described in this 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.

Consequently, one of the main tasks in this respect is good co-ordination within the European Commission, aiming to ensure that the interests of tourism are fully taken into account in the preparation of legislation and in the operation of programmes and policies which are not themselves conceived in terms of tourism objectives. In practice many programmes and policies now either include a tourism dimension or take into account their significant impact on tourism-related activities. These Community schemes have an important influence on the development of the tourism industry, on the interests of tourists, and on the development and preservation of the natural and cultural heritage.

¹ OJ L 231 of 13.8.1992, p.26.

² COM(1994) 74 final of 6.4.1994.

³ COM(1996) 29 final of 5.2.1996.

⁴ COM(1997) 332 final of 2.7.1997.

⁵ see Commission Recommendation (96/280/EC) of 3 April 1996 concerning the definition of small and medium enterprises, OJ L 107 of 30.4.1996, p. 4.

This work is based on objectives aimed at improving quality and competitiveness in European tourism, since this approach ensures that tourism makes the optimum contribution to the Community's fundamental goals. The activities are pursued not only in close co-operation of the respective Commission Services, but also actively involving the Advisory Committee of the Member States, and together with the other European institutions. In line with an approach based on consultation and partnership, the Commission also maintains a close relationship with representative stakeholder organisations in the field of tourism.

During the previous reporting period 1995-1996, the Commission had launched the proposal for a Multiannual Programme to Assist European Tourism (« Philoxenia »). However, despite intensive discussion and changes resulting from it, this proposal did not find the required unanimous support in the Council of Ministers, and finally was withdrawn by the Commission in April 2000.

Instead, major emphasis was focused towards the subject of Tourism and Employment, which has become the leitmotif for the reporting period and beyond (see in particular hereafter chapter 1.1). Since 1999, this process was marked by the Commission Communication 'Enhancing Tourism's Potential for Employment' of 28 April 1999⁶, the Conclusions on Tourism and Employment adopted by the Council of (Internal Market) Ministers of 21 June 1999, and the subsequent follow-up given to these Conclusions in co-operation of the European Commission and the Member States⁷. The work undertaken so far was endorsed at a special Seminar of Tourism Ministers organised by the French Council Presidency on 22 November 2000 at Lille and was presented to the Internal Market Council of 30 November 2000.

Furthermore, through the fact that no genuine tourism policy could emerge, the importance of measures undertaken in the framework of the various Community policies and affecting tourism have become even more important.

Without going into excessive details, this report tries to give a general overview in this respect. It is structured towards the main vectors currently guiding tourism related activities, i.e.

- Developing a solid framework for tourism activities in the European Union
- Reinforcing competitiveness
- Making good use of European integration in the global context
- Developing European tourism
- Towards a modernised European Tourism
- Encouraging responsible tourism in Europe and world-wide

⁶ COM(1999)205 final – OJ C 178 of 23.6.99, p. 3.

⁷ see: Progress report on the follow-up to the conclusions of the Council on Tourism and Employment, COM(2000) 696 final of 7.11.2000.

1. DEVELOPING A SOLID FRAMEWORK FOR TOURISM ACTIVITIES IN THE EUROPEAN UNION

1.1. Employment

The Amsterdam treaty of 1997 introduced a **title on employment**, which indicates a high level of employment as an objective and emphasises the need for co-ordinated joint action of Member States and action at European level.

The 20 and 21 November 1997 extraordinary European Council on employment defined a comprehensive **strategy for employment**, which is built upon four "pillars": improving employability, developing entrepreneurship, encouraging adaptability in business and their employees, and strengthening the policies for equal opportunities.

1.1.1. Luxembourg Conference on Employment and Tourism and High Level Group

Given the essential contribution tourism can make towards achieving the objectives of balanced economic development, sustainable growth and a high level of employment, the Luxembourg Presidency and the European Commission held jointly a **conference on "Employment and Tourism: Guidelines for Action"**⁸, assembling entrepreneurs, social partners, public authorities and academics to examine the conditions for exploiting to the full the job potential represented by tourism in Europe. Guidelines, mainly related to increasing employment, enhancing the value of human resources and to concrete initiatives were addressed to Community and Member States institutions and also to all areas of tourism activities. The **Council of Ministers of Tourism**⁹ on 26 November 1997 called on the Commission to explore more thoroughly, in co-operation with the Member States, the results of this conference and to inform the Council of progress in this area by the end of 1998.

As a follow-up, the Commission set up a **High Level Group on Tourism and Employment**, composed of recognised experts from the whole sphere of tourism and mandated to examine the conditions in which tourism could make a greater contribution to growth and stability in employment in Europe. An in-depth investigation and the debate on guidelines for action by businesses and public authorities at various levels resulted in a large number of recommendations¹⁰ focusing on:

1. Activating tourism businesses to meeting the needs of guests;
2. Making the tourism market work better by improving the business environment;
3. Modernising and improving the efficiency of tourism-related infrastructures;
4. Up-grading human resources in tourism;

⁸ Presidency of the Council of the European Union, European Commission: "Employment and Tourism: Guidelines for Action", Luxembourg, 4 – 5 November 1997, Final Report, DG XXIII-1997. see: <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>, and Examples of initiatives in favour of Employment in Tourism supported by the European Community, DG XXIII/291/97.

⁹ Conclusions of the Council of Ministers (Tourism), 26 November 1997.

¹⁰ European Tourism: New Partnerships for jobs: Conclusions and recommendations of the High Level Group on Tourism and Employment, October 1998. see: <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>.

5. Encouraging sustainable development of tourism;
6. Getting the political recognition European tourism deserves as a leading player.

1.1.2. Commission Communication on Tourism and Employment and Council Conclusions

In reply to the HLG report, the Commission Communication 'Enhancing Tourism's Potential for Employment' of 28 April 1999 ¹¹ highlights the link between tourism and employment in accordance with the need to mainstream employment policies at European level. It identifies measures and refers to the specific areas of activity, which could be better exploited through the opportunities provided by various policies, programmes and initiatives at EU level.

This leads to the conclusion that **an effective approach to European tourism** has to:

- better determine policy priorities;
- be "knowledge driven", to better exploit existing information, acquire and develop know-how, develop new processes, and learn from best practices; develop an on-line observatory network on tourism;
- be reinforced within a framework for consultation and co-operation (for example, a possible European Tourism Advisory Board) which would encourage businesses, public authorities and other interested parties to pursue coherence;
- facilitate the integration of legitimate tourism concerns at various levels of decision making, in particular, in Community policies;
- bring greater cost-effectiveness to the Community contribution to improving the competitiveness and sustainability of European tourism; facilitate the identification and the removal of barriers to tourism development; encourage the process of modernisation of tourism-related services and the development of a new entrepreneurial culture in tourism.

On **21 June 1999**, the Council of (Internal Market) Ministers ¹², in acknowledgement of the recommendations formulated in the High Level Group report and of the Commission Communication, agreed on Conclusions on Tourism and Employment. It put the emphasis on knowledge-gathering and disseminating information, and on effective consultation and co-operation with the industry and with the social partners. Member States and the Commission were asked to co-operate on a number of priority areas (see box).

"THE COUNCIL OF THE EUROPEAN UNION

- ...
6. CALLS ON the Commission and the Member States to work together closely within their respective spheres of competence, and with due regard to the principle of subsidiarity, in order to maximise, also in the context of other Community policies, the potential contribution of tourism to growth and employment taking particularly account of the contribution of SMEs. The Tourism Industry experts should therefore be consulted. Taking into account the report of the High Level Group and the subsequent Communication of the Commission, this work could tackle for example the following issues:
 - facilitating the exchange and dissemination of information, notably through new technologies;
 - improving training in order to upgrade skills in the tourism industry;
 - improving the quality of tourist products;
 - promoting environmental protection and sustainable development in tourism."

¹¹ COM(1999)205 final – OJ C 178 of 23.6.99, p. 3.

¹² Conclusions of the Council of Ministers (Internal Market) of 21 June 1999.
see: <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>.

The position of SMEs, which account for over 99 % of the firms in the European tourism industry, will feature prominently in this work. Industry expertise will also be needed to carry forward the work in an effective way.

1.2. Statistics

1.2.1. *Implementation of Council Directive 95/57/EC¹³ on the collection of statistical information in the field of tourism*

Council Directive 95/57/EC aims at establishing a harmonised information system for EU tourism. The data collected in the EU Member States is divided into three main sections:

- Capacity of collective tourist accommodation, including territorial units (NUTS I-III)
- Occupancy in collective accommodation establishments: domestic and inbound tourism
- Tourism demand: domestic and outbound tourism (excluding day-trips)

Data collection started in 1997 (covering the first reference period 1996). Parallel to the implementation of the directive, Eurostat has designed and established a new information system for tourism related statistics ("TOUR"-database). This system also allows storing statistics linked to tourism, such as balance of payments, employment in hotels and restaurants and economic statistics. "Tourism in Europe –Key Figures" is one example of data dissemination, published regularly since 1997.

1.2.2. *Implementation of Council Regulation 58/97 on Structural Business Statistics*

Council Regulation No 58/97¹⁴ concerning structural business statistics provides harmonised information on tourism enterprises in the EU. The main variables on the economic activities of these enterprises (such as turnover, value added or employment) have been collected on a harmonised basis since reference year 1995. The data collected are disseminated in the Eurostat SBS data base and in various publications such as the Panorama of European Business.

