

17th European Tourism Forum

Designing Tourism for Quality of Life and Value Added

1-2 October 2018, Vienna, Austria

Concluding Document



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The 17th European Tourism Forum took place in Vienna on 1-2 October 2018. It was co-organised by the Austrian Presidency of the Council of the European Union and the European Commission. Under the title “Designing Tourism for Quality of Life and Value Added” the Forum addressed megatrends such as new technologies, innovation, sustainability and mobility and discussed how policy makers and tourism stakeholders can respond to these challenges in their strategic planning.

The Forum consisted of three parts:

The opening session included a welcome speech and presentations from the Federal Minister for Sustainability and Tourism for Austria, the European Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, the Secretary-General of the World Tourism Organization (UNWTO), and the Vice-Chair of the Committee on Transport and Tourism (TRAN) and Chair of the Tourism Task Force of the European Parliament.

The second session was called “A Glance into the Future”. It involved a set of stimulating and thought-provoking presentations from three experts who considered what the future of tourism and travel may, or should, look like. More specifically, the speakers addressed future markets and motivations (who will travel and how will they decide where to go?), transport systems (how will people travel and move around at destinations?); and management priorities (how will destinations meet travellers’ expectations, secure regional value added and manage their resources?).

The final session involved two panels, both addressing the theme “Strategic planning for sustainable tourism development”. The first panel covered key issues and policy responses while the second one considered processes and structures for successful implementation. The panels contained representatives of international, European and national level bodies as well as local projects engaged in collaborative activity to support innovation and sustainability in tourism.

The full programme of the Forum, including the speakers, can be found in Annex 2 of this report.

¹ Document drafted with the support of Richard Denman, The Tourism Company, Panel Moderator

Key conclusions and messages from the Forum

In advance of the Forum a briefing paper was prepared and circulated to panellists. It provides a background and context on sustainable tourism issues and a framework for considering responses and management processes. The strategic contents of the paper are contained in Annex 1 of this report.

The presentations and interventions during the Forum pointed to the priorities for delivering sustainable tourism in Europe over the next five years and beyond, outlined the challenges and opportunities arising from new trends, and illustrated various practical solutions based on partnership approaches. Taken all together, the following ten key conclusions and messages can be identified from the Forum.

1) Tourism aims and measures of success may need re-thinking

2017/18 has seen strong growth in tourism arrivals in Europe with increases in most member states. This is welcomed and shows the dynamism and potential of tourism to deliver growth. However, the need to measure success in terms of value added and income retained locally was underlined at the Forum. This requires the collection and use of more detailed and adapted data on tourism impact on the broader economy.

Sustainability must be seen as an integral aspect of tourism success and an inherent aim of tourism policy. The EU Commissioner with responsibility for tourism, Elżbieta Bieńkowska, reminded the Forum that sustainability is essential for competitiveness. A further recurring theme was the need to monitor and address seasonality in the sector, leading to a more even spread of benefits and year-round employment.

2) Working together in partnership at all levels is the key to delivering added value

Many of the case studies and wider discussions at the Forum demonstrated what can be achieved by working together through public-private partnerships, across sectors and borders and at all levels. Partly this is about making sure that all parts of government are engaged in delivering sustainable tourism. This need for a "whole of government" approach was stressed by Alain Dupeyras, Head of Regional Development and Tourism at the Organisation for Economic Co-operation and Development (OECD), who also called for effective linkages between European, national, regional and local policies and action.

New forms of collaborative structure may be based on geographic or thematic clusters. "Visit Artic Europe" is a project that brings together the northern regions of Norway, Sweden and Finland to deliver a joint product development and promotional plan, recognising that the market sees this whole area as one destination. The cluster on Alpine Health Tourism illustrates how different sectors can come together to deliver new forms of economic benefit based on an area's natural assets. In both projects, which have been very successful, engagement of the private sector from the outset has been essential, supported by active networking and joint learning and leading to new product development and linkages across the value chain.

3) Tourism development and management should be guided by a shared vision and a clear strategy and action plan

Many of the speakers at the Forum, as well as members of the audience, underlined the need for tourism to be guided by a shared strategy and action plan. A fundamental first stage is to agree on a future vision for tourism that the different players can subscribe to. This should be based on wide ranging consultation.

