Working Together in Europe – A Shared Leadership

AM Regional Report: Volume three
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Over the past decades tourism has become a key part of our global society, increasing wealth and prosperity the world over. Tourism is today a trillion-dollar sector, involving the movement of billions of people each year. In 2012, we reached the historic mark of one billion tourists traveling the world in one single year. Over half of these one billion tourists - 535 million - visited a European destination. Although the most mature tourism region in the world, Europe's tourism is set to continue expanding in the coming decades. International tourist arrivals in Europe are to reach 740 million by 2030, or 13 million additional tourists every year during the next two decades. In other words, 13 million additional opportunities and an immense responsibility to make tourism a force for good and address such growth in a sustainable manner.

The European tourism sector is highly diverse, and so are the opportunities and challenges facing the different countries and regions in the 'old continent'. This regional report, developed jointly by the UNWTO Regional Programme for Europe and the UNWTO Affiliate Members Programme, seeks to contrast the perspectives of UNWTO Member States and Affiliate Members from across Europe on issues affecting tourism in the region ranging from the economic recovery to emerging markets, competitiveness and how best to work to ensure the sector’s long-term growth in the region.

The report, which counted on the valuable contribution of 43 European countries and major Affiliate Members, presents a highly valuable and up-to-date regional analysis of the tourism sector throughout Europe. It reflects their assessment on key current and short-term trends, market development priorities, public-private cooperation initiatives, investment ambitions in hard and soft infrastructure, modalities for cooperation and the role that UNWTO can play in these collaborative endeavors.

I wish to sincerely thank all those who contributed to this report and hope that the overview of public and private sector priorities and initiatives it presents will inspire partnerships in Europe.

UNWTO Secretary-General, Taleb Rifai
This new edition of the "AM Regional Reports on "Working Together in Europe – A Shared Leadership" has been produced by the Affiliate Members Programme of the World Tourism Organization (UNWTO) in collaboration with the Regional Programme for Europe. It includes case studies and in depth examples provided by a range of contributing Member States and Affiliate Members providing a European perspective on the current situation. An earlier survey conducted by the UNWTO and previous research provided a groundwork for this report. The accumulated information leads to a series of conclusions about the European setting and elucidates the collaboration of the public and private sectors for the benefit of tourism.

Topics featured in this report include changing and emerging markets, future projections, public-private partnerships in national and local governments and cross-border cooperation throughout Europe to remain competitive in an ever-changing global environment. The final chapter concerns the views of Member States and Affiliate Members on the role to be played by UNWTO vis-à-vis challenges facing European tourism.

UNWTO Affiliate Members' contributions included here demonstrate the resilience of the industry with creative insights into the various mechanisms and strategies organizations have implemented to foster continued growth.

Eight Affiliate Members, from different countries, each with their own specializations, share their insights apropo investments in infrastructure, new market niches, new technologies and public policies.

Value Retail in relation to their nine Chic Outlet Shopping Villages in Europe. They highlight the significance of this prospering market in economic terms, emphasizing how this is a key driver for long-haul tourists to Europe who are able to enjoy tax-free shopping.

A case set forth by SETE identifies future prospects and visions for Greece looking forwards to 2030 and using tourism as a method to promote economic and social development.

In addition to this, AMADEUS explains how social media is more relevant than ever for their customers and how they are empowering their customers by providing them with new ways to interact, share, and engage; and especially, enabling direct social channel access to airline customers when special announcements are necessary.

EVERIS has also presented views on the role of technology in travel. They analyze how technology is used by consumers throughout the life cycle of their trip. Infrastructure development has been identified by the Moscow Committee on Tourism and Hotel Industry as a means to avoid bottlenecks that hinder the growth of tourism in Moscow.

Strategies for the construction of further infrastructure, translations of signs and tourist information, training of guides, and the application of new technologies are propounded.

The contribution of these Affiliate Members has aided significantly in better understanding the tourism sector from the point of view of non-governmental entities. This is by no means their only significant contribution within the UNWTO framework. Also noteworthy is that the European private sector is leading the commitment to the Global Code of Ethics for Tourism. This is a distinction to be proud of and a tangible sign of the changing times toward a new scenario where details and principles matter and where consumers reward evidenced high moral values, commitment and responsibility from the private sector.