1.2.3. *Establishment of satellite accounts for tourism*

The idea of a tourism satellite account (TSA) is to analyse in detail all demand for goods and services which might be associated with tourism within the economy, to observe the operational interface with the supply of such goods and services within the same economy of reference, and to describe how this supply interacts with other economic activities.

In September 1999, EUROSTAT, OECD and World Tourism Organisation created an Inter-Secretariat Working-Group to develop the methodological design of TSA, with the aim of increasing consistency and international comparability in tourism statistics¹⁵.

¹³ Council Directive 95/57/EC of 23 November 1995 on the collection of statistical information in the field of tourism, OJ L 291, 6.12.1995, p. 32. See also Commission Decision 1999/35/EC of 9 December 1998 (OJ L 9, 15.1.1999, p. 23) on the procedures for implementing Council Directive 95/57/EC.

¹⁴ Council Regulation (EC, EURATOM) 58/97 of 20 December 1996 concerning structural business statistics, OJ L 14 of 17.1.1997, p.1.

¹⁵ The UN Statistical Committee adopted the methodological references for TSA, in March 2000.

1.2.4. Implementation of the MED-TOUR programme

Tourism and the need for information on tourism have from the outset of the Euro-Mediterranean co-operation initiative been considered of high interest. Based on the Barcelona Declaration on Euro-Mediterranean¹⁶ co-operation adopted in November 1995, in the framework of the MED-STAT programme, the MED-TOUR sub-programme specifically deals with this issue (see box).

Regarding tourism related statistics concrete actions of the MED-TOUR programme started in 1997. They will continue until mid-2002, and include the following:

- Training seminars
- Collecting official and unofficial information on tourism
- Adopting Community standards to assist countries involved in harmonising their standards
- Publications¹⁷
- Setting-up a harmonised documentary database
- Various pilot and regular surveys

1.3. Quality Management

If European tourist destinations wish to be competitive, and so ensure that the job creation potential of tourism is realised, they have to do this on the basis of quality. Given the complexity of the industry, and the range of factors influencing the tourist's perception of his visit, an integrated quality approach is essential.

In 1998, the Commission launched three studies on the integrated quality management of tourist destinations in coastal, rural and urban areas. These studies:

- identified best practices;
- analysed recipes for success; and
- developed recommendations for destination managers and other decision-makers and operators on integrated quality management.

They have concluded that the essential conditions for successful quality management include:

- **Partnership**, involving every actor in the tourist chain, including the local community;
- **Leadership**, whether by an individual, or a public or private organisation;
- **A strategy**, setting out clear aims and objectives that all those involved can subscribe to;
- **Monitoring and evaluation**, to provide the feedback necessary to ensure a cyclical process of continuous improvement.

A conference on integrated quality management in tourism, at which the initial findings were presented, was held in July 1998. The full results of the studies, and summaries of the conclusions in all EU languages, are given a wide dissemination in the form of

¹⁶ Countries involved are Turkey, Cyprus, Malta, Lebanon, Jordan, Syria, Egypt, Tunisia, Morocco, the Palestinian Authorities, Algeria, Israel, the 15 EU countries, and the EFTA countries.

¹⁷ *Tourism in the Mediterranean Countries – Key Figures* (yearly since 1996-1997), Eurostat, Luxembourg.

publications¹⁸. The issues specifically mentioned in the conclusions of the Council of (Internal Market) Ministers on 21 June 1999 (see 1.1.2) also refer to improving the quality of tourist products.

2. REINFORCING COMPETITIVENESS

2.1. Enterprise policy

2.1.1. *The 3rd Multiannual Programme for Small and Medium-sized Enterprises*¹⁹

The European tourism industry is an SME-dominated sector, with over 99 % of firms employing fewer than 250 people.

In order to address the competitiveness of SMEs in the European Union, the 3rd Multiannual Programme (1997 - 2000) for SMEs provides a framework for actions in the following fields: (i) regulatory, fiscal and financial business environment, (ii) access to research, innovation and training, and (iii) support to internationalisation by providing services and information - regardless of sector, legal status or geographical location of SMEs. All these actions are also relevant to tourism SMEs.

Raising awareness of this programme in the tourism sector was an evident approach, which was ensured by measures such as information of the tourism stakeholders at European level on the opportunities the 3rd Multiannual Programme offered to SME development, and regular industry consultation.

An example of a tourism project co-financed under the Multiannual Programme is *Net-Quality* which supported the transfer of best management practices and of appropriate IT-tools and thus promoted the use of new organisation and marketing techniques by small tourism businesses.

In addition, the Commission's *White Paper on Commerce*²⁰ stressed the potential mutual benefits between commerce and tourism.

2.1.2. *Business support instruments*

The Commission has established business support instruments destined to meet SMEs' needs for information, advice and assistance in Community matters and to support trans-national business co-operation (*Euro Info Centres, Bureau de Rapprochement des Entreprises, Business Co-operation Network, Europartenariat and Interprise*)²¹.

¹⁸ Commission européenne, *Pour un tourisme urbain de qualité – La gestion intégrée de la qualité (GIQ) des destinations touristiques urbaines*. DG Entreprise, Unité Tourisme. Bruxelles, 1999.

European Commission, *Towards quality rural tourism – Integrated Quality Management (IQM) of rural destinations*. Enterprise Directorate-General, Tourism Unit. Brussels, 1999.

Commission européenne, *Pour un tourisme côtier de qualité – La gestion intégrée de la qualité (GIQ) des destinations touristiques côtières*. DG Entreprise, Unité Tourisme. Bruxelles, 1999.

¹⁹ Council Decision 97/15/EC of 9 December 1996 on a third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union (1997 to 2000), OJ L 6 of 10.1.1997, p. 25.
http://europa.eu.int/comm/dg23/gen_policy/multiannual_program/multiannual_program.html.

²⁰ Communication of the Commission of the European Communities to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions, COM(1999) 6 final of 27.1.1999, p. 17.

<http://europa.eu.int/comm/dg23/commerce/commerce-wp/commerce-wp.html>.

²¹ <http://europa.eu.int/comm/enterprise/services/tourism/policy-areas/sme.htm>.

The Luxembourg presidency conference on employment and tourism (see 1.1.1) called “for measures to promote links and partnerships between SMEs, in particular by means of intermediary business networks” provided by the 3rd Multiannual SME Programme. A subsequent evaluation of tourism SMEs’ actual use of these instruments demonstrated the work to be invested into the information of tourism SMEs and their stakeholders on the existing Community instruments and how to use them.

Specific steps were:

- the identification of *Euro Info Centres* particularly active in the tourism sector,
- the inclusion of European tourism stakeholders in the promotion campaign for the *Business Co-operation Network* and
- the call for proposals for the organisation of *Interprise* business meetings with focus on tourism. The Commission co-financed two Tourism *Interprises* that took place in Spain and Finland in September 1999.

In 1999 the Commission developed a web site regarding *EU Schemes in Support of Tourism – An Internet Roadmap for the Tourism Sector*²². This concrete tool particularly targeted at tourism stakeholders provides a comprehensive and structured guidance through tourism-relevant EU programmes, schemes, funds, initiatives and actions, by classifying them into specific fields of interest and including direct Internet links to the relevant homepages.

2.1.3. *British Presidency conference on tourism and SMEs*

In 1998 the Commission assisted the British Presidency in the organisation of a conference that aimed at recommendations as to how tourism SMEs could be better integrated into the mainstream of enterprise policy, including the 3rd Multiannual Programme for SMEs. It was highlighted that SMEs have their own special requirements. The *Final Communiqué*²³ based on the findings of 4 workshops contains recommendations on issues like knowledge-based development, sustainability, ICT and quality, which were taken up in the report of the High Level Group on Tourism and Employment (see 1.1.1) as well as in the conclusions of the Internal Market Council of 21 June 1999 (see 1.1.2).

2.1.4. *Business environment simplification*

A *Business Environment Simplification Task Force* (BEST) was set up in September 1997. In May 1998 it presented an independent final report on ways of improving legislation and removing unnecessary obstacles to the development of European businesses, particularly SMEs. The report contains a large number of recommendations for measures to be taken by the Commission and Member States²⁴.

Based on these recommendations the Commission adopted an action plan that was endorsed by the Council of Ministers (Industry), on 29 April 1999²⁵. The plan sets out the following priority areas: education for an entrepreneurial society; training; access to finance; access to research and innovation; making EU RTD development programmes more sensitive to SME requirements; better use of patents by SMEs; improving the visibility of support services;

²² <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>.

²³ UK Presidency conference “Agenda 2010 for small businesses in the ‘World’s Largest Industry - A growing contribution to European Tourism”, Llandudno, UK, 20 – 22 May 1998, Conclusions, <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>.

²⁴ “Report of the Business Simplification Task Force BEST, Volume I and II”, http://europa.eu.int/comm/dg23/gen_policy/best_task_force/best_task_force.html.

²⁵ Commission Communication to the Council “Promoting Entrepreneurship and Competitiveness”, COM(1998) 550 final of 30.9.1998 http://europa.eu.int/comm/dg23/gen_policy/response_to_best/response_to_best.html.

improving public administration; and improving employment and working conditions. Several actions carried out from 1995-1999 have already identified best practice in these fields.