The Austrian Federal Minister for Sustainability and Tourism, Elisabeth Köstinger underlined that tourism needs to achieve quality of life and added value for all, including guests, inhabitants and people working in the sector. Stakeholder consultation and careful planning is essential if this is to be achieved. This has been recognised in the ongoing work on Plan T, Austria's tourism strategy.

4) Unbalanced tourism in many destinations requires practical management solutions

In the last years there has been mounting concern about the effect of high visitor volumes in certain locations, with increasing media coverage of the concept of "over-tourism". It is essential that destinations retain their inherent special qualities as places to live as well as places to visit. Responding to this situation, travel writer and advisor Doug Lansky used the term "unbalanced tourism" and presented many practical examples of how this can be addressed by better management. These include: the creative promotion of locations away from city centres, practical interventions at the most congested sites, and the use of restricted ticketing to the main attractions to be purchased before travelling to the destination. Better town planning and zoning, improvements in infrastructure and control of certain forms of development are also needed in some locations.

While these issues should be of primary concern to local authorities, the private sector needs to be engaged in seeking solutions. Susanne Kraus-Winkler of the umbrella Association of Hotels, Restaurants, Bars and Cafes HOTREC presented their position paper on the subject, which identifies five areas for intervention, including governance and regulation, setting thresholds, spreading the pressure of demand, helping visitors become more responsible, and establishing structures for local dialogue.

5) Market trends underline the importance of delivering different travel experiences, promoted online and through mobile technology

Source markets for tourism in Europe vary considerably in terms of their propensity to travel and their length of stay. However, studies confirm the trend towards a desire for new experiences as the main motivation for travel. Andrew Van der Feltz from the Expedia Group presented the results of sophisticated research on the emotions of tourists, as well as their behaviour and intentions. Activities, cultural experiences and once in a lifetime opportunities are key motivators. People are now more likely to know what they want to do on holiday than where to do it. In order to stimulate interest, destinations should seek to offer different experiences, rather than simply copying each other.

Visitors' use of digital technology is becoming more extensive and sophisticated, with numerous websites consulted before a decision is made. The use of mobile devices is increasingly dominant in obtaining tourist information, especially amongst the younger generation.

6) Action is needed to improve the performance of tourism SMEs and address the impact of new business models

When concluding the Forum, Ulrike Rauch-Keschmann, Director General for Tourism and Regional Policy for Austria made particular reference to the needs of small enterprises – understanding their challenges and reducing their burdens, while ensuring fair competition. They are central to any strategy of delivering local added value from tourism. Many tourism SMEs need help, through capacity building and access to funding. Various European initiatives exist to deliver this, such as the Smart Specialisation for Industrial Modernisation project presented at the Forum.

New business models, notably the rapid expansion of informal accommodation rental via online platforms, have had a huge impact on the tourism sector and on property markets in many destinations. While they should be embraced as an opportunity to expand supply and demand and engage new people in the sector, they need effective measures ensuring a balanced approach in terms of quality, safety and community wellbeing. Examples of how this had been achieved, through monitoring, dialogue with the platforms and providers and appropriate regulation and registration, were revealed at the Forum, such as the comprehensive approach in Portugal outlined by the Secretary of State for Tourism, Ana Mendes Godinho.

7) Innovation in tourism should be supported, including help for creative start-up businesses

Anna Athanasopoulou, Head of Tourism, Emerging and Creative Industries at the European Commission, identified innovation as a key priority for the sustainable development of tourism in the next five years. Much of the discussion at the Forum was about this topic and how innovation and digital transformation are changing the tourism value chain. Action to support entrepreneurship can include funding and tax incentives as well as more direct engagement. In Portugal, the "Forever Young" policy involves dialogue with start-up businesses and the establishment of an innovation centre.

A highly relevant example presented at the Forum is the Welcome City Lab in Paris. This has responded to the need to give visitors a more in-depth experience. Entrepreneurs, often young people working outside the tourism sector, have been helped through incubator processes and coaching to develop new visitor services, some of which are based on new technology while the rest use other forms of creativity. They have been partly supported by ten major private companies as well as the city authority.