This report also proves the collaborative nature of the UNWTO Affiliate Members Programme, a Global Neutral Forum where associated organizations from everywhere: global, national, regional or local, public and private from any given sector; destinations and universities meet to work in enduring synergy to create knowledge and sustainable value for mutual growth and enrichment.

The World Tourism Organization is the only United Nations agency that includes private sector companies as members. There are very few places where diverse private companies, educational institutions, tourism associations and local tourism authorities can interact in a transparent way under the umbrella of a UN agency. Elsewhere, companies may associate themselves through guilds or activities, but our mixture is quite exceptional.

Now is the time for collaboration, sharing and exchanging, the time for the joint voice of the private sector to carry a powerful and inspiring message, and this exercise, done in collaboration with the Regional Programme for Europe, with the input of the State Members and the Affiliate Members of the UNWTO, is an example on how joint efforts offer a complete perspective on the crucial issues for the development of tourism.

If we agree on Henry Ford's statement, that "coming together is a beginning, keeping together is progress and working together is success" then we should also agree on the benefits of a forum whose main purpose is exchange and collaboration and we should apply it in a pragmatic way. It should be mentioned, then, that there are four fields where the Affiliate Members Programme offers a wide range of opportunities within the context of cooperation: an international platform to interact with governments, a framework to connect interest groups together, a possibility to employ the UN brand and a space to generate innovative products. This report showcases the public-private collaboration and is intended to serve as a conduit for group liaison. We hope that it also serves to inspire good decisions in tourism, corroborating that we can come together to contribute to a greater and dynamic future in Europe, that we can keep together and that we can continue to work together for success.
As the Director of UNWTO’s Regional Programme for Europe (RPEU), I take enormous pride in Europe’s position as the number one inbound destination in the world. But it is not the accolade itself that I am proud of, but rather the outstanding work carried out by European tourism stakeholders to maintain Europe at the head of the field in an increasingly connected world full of extraordinary destinations.

This success can be attributed to a range of factors — a highly skilled workforce, excellent cooperation across sectors, strategic investments in infrastructure, a willingness to innovate and adopt new practices and technologies, high service professionalism, a respect for the environment, it is not a “zero-sum” game. Just because tourism can only prosper if efforts are combined in an increasingly connected world full of extraordinary destinations.

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The current report: “Working Together in Europe — A Shared Leadership” aims to help us in this important function, by providing an overview of UNWTO Members’ short- to longer-term strategies related to economic recovery, emerging markets, investment in hard and soft infrastructure, public-private cooperation and how best to work together to ensure the tourism sector’s long term and sustainable growth in the region.

The report was conceived together with the UNWTO Affiliate Members Programme (AMP), with a key tenet being that tourism can only prosper if efforts are combined across the private and public spheres, and across borders.

The exercise of gathering this information from our Member States proved to be just as valuable as the answers that were provided. It gave the whole RPEU team an opportunity to speak to all our Members regarding the topics addressed in the report, to interact during the drafting process, to learn more about your particular priority areas, and ultimately to perform the most rewarding aspect of the RPEU’s role, namely to have direct, regular and meaningful contact with our Members.

We have welcomed and appreciated this joint exercise which has provided us with very valuable information for our mandate: To serve our members.

We are delighted and proud that all 43 European Member States responded to the questionnaires, showing your excellent engagement with UNWTO and your willingness to share your experiences, which itself is a prerequisite for the long-term sustainability of European tourism.

Moreover, over a dozen countries provided case studies on the strategies they have employed to improve their tourism sectors, in areas such as marketing and promotion campaigns, travel facilitation initiatives, capitalising on emerging technologies, increasing connectivity, ensuring the sustainability of investments in infrastructure, and working together successfully across the public and private sectors.

This information, combined with the responses of our Affiliate Members and contributions from leading European institutions such as the European Union, the Council of Europe and the European Travel Commission, has ensured that the report provides an excellent overview of the current and future priorities of European tourism stakeholders and the initiatives being carried out as we look to build on our region’s leading role in international tourism.