Work will continue to be realised within the framework of the new BEST procedure²⁶. From 2000 onwards the Commission and Member States will submit implementation reports on the Action Plan. The reports will also identify successful initiatives as well as areas where more could be done for a favourable business climate.

2.1.5. *Late payment Directive*²⁷

Late payments have serious consequences for all European firms whose cash flow, profitability and competitiveness is undermined as a result thereof, thus also for enterprises in the tourism sector. The late payment Directive contains a package of measures to combat late payment in commercial transactions in the European Union. Applying to late payment between all enterprises including the public sector, it provides a legal framework to deter late payers from this practice or from imposing unduly long payment periods on their partners. Moreover, it renders the procedures for recovering debts faster and more efficient.

3. MAKING GOOD USE OF EUROPEAN INTEGRATION IN THE GLOBAL CONTEXT

3.1. Internal market

3.1.1. *Competition*

Competition policy is essential for the completion of the internal market because it prohibits company mergers leading to the creation or the strengthening of a dominant position and prevents firms from abusing a dominant position and from engaging in restrictive practices or agreements. It also prevents Member State governments from distorting competition by granting state aid to public or private companies.

Since tourism is a means of regional development and is characterised by market concentration when competition becomes more intense, competition policy has a sensitive role to play in this sector. When assessing the future market position of merging parties it is not only the situation in the relevant geographic market that has to be considered. The market share of the merging parties on the supply side of the defined product market must also be assessed.

Antitrust

From 1997-1999 a number of cases in the tourism sector were authorised. Four concerned cooperation or franchise agreements in the travel agencies sector, two franchise agreements in the hotel sector, and one a joint venture in the cruise sector. In 1997 one complaint was rejected that regarded a tourist information database in Ireland.

Mergers

From 1997-1999 several important merger cases in the tourism sector had to be assessed according to Council Regulation (EEC) N°4064/89 on the control of concentrations between undertakings²⁸. In one the Commission prohibited the merger which would have left only three vertically integrated tour operators on the respective national market for foreign package holidays and thus would have established collective dominance there.

²⁶ SEC(2000) 1824 of 26 October 2000.

²⁷ Directive 2000/35/EC of the European Parliament and of the Council of 29 June 2000 on combating late payment in commercial transactions, OJ L 200 of 8.8.2000 p. 35.

²⁸ OJ L 395 of 30.12.1989, p. 1.

*State Aid*²⁹

Member States provided support to the tourism sector by way of multi-sector SME and regional aid schemes as well as by specific tourism programmes. The Commission has generally approved these specific programmes either under the SME or regional guidelines. The average total amount of state aid granted to tourism by way of specific programmes during the period 1996-1998 is 229 mio. euro, with a perceptible decline of state aid to the sector (during the period 1994-1996 it was 316 mio. euro).

Furthermore, the Commission has approved aid granted to two large projects concerning tourism facilities in Italy under the scope of the Multisectoral framework on regional aid for large investment projects.

3.1.2. Non-discrimination, Free movement of workers, Right of establishment and Freedom to provide services

The Commission's annual report on how Community law has been implemented by the Member States provides an analysis of how the Member States applied Community law and of the infringement proceedings where Community law had not been complied with³⁰. With regard to internal market and tourism, the infringement procedures occurring in 1997-1999 were mainly based on Art. 12 / ex-Art. 6 (non-discrimination), Art. 43 / ex-Art. 52 (right of establishment) and on Art. 49 / ex-Art. 59 (freedom to provide services) of the EC Treaty.

Regarding the free movement of workers at EU level according to Art. 39 / ex-Art. 48 of the EC Treaty and the free provision of services according to Article 49/ ex-59 of the Treaty, the Commission has worked towards clarifying the application of Community legislation³¹, in the light of the case law of the Court of Justice of the European Communities, especially as far as the professions of Tourist Guide and Tour Manager are concerned. Particularly in these professions of the tourism industry the application of the directives for mutual recognition of professional qualifications is an exceptional "test-bed" due to the intrinsic nature of those activities. "The Commission working paper on tourist guides"³², drawn up in co-operation with the most directly affected professional associations, as well as the permanent advice, clarification and provision of information to the EU institutions, Member State governments and tourism industry, have been the most relevant activities in that area

3.2. Euro

No less than 40 % of world-wide cross-border tourism takes place in the euro zone. The euro is likely to stimulate cross-border short breaks by residents of the euro zone and will make the movement of visitors from third countries easier. With the euro there is a stable currency with low inflation rate, clear prices, easier transaction and billing with partners in the euro zone, ready access to cross-border investment and easier co-operation, and no need to hedge against

²⁹ 8th Survey on State Aid in the European Union, Brussels, COM(2000) 205 final of 11.4.2000 http://europa.eu.int/comm/competition/state_aid/others/.

³⁰ XVIth Report on monitoring the application of Community law, COM(1999) 301 final of 9.7.1999
XVIIth Report on monitoring the application of Community law, COM(2000) 92 final of 23.6.2000
http://europa.eu.int/comm/secretariat_general/sgb/infringements/index_en.htm.

³¹ Council Directive 75/368/EEC of 16 June 1975 on measures to facilitate the effective exercise of freedom of establishment and freedom to provide services in respect of various activities (ex ISIC Division 01 to 85) and, in particular, transnational measures in respect of those activities. OJ L 167 of 30.6.75, p. 22.

Council Directive 89/48/EEC of 21 December 1988 on a general system for the recognition of higher-education diplomas awarded on completion of professional education and training of at least three years' duration. OJ L 19 of 24.1.89, p. 16.

Council Directive 92/51/EEC of 18 June 1992 on a second general system for the recognition of professional education and training to supplement Directive 89/48/EEC. OJ L 209 of 24.7.92, p. 25.

³² SEC(97) 837 final of 13.5.1997.

future currency movements. However, it is still necessary to improve the infrastructure, execution and transparency of cross-border and retail payments in the internal market. After the launching of the euro on January 1st, 1999 the Commission prepared a related Communication that in the meantime has been adopted³³.

With regard to the euro preparations of businesses, particularly SMEs, the Commission and other actors involved have noticed a preoccupying decrease of interest in preparation for the euro. According to a survey carried out in the spring of 1999 by the European Observatory for SMEs, only 43 % of SMEs had already considered the impact of the euro on their activities, and even fewer, with 18 %, having a detailed strategy. Many intend to wait until next year, or even 2002, before doing so. The same poll suggests that a significant minority have only a slender grasp of their legal obligations, since 24 % do not envisage completing their adjustment to the single currency until the middle or end of 2002.³⁴

3.2.1. Working group and conference on the euro and tourism

This working group met between March and June 1998. In its report it identifies the opportunities for and strategic intentions of tourism businesses in the context of the introduction of the euro. It further highlights problems yet to be solved as well as possible synergies and the co-ordination efforts that are required between tourism operators and all the partners of such enterprises.

Based on the report of the preparatory working group the Commission organised a conference held in October 1998 in Brussels to identify and exchange best practices. The Conference Report³⁵ contains the results of the 4 Round Tables held and the conclusions that the Commission drew from the discussions, and the report of the working group as annex.

3.2.2. Practical guide for tourism enterprises

This guide drawn up by the *Association for Monetary Union in Europe* includes detailed checklists helping to identify the key strategic elements of adapting the business systems, processes and human resources to the euro for each of the major categories of tourism companies. The Commission co-financed 85 000 copies in all Community languages that are intentionally aimed at tourism SMEs³⁶.

3.2.3. The euro-logo

In tourism, prices are already frequently displayed in euro: in catalogues of tour operators, or in common reservation systems (CRS), and, more and more, in hotels, travel agencies etc. The agreement on the EU wide euro logo³⁷ demonstrates the commitment of the tourism

³³ Communication from the Commission to the Council and the European Parliament, "Retail payments in the Internal Market", COM(2000) 36 final of 31.1.2000, http://europa.eu.int/comm/internal_market/en/finances/payment.

³⁴ See also: Conference "Enterprises 2002 - 18 months to finalise your euro preparation", http://europa.eu.int/comm/dgs/economy_finance/conf_events/rndtbl/rndtbl0600_en.htm#presentations.

³⁵ "Conference on the euro and tourism: opportunities and strategies for businesses, Brussels, 16 October 1998, Final Report", <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>.

³⁶ "Euro-Preparation Guide for Tourism Enterprises", AMUE, April 1999, <http://www.amue.org/> and <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/publications.htm>.

³⁷ Agreement between consumer organisations and professional associations from the distributive trade, tourism, craft and SME sectors in connection with the transition to the Euro, 30 June 1998, <http://europa.eu.int/euro/html/page-dossier5.html?dossier=153&lang=5&page=1&nav=5>.

sector to offer tourist services in euro and to offer the consumer information related to the usage of the euro .

3.3. Fiscal policies

3.3.1. VAT

According to Art. 26 of the 6th VAT Directive ³⁸ travel agents are subject to a special taxation scheme, whereby VAT is charged on the tour operator's margin. Both Member States and the trade accept that this scheme generally works well. Nevertheless, recently some technical problems have been brought to the attention of the Commissions' services and therefore changes could be envisaged in the coming years.

In principle the standard VAT rate is applicable in the tourism sector. However for services mentioned in Annex H of the 6th VAT Directive, such as passenger transport and hotel accommodation, Member States have the possibility to use a reduced rate.