8) A comprehensive approach is required to meet labour supply and skills shortages and improve working conditions in tourism

The shortage of human resources, especially a lack of skilled labour, is a major and widespread problem for tourism in Europe. Ongoing projects are providing funding to raise awareness of tourism as a career and to expand training in required skills, including areas such as digitalisation and environmental management. Kerstin Howald, Tourism Sector Secretary of the European Federation of Food, Agriculture and Tourism (EFFAT), pointed out that employees in the sector are not seeing sufficient benefits and that a substantial improvement in working conditions is needed, including employment contracts, social protection, collective agreements and elected representation. An increasing demand for flexible working hours is creating more problems for employees. Vocational education should be adapted to meet new requirements, together with the provision of high quality apprenticeships. Trade Unions should be key partners in future tourism planning and development.

9) More must be done to improve efficiency in the use of resources in travel and tourism in the short and long term

The European Union's commitment to addressing climate change and promoting the circular economy has significant implications for tourism. All stakeholders should seek to minimise waste, reduce their carbon footprint and cut back on their use of energy and non-renewable resources. Guidelines for hospitality businesses have been produced by HOTREC, whose particular campaign to reduce food waste was outlined at the Forum.

While ensured mobility is essential for tourism, certain forms of transport account for a very significant proportion of emissions created by the sector as well as leading to congestion in some locations. Thomas Sauter-Servaes from the Zurich University of Applied Sciences gave a thought-provoking presentation on future transport options. He called for more provision and use of bikes and more comfortable night-time train services. He emphasised the highly inefficient use of private cars, which could be improved by greater use of car-sharing schemes, which are mainly held back by a lack of consumer acceptance and a reticence to participate in them.

10) The importance of tourism in Europe and our experience in this sector should be more widely recognised and shared

This 17th European Tourism Forum provided a great opportunity to identify the key challenges facing the sector and to share experiences and discuss solutions. The European Commission is keen to promote good practice through the Forum and through various other initiatives. A particular example in 2017/18 has been the identification of European Capitals of Smart Tourism, which demonstrate an integrated approach to sustainability, accessibility, cultural creativity and digitalisation. In his address to the forum Zurab Pololikashvili, Secretary General of the UNWTO, recognised the wealth of experience in Europe and called for this to be more actively shared at a global level.

A fundamental requirement is to gain more recognition within Europe of the importance of the sector and the need to ensure its sustainable development. István Ujhelyi, TRAN Vice-Chair

and Chair of the European Parliament's Tourism Task Force, underlined the need for a significant budget for tourism in Europe and for strong tourism body within the Commission.

At the close of the Forum, Cristina Tărteață, Secretary of State at the Ministry of Tourism in Romania, indicated that this call for stronger recognition would be re-emphasised during the forthcoming Romanian presidency.

ANNEX 1: Briefing paper²

This paper provides a background for the discussion and exchange of views at the 17th European Tourism Forum. It sets out some of the current topics, relevant to the theme of the Forum, that have arisen internationally and within the European Union.

Various sources have served as background to the paper, including: outputs of initiatives of the UN International Year of Sustainable Tourism for Development in 2017; the OECD report on Tourism Trends and Policies 2018, co-funded by the European Union; the tourism priorities at EU level; and the discussions during the last European Tourism Day in 2017.

Strategic planning for sustainable tourism development Issues and responses

Tourism is an important economic activity within the European Union, contributing in total around 10% of the gross domestic product (GDP). It has proved to be a resilient sector, delivering ongoing growth in most recent years. Europe remains the world's number one destination. However, the competition from emerging destinations in Asia and elsewhere is increasing. A dynamic, sensitive and sustainable approach to the future development of tourism is needed, if European citizens are to continue to receive all the many benefits that the sector can deliver.

In the last ten years, the competitiveness and sustainability of tourism have been increasingly recognised as twin goals that are inexorably linked. If tourism is not sustainable, it cannot be competitive now and in the long term: if it is not competitive, it cannot be sustained. Moreover, an agenda for sustainable tourism needs to address all aspects of the sector's economic, social and environmental impact, as demonstrated in the UN's International Year of Sustainable Tourism for Development, which promoted the sector's contribution and responsibility towards all 17 of the Sustainable Development Goals.

Many of the key issues for competitive and sustainable tourism in Europe are longstanding. Some of those most frequently raised and underlined in recent years are identified below.