In the same way that we intend to use this information in shaping our collaboration with all of you, we also urge you to use this report to identify opportunities for collaborating and sharing experience with fellow UNWTO Members, both public and private. For example, perhaps a certain model of public-private partnership grabs your attention. Maybe someone’s visa policy or tax system is of particular interest. Or you may wish to learn more about the investment priorities of one of your fellow European member states.

The report is essentially a window to the great body of knowledge and experience that resides in the European tourism sector.

When reading this report, it quickly emerges that European tourism is significantly heterogeneous in terms of its growth, its visitor dynamics and its stages of development, but that the overall trend is one of growth and diversification of markets, partners and products.

Moreover, there is a unanimous conviction that tourism provides excellent opportunities for driving socio-economic growth and a firm commitment to working together both at a national and international level to fulfill its unique potential.

The report reflects your views on how UNWTO can collaborate in your endeavours to grow your tourism sectors. We are happy to note that there is consensus that we are delivering on our intended role as perceived by our Member States, and also duly acknowledge the widely held view that Europe, as the world’s leading tourism region, deserves significant focus addressing the unique needs of the region. Emphasised in particular was the importance of research and intelligence and of the sharing of expertise through mechanisms ranging from seminars to bilateral assistance. You can count on us to continue leading the field in delivering quality research and data on tourism movements, trends and marketing strategies, as well as addressing in a bespoke manner your specific requests relating to priority issues for sustainable tourism development.

As the UNWTO Secretary-General says, UNWTO is your organization, so use us. The information in this report is extremely handy, but we count on on-going dialogue with all of you to be truly effective.

Dear friends, the findings of this study only help reaffirm my belief that by combining our efforts, Europe will continue to prosper as a leading tourism destination for a long, long time to come.
This report describes the current situation for tourism in UNWTO’s European Member States and examines how they are adapting and planning for emerging trends. It discusses varying performance and opinion across different areas of Europe, based largely on a survey conducted by UNWTO among its Member States and Affiliate Members. The report also draws on existing research carried out by UNWTO, as well as from a range of other leading international organisations.

The six chapters of the report cover:

• **The current situation**: Recent tourism performance across Europe is discussed, identifying the markets that are showing particular resilience in the economic downturn or, in some cases, rapid growth.

• **Markets and future projections**: Growth in the emerging outbound markets such as Brazil, Russia, India, or China (BRIC countries) is currently being experienced – further detail and predictions for future growth from these and other priority markets is provided. Actions that destinations can take to grow these markets are identified.

• **Public-private cooperation**: Various aspects of public-private partnerships (PPPs) are assessed, in particular the key areas on which national and local governments should concentrate the most. The conditions that are necessary for this cooperation to work and the different stages of development in PPPs in the various Member States are also discussed.

• **Investment in tourism infrastructure**: Member States have identified priority areas for public investment in tourism infrastructure over the next five years, including hard infrastructure such as transport network, accommodation, and soft infrastructure such as training and education of human resources.

• **Cooperation in Europe**: Priority areas for cooperation are considered, in order for tourism in Europe to remain competitive in the long run.

• **The role of UNWTO**: The final chapter discusses how UNWTO can effectively address the challenges facing European tourism.

It should be acknowledged that our definition of Europe by sub-regions varies slightly from standard definitions of Europe. For this report, Northern Europe has been merged with Western Europe (due to survey sample issues) and South East Europe has been separated from Southern/Mediterranean Europe (primarily because, in many cases, its performance and markets were different).