With regards to domestic passenger transport, Art. 9.2.(b) of the 6th VAT Directive determines that VAT is applicable having regard to the distances covered in the Member State. Some Member States may, however, continue to exempt passenger transport. The VAT application in Member States therefore shows strong deviations. The Commission accepts that special rules and exemptions for passenger transport need to be examined. This will be done in the coming years as part of an overall revision of the rules for the taxation of services.

In 1998 the Commission presented a proposal for a Directive on the right to deduct VAT that provides for VAT paid on expenditure for hotel and restaurant services, when incurred for business reasons, being deductible at a rate of 50 %. While the European Parliament suggested a 100 % rate, the draft Directive is still on the table of the Council.

3.3.2. Taxation of aircraft fuel

According to Art. 8 (1b) of Council Directive 92/81/EEC ³⁹, on the harmonisation of the structures of excise duties on mineral oils, a compulsory exemption from the harmonised excise duty is granted for Commercial aviation fuel. It also requires the Council to review this mandatory exemption on the basis of a Commission report presented in November 1996. This report recommended to extend to aviation kerosene the excise duties on mineral oil, as soon as the international legal situation allowed the Community to do so. Its conclusions were reflected in 1997 in the Commission's proposal ⁴⁰, restructuring the Community framework for the taxation of energy products. A specific provision has been inserted in Article 13 (1c) of the proposal, providing for the continuation of the existing compulsory exemption from excise duty of energy products supplied for use as fuels for the purpose of commercial air navigation, for as long as such products are obliged to be exempted under international obligations. However, the proposed Directive on Energy Taxation would give Member States the possibility of limiting the scope of this exemption to international transport, making provision for optional taxation of national flights and, by bilateral agreements, of intra-Community flights. The proposal is still under discussion at Council level.

³⁸ Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value added tax. OJ L 145 of 13.6.1977, p. 1. See also OJ L 316 of 31.10.1992, p. 12.

³⁹ OJ L 316 of 31.10.1992, p. 12.

⁴⁰ COM(1997) 30 final of 12.3.1997.

In 1999 the Commission drafted the Communication "Taxation of aircraft fuel" that is currently under discussion within the Council and the European Parliament⁴¹. One recommendation is that Member States should, in close co-operation with the Commission, intensify their work within the International Civil Aviation Organisation (ICAO) framework for the introduction of taxation of aviation fuel and other instruments with similar effects.

3.4. International trade in tourism services

The General Agreement on Trade in Services (GATS) which was concluded at the end of the Uruguay Round, covers trade in tourism services. Most WTO Members liberalised trade in tourism services under GATS. The level of commitments undertaken regarding the tourism sector is far greater than any other sector. This clearly indicates that most WTO Members recognise that trade liberalisation in the tourism sector is impacting extremely favourably on their national economy.

This liberalisation of trade in tourism services is bringing new opportunities for the European tourism industry, by providing services to increasing numbers of tourists in Europe, but also through establishing a commercial presence in other WTO Member countries, and supplying their services to consumers in these countries. The GATS 2000 negotiations, which started in 2000, should be the opportunity for achieving progressively higher liberalisation in those countries which have not yet liberalised trade in tourism services as comprehensively as the EC and its Member States, thus resulting in the elimination of remaining restrictions to trade in this sector.

A conference on GATS 2000 was organised on 2 June 1998 which dealt with the implications of further liberalisation of trade in services for the European tourism industry. It gave the possibility to carry out an analysis of the opportunities and challenges created through multilateral liberalisation of trade in services for the tourism industry of the European Union,⁴². Another study (April-July 1999) was launched by the Commission in order to gather feedback from various parts of the European services industry in relation to the upcoming GATS negotiations. It showed that the tourism industry is still rather unaware of the importance of the GATS negotiations for liberalisation of the provision of services.

An assessment of the implementation of the GATS with regard to tourism and of its implications for the European tourism industry is also the subject of ongoing examination.

4. DEVELOPING EUROPEAN TOURISM

4.1. Structural Funds

The job creation potential of tourism makes it a sector with particular importance in regional development terms, where it can also contribute to the diversification of regional activity (particularly in rural areas and areas of industrial decline). There is also a considerable positive indirect impact of tourist expenditure on the expansion of other businesses.

⁴¹ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions, "Taxation of aircraft fuel", COM(2000) 110 final of 2.3.2000, http://europa.eu.int/comm/taxation_customs/publications/official_doc/com/com.htm.

⁴² GATS 2000, Opening markets for services, DG I, 1998.

Regions “lagging behind” in their development tend to have a good potential for tourism development. It can also contribute to development in a number of other fields such as:

- Regional economic development
- Regional labour market development
- Infrastructure and facilities development
- Investment and business location
- Rural development and diversification of economic activities in rural areas

For these reasons, tourism has progressively become a major element for Community support through the Structural Funds. Between 1994-1999 approximately € 4 200 million were allocated to tourism by the European Regional Development Fund.

Most of this amount was allocated to the Member States through the Community Support Frameworks (CSF) or the Single Programming Documents (SPD) which guided Structural Funds support during that period. Those CSFs/SPDs gave priority to measures aimed at improving the quality of the tourism offer, at reducing the seasonal character of tourism, developing the tourism use of the cultural heritage of Europe, developing rural tourism and promoting training in the tourism industry. In total, 367 projects aimed at developing tourism were implemented during this period.

Tourism has particularly been encouraged by Community Initiatives, mostly Interreg IIA, LEADER II and SME. Between 1994 and 1999, more than € 200 million were allocated to tourism projects through Interreg IIA, whose aim is to promote cross-border co-operation between neighbouring regions on both sides of a national border. This represents 7 % of the initiative.

Greece – Island of Rhodes – saving a biotope linked to tourism

The massive annual visitor flow (200 000 tourists) to the Butterfly Valley of Rhodes resulted in a rapid decline of a unique butterfly population and risked even to extinguish the source of this local tourist attraction. Structural Funds provided about € 300 000 for a rescue plan that mainly consisted in controlling the visitor flow by improved paths and access to the valley and in preventing drought through an adapted plan for water circulation.

Despite a modest budget, spectacular results in terms of species preservation were achieved, and thus also in terms of ensuring the tourist income of the inhabitants. The project has resulted not only in maintained tourism employment at the site but also in some new jobs. The incentive effect was so important that now it is intended to develop a former monastery on the site into a natural history museum.

Ireland – Cork – Centre of assistance to half-blood horse breeders and organisation of equestrian events

In the past no centre for breeding half-blood horses existed in Ireland. Therefore the idea arose to build such a centre on a 21 ha. site owned by the town of Millstreet, together with several race-tracks, 450 stables, a cross country course and other riding paths, with Structural Funds assistance amounting to € 2,5 millions.

The activities of this Equestrian Centre boosted tourism in the Millstreet area with flourishing restaurants and shops. Due its originality, the Centre has rapidly gained international recognition and created about twenty permanent jobs on the site and up to 120 people employed during exhibitions, sales or divers events.

“Coast to coast” project for the joint promotion of tourism on both sides of the Channel in Boulougne-sur-Mer and Shepway District (Folkestone)

The main objective of the Interreg “Coast to coast” project is to set up a strategy for joint development of tourism based on a single destination, with a view to improving the tourism economy and the competitiveness of the two coastal areas involved. The aim is to diversify tourism products with a view to opening up new markets, improving visitor reception and receiving visitors from wider range of places of origin.

“Coast to coast” project will be based on several modules which will also act as stages:

- Product and market analysis to ensure coherence
- Enhancement of the image of the “Coast to coast” destination
- Development of suitable support
- Creation of an exhaustive marketing programme for the markets

The project was officially set up in July 1997 and the total budget was € 552 000 of which Interreg contribution was € 276 000.

In September 1999 the Commission published its guidelines for Structural Funds programmes for the period 2000-2006, intended to help national and regional authorities prepare their programming strategies. Tourism is recognised as representing an important economic asset for many regions, rural communities and cities. Balanced and sustainable tourism development will therefore be supported through the modernisation of infrastructures, upgrading professional skills and improving integration within the industry.

4.2. Transport

The links between transport and tourism indicate the importance for both subjects of their points in common. With the constant increase in disposable income in the EU, one of the key drivers of the demand for transport on many EU air and land transport routes is now tourist traffic. However, there is also a strong influence from transport services: the quality of transport has had and will have a major impact on the continued success of the tourist industry in many regions. In this context, over the past years, increasing congestion of the European air space with considerable delays and other inconveniences resulting from it were recorded.

The positive impact on tourism flows of the liberalisation process in transport boosted by Community initiatives requires continual efforts to ensure more efficient and sustainable infrastructures, in order to gain further advantages in terms of accessibility through ensuring a greater inter-operability of transport systems, notably in tourist destinations. Through the Common Transport Policy and the TransEuropean Networks, the EU plays a unique and vital role in the development of air transport and the planning of the major, long distance road and rail links of Europe.

On 6 October 1999 the Council of (Transport) Ministers adopted conclusions on the revitalisation of European railways, which were followed, on 9 December 1999, by a political agreement on the future framework for railways in Europe⁴³ This so-called railway package aims at revitalising Europe’s railways by creating favourable conditions for the development of a dynamic and competitive customer-oriented railway system. It constitutes considerable progress towards fair and efficient pricing for the use of railway infrastructure, and also results in the opening of the international rail freight market as a step towards the completion of the internal market in rail transport⁴⁴.

⁴³ The final texts were agreed by Parliament and Council on 22 November 2000.