Adapting to changing global market opportunities and demands

In order to remain competitive, Europe must ensure that its offer and the way it is promoted is meeting the requirements of new and emerging markets and is aligned to the changing needs and aspirations of all tourists. This has implications for market research, promotion and product development. Key requirements include:

- Capitalising on the rapid growth in international travel from China and other emerging markets.
- Catering for evolving consumer needs for more fulfilling and engaging travel experiences, providing deeper relationships with host destinations.
- Responding to demographic trends and segments such as the increasingly important aging market with particular requirements for easy access and quality facilities at a range of prices, or the Millennials market with specific aspirations.

² Document drafted with the support of Richard Denman, The Tourism Company, Panel Moderator

Supporting sustainable enterprises, investment and new business models

Some tourism products in Europe are outdated and in need of modernisation. New investment is required to meet changing market demand as identified above. The sector is dominated by micro and small businesses, often with limited resources and profit margins. New business models provide opportunities for more local people to engage with the tourism sector and deliver experiences for guests, but have also raised concerns about standards, unfair competition and negative impacts on local communities. In many destinations, public funding for infrastructure and the maintenance of public spaces has been reduced or cut. Potential responses include:

- Supporting micro and small businesses, including access to funding, to enable them to improve the quality of their services and invest in new and more sustainable facilities and practices.
- Prioritising public investments and pursuing new and mixed funding sources.
- Simplifying complex regulations on businesses and reducing tax burdens, where possible.
- Encouraging innovation and the diversification of the tourism offer.
- Assessing the impacts of the new business models in the tourism sector and adapting the regulatory environment.

Addressing the skills gap

A serious issue affecting tourism businesses in many parts of Europe is the shortage of human resources and the difficulty of filling vacancies, in general, but especially for skilled positions. There is also a need for upskilling of existing businesses and employees. This is affecting the quality of service for visitors. It is exacerbated by seasonality of employment and real and perceived issues relating to working conditions in the sector. Approaches to address these issues include:

- Identifying business skills needs and gaps and increasing the availability of relevant training.
- Strengthening linkages between academic and teaching bodies and the tourism labour market (such as professional associations, chambers of commerce or employers' bodies).
- Working with employer and employee bodies/associations to address employment standards and conditions.
- Improving the image of the sector and awareness of employment and career opportunities.
- Fostering inter-sectoral linkages to promote combinations of part-time employment.
- Using new technology to improve efficiency and job quality.

Gaining maximum benefit from new technologies and the digital economy

The digital revolution has had a profound impact on the tourism sector. Due to the resulting disruptive changes in the process of market access and the delivery of information, experiences are sometimes seen as a threat but need to be embraced as an opportunity. Priorities and needs vary between destinations but may include:

- Closing any gaps in the digital connectivity of tourism businesses.
- Improving digital skills and confidence.
- Strengthening the use of online marketing and distribution channels and digital technology.

- Facilitating data capture/sharing and its analysis and use to inform tourism planning and promotion.
- Enhancing the visitor experience, for example through innovative use of augmented and virtual reality.
- Addressing issues of cybersecurity.

Improving access, openness and transnational tourism

Tourism by definition relies on the facilitation of travel to and within destinations. A strong relationship exists between the expansion of connectivity and the subsequent development of the visitor economy. In parts of the European Union and in individual destinations and facilities, limited infrastructure and accessibility are creating barriers to growth. At the same time, visitor flows can be stimulated by creative product offers and promotion. Relevant responses and actions include:

- Investing in transport infrastructure, including lower carbon options.
- Streamlining visa applications and processing at borders, while meeting security concerns.
- Promoting transnational offers, including thematic linkages and routes.
- Collaborating on the promotion of Europe within global markets.
- Improving physical accessibility of visitor sites and facilities.