This provides four broad areas as follows:

• **Northern and Western Europe**: Austria, Flemish Community of Belgium, France, Germany, Monaco, the Netherlands, Norway and Switzerland

• **South East Europe**: Albania, Bosnia-Herzegovina, Croatia, FYR Macedonia, Greece, Montenegro, and Serbia

• **Southern / Mediterranean Europe**: Andorra, Cyprus, Israel, Italy, Malta, Portugal, San Marino, Slovenia, Spain, and Turkey

• **Central / Eastern Europe**: Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Lithuania, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.
Focus on Europe
Trends in TT2030 that will affect Europe (John Kester)
Chapter 1

European Tourism – The current situation

Trends and recent performance in European tourism

- In 2012, Europe accounted for 52% of the world’s inbound tourism, attracting 534m international tourist arrivals.
- Europe recorded US$ 458 billion in tourism earnings (in absolute terms), equivalent to 43% of the world’s total tourism receipts, the largest share by region.
- European tourism has grown at a variable rate since 2009.
- There have been significant variations in recent growth rates across European regions – with South East (SE) Europe and Central / Eastern Europe experiencing more rapid growth than the mature destinations of Western and Northern Europe, and Southern / Mediterranean Europe.

Market resilience and growth

- Destinations in Western and Northern Europe, and Southern / Mediterranean Europe have typically experienced resilience in their core established markets (generally the mature European and, to a lesser extent, North American markets) with stronger growth rates from emerging BRIC and Asian economies.
- Destinations in SE Europe and Central / Eastern Europe identified the mature European economies as significant growth markets. Long haul markets, like North America, are not so important.
- Central / Eastern Europe destinations emphasised the current importance of markets in neighbouring countries, particularly Russia.

Short term outlook and future strategies

- The general outlook is positive for the next year to two years, particularly among Central / Eastern European states.
- Member States are adopting a range of measures to capitalise on potential growth markets, including marketing and promotional activities, mega-events, new product development, airline route development, and market diversification.
- There are some differences across Europe. For example, mature destinations in Western and Northern Europe are typically focusing on marketing activity. Countries in SE Europe, and Central / Eastern Europe are more likely to be looking at broader development programmes.
Trends and recent performance in European tourism

Since 2000, international arrivals to Europe have increased by 38%. Growth has been more significant in Central / Eastern Europe – up 61% since 2000. The pattern in Northern Europe and Southern / Mediterranean Europe has been broadly the same as the European average. Growth in Western Europe has been slower, up 19% since 2000. Growth across Europe has been variable since 2009.

In 2012, Europe attracted 534 million international tourist arrivals out of 1.035 billion arrivals, representing 52% of the world’s inbound tourism.

Growth across Europe has been variable since 2009.

UNWTO’s World Tourism Barometer (June 2013) shows that in 2010, international arrivals to Europe were up 3.0% over 2009 (compared to global growth of 6.4%) up 6.4% in 2011 (over 2010 - exceeding global growth of 4.8%) and 3.4% in 2012 (slightly below the global figure of 4.0%). In all European regions, arrivals now exceed pre-crisis levels.

The survey of UNWTO’s European Member States investigated their recent performance. Responses highlighted that tourism has generally increased in the last 12 to 24 months. The majority of Member States indicated that tourism levels were up, with approximately 2.2

Variable growth rates:
The volume of international arrivals to Europe grew by 10.0% from 2010 to 2012. Central / Eastern Europe performed better (up 17%). Southern / Mediterranean Europe was the same as the European average (10%). Growth in Northern and Western Europe was at a slightly slower rate (at 3% and 8% respectively).

Growth in international arrivals is summarised in the following chart. Figures are indexed to the 2000 base.

Recent trends in tourism levels among European Member States

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<td>Europe</td>
<td>388.0</td>
<td>448.9</td>
<td>485.6</td>
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<td>Northern Europe</td>
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<td>Western Europe</td>
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<td>Central / Eastern Europe</td>
<td>69.3</td>
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<td>Southern / Med Europe</td>
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International Tourist Arrivals to Europe (million)

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International tourist arrivals to Europe

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<td>2012</td>
<td>160</td>
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The following chart summarises performance, reported by Member States, over the last 12 to 24 months. NB these data should be seen as indicative of trends as Member States reported their current performance over slightly different periods.
South East Europe

is the most buoyant area and most Member States in this region indicated they are up significantly. Specific examples included Albania, Bosnia-Herzegovina, Croatia and FYR Macedonia. Member States in Central / Eastern Europe also exhibited relatively strong growth, such as Armenia, Azerbaijan, Georgia, Poland, Republic of Moldova, Russian Federation and Kyrgyzstan.