⁴⁴ The Commission is also going to table proposals to further support the development of international rail passengers’ travel.

Furthermore, the Council reached agreement, on 6 October 1999, on a strategy on the integration of environment and sustainable development into the transport policy (see also 6.2)⁴⁵. The report submitted to the European Council in Helsinki 10/11 December 1999 expresses serious concern about an indefinite continuation of current trends in the growth of road transport and aviation. It adopts the objective of ensuring continued economic growth without an increase in the negative effects of transport, thus maximising social benefit and minimising environmental impact. The report notes that past achievements substantially decreased certain impacts of transport on the environment. It recognises that further action in the fields of emissions, growth of transport, modal split and noise should concern, notably, pricing, land use planning, telematics, telecommunications, public transport, railways, intermodal transport, non-motorised mobility, new technologies and awareness raising.

In 1998 the Commission issued a White Paper⁴⁶ which set out a programme to arrive at a harmonised system of charges for commercial transport throughout the EU. Any future measures will aim to ensure that the transport system is operated efficiently and that the ever-growing problem of external costs is taken into account, thus also contributing to solve tourism transport problems.

During the past 10 years EU policy successfully opened up national aviation markets and made it possible for new carriers to provide innovative services. This in turn has had an impact on the quality of air traffic services in peak times, and the number of delays due to air traffic problems has risen considerably. Against this background the Commission launched a new initiative 'The Single European Sky'⁴⁷ which aims at preparing the reform of air traffic management in Europe including the development of an integrated management of Europe's airspace. The Communication also refers to GALILEO, the future European satellite navigation and positioning system expected to be operational in this decade. Its application to air transport would allow for considerable improvement in air traffic control and thus to a major reduction in delays.

The ARTIST (Agenda for Research on Tourism by Integration of Statistics/Strategies for Transport) project, approved in 1998, funded under the Transport RTD (Research and Technological Development) Programme of the European Community's 4th RTD Framework Programme (see 5.1.1), is the first Community research project linking transport and tourism. Its main objectives are to describe tourism mobility in Europe and in several European cities, as well as providing lessons for urban and transport planners in managing tourism flows. The project takes into consideration the rapid growth of urban tourism over the last decade that has resulted in increasing infrastructure-related problems for European cities.

ARTIST aims at analysing the share and dynamics of tourism in total mobility; reviewing existing visitor management practices, especially in European cities with large tourism flows; demonstrating the need for a Community transport initiative on this issue; and analysing existing data on the share of tourism in total mobility within and between selected European countries in order to facilitate understanding of the dynamics and importance of tourism flows in Europe.

Demographic and socio-economic factors, as well as changes in business practices, are taken into account for the purposes of the analysis. On the basis of the research findings, recommendations are made on ways of combining statistics on tourism with those on mobility for transport purposes.

Integration of the data analysis with the best visitor management practices leads to recommendations on the need for a Community transport initiative on visitor management, including a comprehensive research agenda.

⁴⁵ Doc. 11717/99 TRANS 197 Env 335.

⁴⁶ White Paper "Fair Payment for Infrastructure Use: A phased approach to a common transport infrastructure charging framework in the European Union", COM (1998) 466 final of 22.7.1998.

⁴⁷ COM(1999) 614 final of 6.12.1999.

4.3. Natural/cultural heritage

The natural and cultural heritage of Europe remains one of its most important assets for the development of tourism. Harnessing tourism to heritage is a means both of creating economic wealth, particularly in the worse-off regions, and of preserving cultural and natural sites. However, heritage is a vulnerable resource, and tourism development needs to be carefully planned so as to ensure sustainability.

There are remarkable examples of initiatives supported by LIFE-Nature⁴⁸, the Community financial intervention in the field of nature conservation, that underline the benefits of tourism for protected natural areas when a sustainable management of natural resources is carried out and implemented. The need to rely on effective guidelines for developing and monitoring tourism in protected areas has been identified as an essential tool for the creation of a sustainable tourism strategy.

The *European Charter for Sustainable Tourism in Protected Areas* is a valuable example of a LIFE-Nature project that has been able to exploit the results of a DG Enterprise funded project "Loving them to death" (1993) which called for the setting up of a charter on sustainable tourism in protected areas.

The Charter, addressed to competent organisations entitled to manage tourism in protected areas and relevant stakeholders, has been implemented by the Fédération Française des Parc Naturels Régionaux and aims at defining a methodology for the preparation, implementation and monitoring of a sustainable tourism strategy.

Furthermore, LIFE-Nature supported preparatory action concerning the integration of nature protection requirements into other EU policies and activities, such as tourism. Also, since 1996, the European Commission has been working to identify and promote measures to remedy the deterioration of the coastal environmental, social and cultural resources and to improve the situation of coastal areas. This largely benefited tourism.

Between 1996 and 1999, the Directorates General for Environment, Fisheries and Regional Policy, in association with the DGs responsible for research and information and with the European Environment Agency, operated a Demonstration Programme on Integrated Coastal Zone Management designed to provide technical information about sustainable coastal zone management, and to stimulate a broad debate among the various actors involved in the planning, management or use of European coastal zones.

The programme addressed the main problems (habitat destruction, water contamination, coastal erosion and resource depletion) affecting the European coastal zones, the favoured destination for our leisure time. Tourism uses play an important role in the depletion of the limited resources of the coastal zone.

The Demonstration Programme was intended to lead to a consensus regarding the measures necessary in order to stimulate ICZM in Europe. Based on its experiences, the Commission recently adopted two documents: a Communication on Integrated Coastal Zone Management: a Strategy for Europe⁴⁹, and a Proposal for a EUROPEAN PARLIAMENT AND COUNCIL RECOMMENDATION concerning the implementation of Integrated Coastal Zone Management in Europe⁵⁰.

Community actions undertaken in 1997-1999 in the field of culture also contributed to sustainable tourism development. In particular, the 'Raphaël' programme operated during 1997-1999 with a budget of € 30 million and supported nearly 360 projects aimed at safeguarding and promoting European cultural heritage. In 1999, 55 projects were supported in the context of preparatory action for the 'Culture 2000' framework programme.

⁴⁸ LIFE (OJ L 181 of 20.7.1996, p. 1) is the EU financial instrument for the environment contributing to the development and implementation of EU environmental policy, by financing specific environmental actions in three sectors: LIFE-Environment, LIFE-Nature, and LIFE-Third Countries. See also 6.2.2.

⁴⁹ COM(2000) 547 final of 27.9.2000.

⁵⁰ COM(2000) 545 final of 8.9.2000.

Besides genuine activities regarding urban tourism, the Community has also continued to support the European City of Culture and European Month of Culture initiatives, which also contribute to attracting tourists to the cities in question.

In 1998 the Commission established a working group on urban tourism in Europe under the supervision of the Tourism Advisory Committee. The working group focussed on four main themes:

- mobility in leisure tourism, closely related to issues of new time-frames in tourism (excursions, short stay and weekend visits) and tourism locations (town centre and peripheries);
- questions about the recent reaffirmation of the attractiveness of the urban environment, together with the themes of heritage, culture, and image;
- the challenges, particularly in socio-economic terms, of tourism development in towns; and
- the place of leisure-tourism in urban strategies.

The group brought together experts in the domain of urban tourism, representatives of the industry's professional bodies and of towns particularly affected by problems of urban tourism, and representatives of the European Commission.

4.4. Vocational training and education.

Vocational training is a key factor in combating unemployment and strengthening the competitiveness of European enterprises, with particular attention to be paid to the demand for new skills, generated by the evolution of our societies to directly tackle the problem of unemployment in Europe. This has particular relevance to the tourism sector, which is a very complex industry, encompassing a wide range of economic activities and involving a substantial investment in human resources.

Besides the measures mentioned under 1.1, the following programmes and Community Initiatives were of particular relevance:

- The "LEONARDO DA VINCI programme" 1995-1999. Nearly 3 % of all projects had a direct impact on tourism, i.e. more than 80 projects with more than 600 partners.
- The Community initiatives "EMPLOYMENT" and "ADAPT" 1995-1999. More than 11 % of all projects are estimated to have had an impact on tourism, i.e. more than 1 200 projects (one-quarter of them with a very direct impact) involving more than 3 000 partners.

4.5. Qualifications and employability

The development of regulatory provisions and supporting instruments on training is an appropriate way of meeting the need for a more employment friendly environment from which tourism could benefit. Tourism is also recognised as a valuable field for the implementation of the European employment strategy in the services sector. Recent developments aiming at increased transparency of vocational qualifications (Europass, European Credit Transfer System, Diploma and Certificate Supplements, European information and guidance services of various kinds) are of direct relevance to the tourism industry. The fact that a substantial proportion of the employees in the sector have low formal skills, in many cases non-recognised skills, give these tools a special role to play. Visibility and transparency of competences is a prerequisite for mobility as well as renewal in the field.

4.6. Social dialogue in the tourist industry: HORECA.

A Social Dialogue Committee in the HORECA sub-sector was set up in February 1999 at the joint request of the social partners and on the basis of previous experience of the HORECA working group launched in the early 90s and supported by the Commission. It is a formal working group held on the basis of the Commission Decision of 20 May 1998 (98/500/EC) on

the establishment of Sectoral Dialogue Committees⁵¹ and on the basis of the agreement between both parts on the framework of the Social Dialogue at European Level (28.09.98).