Managing resources and impacts on destinations

Awareness of the negative social and environmental impacts from high levels of tourism development is increasing in various European destinations. Key challenges include the use of scarce resources, notably water and land, the generation of waste, traffic congestion, energy consumption and carbon emissions. The need for adaptation to climate change is a major issue for tourism. High visitor volumes have brought congestion and other pressures on local communities in a number of popular destinations. Some communities are not seeing commensurate benefits from tourism. Fundamentally, the necessary response is better destination planning and management. Specific priorities and actions may include:

- Preparing destination management plans, based on stakeholder and community consultation.
- Using regulations and other tools to optimise tourism development and operations.
- Supporting the protection of natural resources and cultural heritage through the positive management of sites and assets, using sustainable tourism opportunities as a catalyst where appropriate.
- Spreading tourism demand and impacts spatially and temporally, through the promotion of alternative locations and periods to visit.
- Investing in green technology, sustainable energy supplies and waste management processes.
- Integrating sustainability principles into business planning and management by tourism enterprises.
- Identifying and promoting good sustainability practices through awards and certification.

Strategic planning for sustainable tourism development

Successful implementation: processes, partnerships, networks

The tourism sector is broad and complex. Successful implementation of actions in response to the key issues, challenges and opportunities facing tourism in the European Union requires the participation of many stakeholders at all levels. Put simply, the key to success is to bring the right bodies and interests together within efficient, well supported structures, which then prepare and deliver plans of action using effective processes and tools. Some of the most important requirements within this approach are identified below.

Supporting tourism at the highest levels of governance

Tourism should not be treated in isolation. Many of the necessary actions to deliver sustainable tourism need to be taken or supported by a wide range of departments and ministries, requiring a "whole of government" approach. The level of attention and support given to tourism, including budgetary allocations, will depend on how it is seen at the highest levels of governance. Required approaches include:

- Raising awareness of the importance of tourism through reliable research and effective dissemination of evidence.
- Integrating tourism into overarching policies (such as industry, the environment, climate change, transport or visa).
- Fostering cross-government cooperation for tourism, with active representation from different departments, meeting regularly and feeding back decisions taken.
- Having an active, well-resourced ministry and executive agencies responsible for tourism with clear roles.

While the above points have been written from the perspective of a national government, they also apply at different levels of governance.

Ensuring cooperation between different levels of governance

Successful implementation of sustainable tourism development requires greater differentiation and clarity of roles at different levels of governance (European, national, regional, local), to reduce duplication and ensure effectiveness. Examples include:

- European Union level: High level role in gaining benefits from tourism through policies and initiatives, such as legislation, standards, the single market, digitalisation, regional development, safety and security, cross-sector relationships and trans-Europe collaboration.
- National/Sub-national (Member State, Federal States) level: Marketing, product development, investment in infrastructure, business support, education and training, implementing environmental policy or regulations.
- Regional level: Increasingly recognised as playing a key role in all aspects of destination planning, branding, development and management.
- Local level: Delivering experiences and services to visitors and strengthening community engagement and benefits.

A vital requirement is effective vertical integration and communication between these levels.

For example better information exchange and collaboration between the Commission and member states. Horizontal communication is also important – for example in fostering structures for networking and exchange between destinations. Within the European Union, an increasing role for structured cooperation has been recognised, such as geographic and thematic clusters of destinations (crossing national borders).

Achieving public-private partnerships and wider stakeholder engagement

Private sector tourism businesses are responsible for the majority of investment in the sector, engaging with markets and generating income and employment within the tourism value chain. They must be centrally engaged in all aspects of strategic planning for sustainable tourism development.

Other important stakeholder bodies that should be involved in influencing the shape of sustainable tourism development include those representing employees, local communities, cultural and conservation interests, research, education and consumers. Important approaches include:

- Ensuring private sector and other stakeholder representation on governance and consultative bodies at the various levels referred to above.
- Supporting the important role of multi-stakeholder destination management organisations, which are increasingly led by the private sector but with strong public support.
- Encouraging and supporting professional, business, knowledge sharing and marketing networks, which may be related to particular products and markets.
- Establishing public-private partnerships to deliver funding, expertise and management services to projects that are driving innovation in the sector.

Establishing and delivering on strategies and plans for sustainable tourism

The preparation of medium to long term strategy documents, with associated action plans, is regarded as an essential process towards successful sustainable tourism development and management. The lack of such plans in many destinations within the EU has recently been identified. They have a particular value as a way of engaging stakeholders, harnessing their resources and expertise, reflecting their concerns, agreeing on a vision and priorities, allocating budgets and coordinating action. Issues and approaches include:

- Renewing the policy and related strategy for sustainable tourism at a European level, which currently dates from 2010.
- Encouraging all destinations to develop their own sustainable tourism strategies (sometimes referred to as destination management plans), supported by guidelines on good practice.
- Creating national policies and strategic frameworks to which destination plans can relate.