The social partners have discussed various projects (qualification, flexibility, Employment and Training Exchange, etc), with vocational training and education being a core issue. During the reporting period joint declarations were achieved on the following issues: VAT and its effects on Business and Employment in HORECA sector (1997); promotion of Employment in the European Hotel and Restaurant Sector (1999).

4.7. Enlargement and Globalisation

4.7.1. Enlargement

With the exception of the directive on tourism statistics (see 1.2.1) the *acquis* in the area of tourism (part of chapter 16 on SME's) does not require transposition into the national legislation, as it consists largely of decisions setting up consultation procedures, or recommendations. Co-operation with Eurostat is under way to produce comparable statistics as for current Member States. Other tourism-related *acquis* regards the consumer and transport sectors.

In one of the subcommittees provided for by the Accession Partnership Agreements, tourism in candidate countries is regularly reviewed. For some countries it is an important item for investment, as mentioned in their national plans. Furthermore, in the framework of the Phare programme, specific projects concerning tourism have been funded, including cross border co-operation projects on tourism supported by Phare.

4.7.2. Encouraging tourism development in third country partners

A Commission Communication of 14.10.1998 entitled '*A European Community strategy to support the development of sustainable tourism in the developing countries*⁵²' seeks to map out a strategic framework for EU and Member States support for developing sustainable tourism. The new approach proposed is to integrate support to tourism in the new strategy for private sector development. The aim of the strategy is to increase the sustainability of the programmes/projects through a better involvement of the private sector (and a strengthening of its capacity to be a real partner in the process of development) and the establishment of a public/private partnership in the definition and implementation of the strategy

Recognising the role that tourism can play in the economic and social development of third country partners and in the reinforcement of relationships with Member States, tourism is included among the areas of co-operation in most of the bilateral and regional agreements.

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.

⁵¹ OJ L 225 of 12.8.1998, p. 27.

⁵² COM(1998) 563 final of 14.10.1998.

Euromed

Following the adoption of the Barcelona Declaration in December 1995 and its Mediterranean Tourism Charter and the approval of the Council resolution of 13 May 1996 on Euro-Mediterranean co-operation regarding tourism⁵³, the elements for a coherent working programme of co-operation on tourism, including training and promotion, began to be explored in 1997-1999. Consequently, under the financial instrument for the Euro-Mediterranean co-operation ("MEDA"⁵⁴), the project of co-operation on tourism statistics (MEDSTAT, see 1.2.4) received an allocation of € 2.219 million for the period 1997-2001.

On February 22nd 1999 the European Commission approved a comprehensive regional MEDA initiative for development of the Euro-Mediterranean Information Society specifically designed to reduce the region's informational and technological gap vis-à-vis the neighbouring countries. This Euro-MEDiterranean Information Society (EUMEDIS) initiative is also expected to have a positive impact in the tourism sector.

Lomé Convention and Latin America

In the framework of the Lomé Convention with more than 70 African, Caribbean and Pacific countries, and, on the basis of funds made available for the European Development Fund (EDF), the Commission continued to finance a significant number of tourism-related projects.

As far as other regions are concerned, the Commission has noted the interest expressed by several countries in Central and Latin American countries 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.

5. TOWARDS A MODERNISED EUROPEAN TOURISM

5.1. Information and communication technologies (ICT), and research

For the tourism industry new ways of working in today's Information-based Society involve developing and validating new types of work-flow and information exchange between suppliers, vendors and customers in the 'tourist value chain'. An important part of this is the integration and the facilitation of interoperability of existing technologies (including the Internet) to spur on the innovative business methodologies and technologies required to meet this significant challenge. The challenges brought by the deployment of ICT, such as the emergence of on-line marketing and information services on Internet, are revolutionising the tourism sector and tourism intermediation affecting the way in which tourism will be marketed, booked and sold. New actors are emerging in this promising market. To assess the impact of changes and better identify how its programmes and initiatives could strengthen the European tourism sector, the Commission launched a group of initiatives.

5.1.1. 4th Framework Programme on Research and Technological Development (4th RTD FP)

A strong and effective answer to this process at European Union level has been the creation of value added open systems, components, system architectures and protocols which allows co-

⁵³ OJ C155 of 30.05.1996, p. 1.

⁵⁴ Council Regulation (EC) 1488/96 of 23.7.1996, OJ L 189 of 30.7.1996, p. 1.

operation among European regions, existing systems and the various actors of the tourism industry. In this way a group of federated European information systems has emerged, which are continuously updated and are made attractive by adding new added value services and improving the underlying technologies.

The European Commission has supported this through the Telematics Application Programme, the ESPRIT programme and the ACTS (Advanced Communication Technologies and Services) programme which were all part of the 4th RTD FP⁵⁵.

EnjoyEurope (PMETOUR initiative)

This € 20 million initiative of 1997 was jointly funded under the SME Community initiative (see 4.1) and the 4th RTD FP Telematics Application Programme. Its aim is twofold. Firstly, establishing an open co-ordination structure at European level which will give users access to tourism-related information about participating regions through one Common Access Point or Portal (<http://www.enjoyeurope.com>). Secondly, to set up Internet-based information and reservation systems at regional level which are connected to the European portal. These regional platforms will give small and medium-sized tourism enterprises in Europe's less favoured regions the opportunity to market their offer through the Internet and to familiarise themselves with the use of new technologies.

Through this initiative regions and actors in the tourism business will be encouraged to co-operate and exchange their experiences to remain or become competitive on a marketplace which has become increasingly global during recent years. After the project period this initiative will be self-sustainable and open to other European regions which would like to participate.

The umbrella project *InTourism* has in the meanwhile migrated to a self-sustainable European Economic Interest Group (EEIG) *enjoyeurope.com* which will manage the access point, continue to guarantee and improve interoperability of local tourism information, provide technical assistance and training, and also help local regional servers to exploit their local information. A number of large stakeholders and bodies, such as Open Travel Alliance, CEN, European Travel Commission (ETC) International Federation of Information Technology and Tourism (IFITT), are supporting the dynamics created by the initiative.

In addition several R&D projects have been launched to explore and develop new IST-based systems aiming at improving operations of and business models for travel and tourism professionals (e.g. on-line booking of travel and tourism products) and at supporting the tourists during their holidays (e.g. cultural tour assistant).

5.1.2. *5th Framework Programme on Research and Technological Development (5th RTD FP)⁵⁶: A specific action line on tourism*

A specific research action line on tourism has been included in Key Action I "Systems and Services for the Citizen" of the Information Society Technologies Programme (IST) of the 5th RTD FP. This recognises that research and technological development can increase the competitiveness of the industry and stimulate economic growth, and, as a result, can lead to the creation of lasting employment in the Travel & Tourism industry. The IST Programme is implemented through a series of annual work programmes⁵⁷, each of which is developed in close co-operation with industry, academia and user organisations.

The purpose of the R&D work undertaken in this action line is to improve the quality and the efficiency of the IST-based systems for offering, organising, presenting and selling the European tourism products and to foster the competitiveness of European business in e-

⁵⁵ More information about the programmes can be found at: http://www.cordis.lu/en/src/f_002_en.htm.

⁵⁶ Decision No 182/1999/EC of the European Parliament and of the Council of 22 December 1998 concerning the fifth framework programme of the European Community for research, technological development and demonstration activities (1998 – 2002), OJ L 26 of 1.2.1999, p. 1.

⁵⁷ see <http://www.cordis.lu/ist/part-docs.htm>.

commerce based international tourism markets. This will be achieved through the creation of value added open systems and protocols for co-operation among European regions, existing systems and the various European actors in the tourism industry and through the development of intelligent “infomobility” components and systems (providing relevant information and services at any time, anywhere through mobile devices) supporting the tourists on the move.

Already in 1998, the project KNITE “Activation of the Community of Actors as a Networked Dynamic Knowledge Base on Information Society Technologies for Tourism within Europe” built a community of 250 main tourism stakeholders. Together they identified the main domains of innovation in tourism, produced green papers on these domains, and established an archive of key documents on ICT and Tourism⁵⁸. Furthermore, the FETISH (Federated European Tourism Interoperability Service Harmonisation – Engineering Task Force) support action project⁵⁹ provides a European-wide infrastructure which aims at turning the fragmented tourism information systems and the ICT-based value-added services for tourism into a federated distributed group of resources that appears to the users as a single system providing all the services needed for European Tourism. A first call for proposals was launched in 1999⁶⁰.

Conference “Tourism in the Information Society”, Brussels, 12 November 1999⁶¹

This Conference brought together more than 500 participants from both the Tourism and the ICT industry, the Community Institutions and European organisations, as well as public authorities responsible for tourism at national, regional or local level. It highlighted the need for bringing closer the two industry sectors, as the Information Society – including the Internet – was radically changing how the tourism industry as a whole, and how each business would work in the future.

Among the other activities to which special attention will be given under the 5th Framework Programme, the areas of marine research, urban issues including cultural heritage, transport and energy technologies are most relevant to tourism.

5.2. Energy

The Community Energy Framework Programme (1998-2002)⁶² aims at ensuring that actions in the field of energy contribute to the overall energy policy objectives of competitiveness, security of energy supply and environmental protection. Certain aspects of energy policy, such as local development, economy deployment, and sustainable development impact on environment and new energy RTD development can have an impact on tourism. There is also a direct link between energy consumption and tourism, through increased consumption in tourist areas during the peak holiday season.