Utilising a range of implementation tools

The process of implementing sustainable tourism strategies and plans can be assisted by a variety of instruments to encourage and steer sustainable development and operations in the sector. Some of the instruments and related challenges include:

- Research and utilisation of data – ongoing need for evidence-based policies and improved coverage and sharing.
- Use of targets, indicators and monitoring (such as European Tourism Indicators System for destinations).
- Provision of public finance and other incentives for investment – challenge to reach small businesses and investors, with potential for more use of dedicated intermediary bodies.
- Standards and certification – opportunities for more coordination of standards and increased take up of certification.
- Legislation and regulation – needs a light touch, to be sufficient but not overburdening.
- Training and capacity building – should be more closely related to business needs.

ANNEX 2: Forum Programme

Monday 1 October 2018

Opening Session

- **Elisabeth KÖSTINGER**, Federal Minister for Sustainability and Tourism, Austria
- **Elżbieta BIEŃKOWSKA**, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, European Commission
- **Zurab POLOLIKASHVILI**, Secretary General, UNWTO
- **István UJHELYI**, TRAN Vice-Chair & Chair of Tourism Task Force, European Parliament

This afternoon, we will draw a vivid picture of the fast-changing, interconnected and dynamic environment that decision makers in tourism have to face. How will megatrends, such as digital and technological progress, demographic developments, evolving global visitor demand and travel patterns, as well as the shift to low-carbon and resource efficiency shape the future of tourism? **Format:** Keynote presentations followed by Q&A sessions

A Glance into the Future

Who will travel? How will people decide where to go?

- **Andrew VAN DER FELTZ**, Senior Director EMEA & APAC, Expedia Group

How will people travel and how will they move around at the destination?

- **Thomas SAUTER-SERVAES**, Programme Director “Transportation Systems”, Zurich University of Applied Sciences

How will destinations meet the travellers’ expectations? How will they secure regional value added? How will resources be managed?

- **Doug LANSKY**, Travel Writer & Tourism Development Advisor, Sweden

Tuesday 2 October 2018

This morning, we will discuss how tourism stakeholders respond to current/emerging megatrends and challenges in their strategic planning in order to achieve sustainable tourism development and keep the sector competitive. The first panel will address selected key issues, while the second will look at the successful implementation of strategies with regard to processes, partnerships and networks. **Format:** Panel discussions followed by Q&A sessions

Panel I: Strategic planning for sustainable tourism development: Issues and responses

Moderator: **Richard DENMAN**, The Tourism Company, UK

- **Ana MENDES GODINHO**, Secretary of State for Tourism, Portugal
- **Anna ATHANASOPOULOU**, Head of Tourism, Emerging and Creative Industries, European Commission
- **Susanne KRAUS-WINKLER**, President, HOTREC
- **Kerstin HOWALD**, Tourism Sector Secretary, EFFAT
- **Boštjan BRUMEN**, Co-lead of the Thematic Area “Digitalisation and Safety for Tourism” under the EU Smart Specialisation Platform for Industrial Modernisation; Head of Internationalisation, Chamber of Tourism and Hospitality, Slovenia

Panel II: Strategic planning for sustainable tourism development
Successful implementation: processes, partnerships, networks

Moderator: **Richard DENMAN**, The Tourism Company, UK

- **Alain DUPEYRAS**, Head of the Regional Development and Tourism Division, OECD
- **Walter HAAS**, Cluster “Alpine Health Tourism for Regional Innovation”; Managing Director, ITG Salzburg, Austria
- **Laurent QUEIGE**, Destination contract “Paris: la ville augmentée”; Managing Director, Welcome City Lab Paris
- **Nina FORSELL**, Project “Visit Arctic Europe” - Finland/ Sweden/ Norway; Executive Manager, Finnish Lapland Tourist Board

Closing remarks

- **Cristina TĂRTEAȚĂ**, Secretary of State at the Ministry of Tourism, Romania
- **Anna ATHANASOPOULOU**, Head of Tourism, Emerging and Creative Industries, European Commission
- **Ulrike RAUCH-KESCHMANN**, Director General, Tourism and Regional Policy, Austria