The THERMIE programme supports actions to prove technological and economical viability of energy technology. The improvement of energy efficiency and the use of renewable energy are headings under which tourism-related pilot actions can take place. Energy efficiency and renewable energies like solar energy are present in projects in hotels, sports facilities, historic buildings, natural parks and also in projects dealing with urban renewal or building design.

⁵⁸ see <http://www2.lii.unitn.it/pub/english.cgi/0/114>.

⁵⁹ see <http://www.cordis.lu/ist/projects/99-13015.htm>.

⁶⁰ Ten R&D projects are being selected and have started during the last trimester of year 2000.

⁶¹ see <http://europa.eu.int/comm/enterprise/services/tourism/tourism-publications/istt-conference/istt-presentations.html>.

⁶² Council Decision of 14 December 1998 adopting a multiannual framework programme for actions in the energy sector (1998-2002) and connected measures OJ L 7 of 13.1.1999, p. 16.

The ALTENER II programme focuses exclusively on the promotion of renewable energy sources, and provides financing for projects promoting thermal solar systems in tourist accommodation, renewable energy sources in ecological holiday resorts, and solar heating systems for the production of sanitary hot water. ALTENER provides support for activities on demonstration of new technological solutions, dissemination of information to relevant target groups, assistance in the development of appropriate design tools, education and training of engineers and craftsmen, and improving confidence in new technologies by "guaranteed results".

The Commission Communication "Energy for the future: renewable sources of energy" – White Paper for a Community Strategy and Action Plan⁶³ focuses, inter alia, on '100 communities aiming at 100 % renewable energy sources supply'. This is particularly relevant to tourist resorts, natural parks, islands and other tourist sites.

The SAVE II programme, within the objective of promoting energy efficiency supports action on energy conservation in mountain resorts and a network of 140 local/regional energy management agencies, which develop actions that might have an impact on tourism. Energy management actions in tourist areas have a considerable influence on the environment.

During the reporting period the energy R&D activities developed under the *Joule-Thermie* Programme (1994-1998) ended. They are being continued by the new Energy Sub-programme (known as ENERGIE) within the 5th Framework Programme for Research, Technological Development and Demonstration (1999-2002), as part of the fourth Thematic Programme "Energy, Environment and Sustainable Development".

Support provided for innovative systems for the use of renewables and for innovations in the rational use of energy under the 5th RTD Framework Programme (see 5.1.2) could be of relevance to certain activities in the tourism sector (energy & resource management in hotels, leisure parks). SMEs, research centres and universities with appropriate involvement in tourism and energy related projects may benefit from it.

6. ENCOURAGING RESPONSIBLE TOURISM IN EUROPE AND WORLD-WIDE

6.1. Tourists' rights and duties

Tourists' particular interests focus broadly on issues of physical safety and economic and legal concerns. Although there have been few measures directed specifically at the interests of tourists, they do benefit significantly from measures designed to protect the interests of consumers generally.

The measures connected with the physical safety of tourists include:

- Council Directive 1999/35/EC on a system of mandatory surveys for the safe operation of regular ro-ro ferry and high-speed passenger craft services⁶⁴;
- a proposed directive on the safety of cableway installations designed to carry persons (subsequently adopted in March 2000⁶⁵);

⁶³ COM(1997) 599 final of 26.11.1997.

⁶⁴ OJ L 138 of 1.6.1999, p. 1.

⁶⁵ OJ L 106 of 3.5.2000, p. 21.

- the HANDIAMI project – a research project focussing on how to evacuate disabled and elderly passengers from ferries and cruise ships during emergencies.

Measures have also been adopted or launched in the transport sector to enhance tourists' rights, including:

- Council Regulation 2027/97/EC⁶⁶ on airline liability in the event of accidents. It abolishes any upper limit on compensation paid by air carriers for damages sustained in the event of death, wounding or any other bodily injury by a passenger in the event of an accident, and fixes high limits regarding freight or baggage. Non-EU carriers are not obliged to comply with this system, but must tell their European passengers if they do not.
- An amended Commission proposal⁶⁷ for a Council Regulation (EC) amending Council Regulation (EEC) No 295/91 establishing common rules for a denied-boarding compensation system in scheduled air transport. For the case of overbooking it seeks to ensure that passengers are better informed of their rights, to increase the amount of compensation payable for denied boarding and to include charter flights.

In terms of economic and legal issues, the interests of the tourist are often identical to those of any other consumer, and his interests are protected through general legislation. The following are particularly relevant to both tourists and tourist businesses:

- A White Paper on food safety was issued in 1999⁶⁸ which proposes, inter alia, a range of new legislation covering the whole food chain from producers to outlets.
- A Recommendation (98/257/CE)⁶⁹ on out-of-court settlement of consumer disputes, which should reduce the cost and time taken to resolve disputes.

In November 1999, the Commission adopted two working papers on the practical implementation of Directive 94/47/EC⁷⁰ and Directive 90/314/EC⁷¹ which have helped the Commission to identify weak areas and provide a significant tool to improve the effective implementation of both Directives.

By these reports, the Commission has invited interested parties to submit by 30 April 2000 any comments they may have. The Commission services are now examining these reactions.

Actions taken during the period 1997-1999 also include the definition of a new Consumer Policy Action Plan identifying the priorities in consumer policy for the period 1999-2001. This Action Plan includes the examination of the need to reinforce the safety of services. The Commission is therefore working to identify the practical problems faced by consumers in different service sectors, especially those of a trans-national nature. The resultant initiatives addressing service safety will inevitably be of benefit to tourists, for whom safety is a matter of prime concern.

⁶⁶ OJ L 285 of 17.10.1997, p. 1.

⁶⁷ OJ C 351 of 18.11.1998, p. 7.

⁶⁸ COM(1999) 719 final of 12.1.2000.

⁶⁹ OJ L 115 of 17.4.1998, p 31.

⁷⁰ OJ L 280 of 29.10.1994, p 83.

⁷¹ OJ L 158 of 23.6.1990, p 59.

6.2. Sustainable tourism and Environment

The environment and its protection are issues of the greatest importance, traditionally linked to tourism sustainability, quality and competitiveness. The principle of integration of the environment into Union policies is one of the foundations of the action taken by the Community on the environment. Since the entry into force of the Treaty of Amsterdam, Article 6 of the EC Treaty provides for environmental protection requirements to be integrated into Community policies and activities, with a view to promoting sustainable development.

At the Cologne European Council (3-4 June 1999) the Commission reported on the mainstreaming of environmental policy, as requested by the Vienna European Council (11-12 December 1998). The Commission stated that, in cooperation with the Member States and the European Environment Agency, it was developing sets of indicators for integrating the environment into the transport, energy and agriculture sectors to be used as a tool for communication between policy-makers and industry and for sectoral reporting. The Commission submitted a coordinated report on indicators at the Helsinki summit in December 1999, where too the strategies for integrating the environmental dimension into agriculture, transport and energy sectors were agreed.

6.2.1. EMAS and Eco-labelling

Sustainable development calls for the use of a wider range of tools for environmental policy. It needs a new approach, based on different principles of action. One of these tools is the European Eco-management and Audit Scheme (EMAS)⁷². The EMAS Regulation is under revision and a "Proposal for a Council Regulation (EC) allowing voluntary participation by organisations in a Community Eco-management and audit scheme" was adopted by the Commission on 30th October 1998⁷³.

The proposal intends to extend the scope of EMAS to all sectors of economic activity (tourism included) including local authorities; integrate ISO 14001 as the environmental management system required by EMAS; adopt a visible and recognisable EMAS logo to allow registered organisations to publicise their participation in EMAS more effectively; involve employees in the implementation of EMAS; and strengthen the role of the environmental statement to improve the transparency of communication of environmental performance between registered organisations and their stakeholders and the public.

In parallel to the revision of the Regulation on the Community Eco-label Award Scheme, which has come to an end after the reference period of this report⁷⁴, and which broadens its scope of application to services, the Commission re-launched, in March 1999, the "Eco-labelling initiative in tourism" started by the Greek and the French Competent Body as early as 1994, when legislative restraints hindered a follow-up.

⁷² Council Regulation (EEC) No 1836/93 of 29 June 1993 allowing voluntary participation by companies in the industrial sector in a Community eco-management and audit scheme, OJ L 168 of 10.7.1993, p. 1.

⁷³ COM(1998) 622 final, OJ C 400 of 22.12.1998, p. 7.

In the meanwhile, the Council reached a Common Position, which was followed by an opinion of the Commission: OJ C 128 of 8.5.2000, p. 1; and COM(2000) 512 of 31.7.2000.

⁷⁴ Regulation (EC) No 1980/2000 of 17 July 2000, OJ L 237 of 21.9.2000, p. 1.

In ad-hoc preparatory seminars and workshops the Commission plus relevant stakeholders got an accurate picture on latest trends and best practices in tourism Eco-labels, and discussed the opportunity for a European Union approach on Eco-labels for tourism sub-sectors.

6.2.2. Funding and targeted activities

Through LIFE-Environment, the financial instrument for the environment (1996-1999)⁷⁵, the EC has co-funded 266 new projects in the field of environmental demonstration (Life-Environment) for the years 1998-1999. The 1999 selection is the last one under the current Regulation, which will be substituted by a new one covering the period 2000-2006⁷⁶.

Several ad-hoc projects directly or indirectly related to tourism were also supported, in 1999, in the field of environmental protection, covering areas such as “a township model of environmental interpretation in saturated tourist areas” or the “Green purchasing Good Practice Guide” for local authorities.

Furthermore, the Commission has provided support for EU environmental organisations, many of them actively working in the field of tourism. It also supported in 1997 and 1998 some tourism-related projects in the field of environmental information and awareness raising. One of the most relevant is the *Blue Flag Campaign*.

The Blue Flag Campaign is a private initiative under the Foundation for Environmental Education in Europe (FEEE) and is operated in each country by the national FEEE-member organisation. The Campaign gives an award - the Blue Flag - on the basis of criteria on environmental education and information, environmental management, water quality and safety and services.

It started in 1987 with 10 countries. Today, you can find the Blue Flag at beaches and marinas in 18 countries in Europe. Since the beginning the Blue Flag Campaign has aimed to improve the understanding and appreciation of the coastal environment and to promote the incorporation of environmental concerns in decision-making.

Co-operation has continued between the Commission and the World Travel and Tourism Council (WTTC), resulting in a European Community Network for Environmental Travel & Tourism (ECoNETT)⁷⁷. This pan-European network, set up in 1996-1998 with Community tourism financial support, provides an Internet database on tourism and environment in order to raise awareness of Environmental Travel & Tourism issues, and to stimulate changes in management practices in corporations, governments and destinations that will transform policy objectives into good practice, focusing on specific areas (coastal areas, historic sites/towns and improving the environmental performance of the hotel sector). Linking the main interests in tourism and the environment, it assists in the dissemination of information, and provides guidance to the tourism industry and to the public sector.

The European Union recognises that the satisfaction of tourists' demands and protection of the environment are essential to the success of tourism in Member States. Therefore, in 1998, the responsible Commission services started to identify best practices and methods in sustainable tourism, so that they can be promoted for the benefit of European tourism.

⁷⁵ Council Regulation (EC) No 1404/96 of 15 July 1996 amending Regulation (EEC) No 1973/92 establishing a financial instrument for the environment (Life), OJ L 181 of 20.7.1996, p. 1
<http://europa.eu.int/comm/life/home.htm>.

⁷⁶ Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE), OJ L 192 of 28.7.2000, p. 1.

⁷⁷ enter by http://www.wttc.org/environmental_issues.htm.

6.2.3 Protected areas

Tourism in sensitive areas is important from a nature point of view, at Community level in particular regarding the NATURA 2000 network (Special Protection Areas under Council Directive 79/409/EEC⁷⁸ and Special Areas of Conservation under Council Directive 92/43/EEC⁷⁹). It must be ensured that the activities developed are coherent with the requirements of nature protection. The interest for this type of tourist destination is increasing.

Sustainable tourism can be encouraged in these areas, as long as it integrates well into their vocation and into the practices of other sector activities (agriculture, craft industry, ecology, etc.). In addition to an interpretation guide on *Managing Natura 2000 sites*⁸⁰, the Commission has worked and supported activities towards guidelines of good practices of tourism in protected natural areas making it possible to deliver a quality label to the natural areas which put these guidelines into practice on a voluntary basis (see also 4.3).

A Seminar on "Sustainable tourism & Natura 2000" was organised in Lisbon on December 1999. Its objective was to develop, from the existing experiences and from the conclusions of the seminar, guidelines for sustainable tourism in protected natural areas. These guidelines have to be worked out in close co-operation with the persons responsible for natural areas, on the one hand, and the representatives of tourism, on the other hand, by taking into account the aspirations of the customers and of the local people.

The participants in the Seminar, representing both sectors -tourism and environment, agreed, rather than create new guidelines, to promote the use of the existing ones. Two initiatives, in particular, were considered especially appropriate for Natura 2000, the European Charter for Sustainable Tourism and PAN Parks.

An explanation of these two initiatives, the best practice examples, other existing initiatives on sustainable tourism in natural areas and the general discussion points presented at the seminar, will be published soon.

6.3. Combating child-sex tourism

The Commission's Communication of 27 November 1996 on combating child sex tourism⁸¹ provides a reference framework for Community action in this field, placing it in a medium and long term perspective. The overall strategy aims at reducing demand, in co-operation with the tourism industry and NGOs, and at addressing the sources of supply. The European Parliament's Resolution of 6 November 1997⁸² and the Council Declaration of 26 November 1997 showed a broad agreement on the main features of the Commission Communication.

This has resulted in the creation of a budget line (a total of € 2.5 million for 1998-2000), allocated to pilot projects intended for campaigns to counter the development of child sex tourism. The Commission Communication of 26 May 1999⁸³ reported on the implementation of the measures planned and the progress achieved in the fight against child sex tourism for the period 1997-1998, followed by Council Conclusions of 21 December 1999⁸⁴.

⁷⁸ Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds, OJ L 103 of 25.4.1979, p. 1.

⁷⁹ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, OJ L 206 of 22.07.1992, p. 7.

⁸⁰ http://europa.eu.int/comm/environment/nature/art6_en.pdf.

⁸¹ OJ C 3 of 7.1.1997, p. 2.

⁸² OJ C 358 of 24.11.1997, p. 37.

⁸³ COM(1999) 262 final of 26.5.1999.

⁸⁴ OJ C 379 of 31.12.1999, p. 1.

The pilot projects focused on stemming the flow of sex tourists from the European Union Member States and were designed to reinforce the co-ordination, at a European level, of the national information and awareness-raising campaigns against child sex tourism. During the reporting period, five projects have been selected for co-financing.

The aim of the *terre des hommes project* (E-mail: kampagne@tdh.de) is to make air travellers aware of the problem of child sex tourism. To this end, an information and awareness-raising spot produced by terre des hommes is being shown in aircraft during long-haul flights. This project has received the 1999 UNDP Grand Award for outstanding achievement in Public Relations campaigns which best exemplify the ideals and goals of the United Nations.

The *Groupe Développement/ECPAT project* (E-mail: GROUPE-DEVELOPPEMENT@wanadoo.fr) has two objectives: to inform travellers by distributing a "luggage tag" accompanied by an information leaflet, and to train those in the industry by developing teaching tools for lecturers in travel and tourism.

The aim of the *second terre des hommes project* (E-mail: kampagne@tdh.de) is to contribute to information and awareness raising on the issue of child sex tourism through the creation and the development of an "internet-platform".

The "Certified Code of Conduct for Tour Operators against Child Sex Tourism" is a *project initiated by ECPAT Sweden* (E-mail: ecpat@swipnet.se), committing tour operators to raise awareness in a holistic way, among the public, their employees, their suppliers (in the home country as well as at destinations) and the travellers.

The *project initiated by the International Federation of Journalists* (E-mail: ifj.projects@pophost.eunet.be) is meant to enhance media awareness of child sex tourism issues and to promote actions in defence of children subject to commercial sexual exploitation.

A Eurobarometer survey on the issue of child sex tourism was carried out between 7 April and 27 May 1998⁸⁵. On this basis, during the 23rd Brussels Travel Fair (24 to 26 November 1998), the Commission presented initiatives in this field. In that context, also a "First European meeting of the main partners in the fight against child sex tourism" was held, with the participation of many experts and prominent personalities⁸⁶. Since then, the European Union has participated in several tourism trade fairs, to display its communication actions to combat child sex tourism⁸⁷.

In respect of deterring and punishing child sex abusers, the joint action of the Council of 24 February 1997 concerning action to combat trafficking in human beings and sexual exploitation of children⁸⁸ opened the way to more effective laws and law enforcement, including extraterritorial criminal laws. Furthermore, the Commission, through the STOP programme and the DAPHNE initiative respectively, has supported officials and professional workers as well as non-governmental organisations and voluntary organisations active in the fight against the sexual exploitation of children.

The Community's external relations and development co-operation policies include programmes to uphold human rights under which funding is available to combat the sexual exploitation of children. These programmes frequently involve partnership with NGOs and voluntary organisations active in the third countries concerned. In this context, particular

⁸⁵ European Commission – Directorate General XXIII, *Europeans and their Views on Child Sex Tourism, Executive Summary of a Eurobarometer Survey*, July 1998, 29 p.

⁸⁶ European Commission – Directorate General XXIII, *First European Meeting of the Main Partners in the Fight against Child Sex Tourism – Participants' Speeches and Contributions*, OOEPEC, 1998, 213 p.

⁸⁷ A series of 5 surveys has also been carried out in this context. Four of them were directed towards tourism professionals (on the occasion of BTF 1998, ITB 1999, TUR 2000 and TOP RESA 2000). One of them was directed towards psychologists (on the occasion of the Congress "Child Victim", November 1999). Publications presenting the results of these surveys are available.

⁸⁸ OJ L 63 of 4.3.1997, p. 2.

attention is being paid to rationalising methods for action and co-ordinating the Community resources available for the protection of children who are victims of sex tourism.

In accordance with the European Community strategy to support the development of sustainable tourism in the developing countries (see 4.7.2), efforts continued to ensure that the matter of combating child sex tourism is addressed as part of a structured political dialogue with the countries most affected, particularly at regional level.

An increasing concern is the alarming rise of cases of sexual exploitation of children in the countries of Eastern and Central Europe, which in some cases involve cross-border trafficking. Within this region, the PHARE, TACIS and LIEN programmes provide possibilities to work towards the prevention of sexual exploitation and the recovery and reintegration of child victims.