The more established and larger destinations of Southern / Mediterranean Europe, and Northern and Western Europe have experienced more modest growth but their pattern over the last 12 to 24 months has generally been positive.

While the majority of Member States have experienced growth even if in some cases, for example Slovenia, Belarus, Hungary, this has been relatively modest) some countries reported their inbound visitor markets were slowing down.

European Markets

This section provides an overview of how markets have behaved for Member States in recent years. Further insight is given to future market prospects, particularly from the BRIC economies, in Chapter 2.

Member States, in the survey, highlighted that market resilience in the years since the 2008 economic crisis has been uneven, with regional differences. Typically, Member States indicated that their neighbouring countries formed the core of their inbound markets, and as such, relative performance depended to a large extent on the performance of regional and neighbouring outbound markets.

Member States in Northern and Western Europe described a mixed picture:

• A number of countries, e.g. Germany, the Netherlands, and Austria, reported general resilience in visits from neighbouring countries, which are typically Western and Northern European. Both Germany and Austria pointed to growth from their neighbouring Eastern European

Currencies: In Switzerland and Norway currencies have been relatively strong. This combined with other economic pressures on their traditional markets has impacted inbound tourism.

Steadily climbing: In 2012, Turkey received 36 million foreign tourists, making it the sixth largest inbound destination in the world.

• However, this was not universal. For example, despite overall tourism increasing, Norway’s core markets declined in relative terms with new markets contributing significantly to the growth in its inbound arrivals. Similarly, the Netherlands highlighted that visits from the UK and Mediterranean countries were down.

• Some countries (e.g. Germany, the Netherlands, France, and Switzerland) reported increases in their long haul markets. Switzerland identified recent growth rates of between 10% and 46% from Asia Pacific countries, and Germany experienced growth of over 20% from the BRIC countries.

• Some Member States, such as Norway, reported an increase in their domestic market.

In Southern / Mediterranean Member States there was a similar picture to Northern and Western Europe:

• The main markets for Southern / Mediterranean countries are typically Western and Northern Europe (Germany, UK, France, the Netherlands, Switzerland, and the Nordic countries) and other Mediterranean countries (e.g. Portugal, Italy, and Greece). The USA was also highlighted as a core market by both Italy and Israel.

• These markets were typically seen as being resilient in recent years.

• For the Mediterranean countries, growth markets are generally from emerging outbound markets; the Russian Federation was most commonly referred to but the other BRIC countries were also mentioned. A number of countries have also experienced rapid growth from other Eastern European countries, particularly Ukraine and Poland.

Member States in South East Europe showed a different pattern to the mature destinations of Western and Northern, and Southern / Mediterranean Europe, experiencing rapid growth from mature European markets:

• South East European Member States emphasised the importance of markets from neighbouring countries (similar to Northern, Western and Southern / Mediterranean regions). In particular, all SE European Member States highlighted the strength of the German and Italian markets, and central European countries are also important.

• However, in contrast to Western and Northern, and Southern / Mediterranean Europe, the German market and other Western European markets, such as UK, France, and the Netherlands, were seen as not only resilient but as generating rapid growth for South East Europe. This growth exceeded 20% for a number of countries, e.g. Montenegro, Albania, and Slovenia. The Italian market was less robust.

• Long haul markets were less frequently mentioned as important or providing rapid growth.

Market resilience: Malta’s experience of resilience among its markets has varied according to the particular crisis. For example, during the Libyan Crisis the English language markets were down and in the economic downturn, MICE markets were affected most.

Neighbouring markets: Nearly 90% of inbound markets for Belarus are from neighbouring countries. For Kyrgyzstan, 96% of arrivals were from Commonwealth of Independent States (CIS) countries.

Member States in Central / Eastern Europe emphasised:

• The importance of markets from surrounding countries.
• That the Russian Federation was the key market in Central / Eastern Europe. This contrasts with Western and Northern, and Southern / Mediterranean European states where it was seen as an emerging market.
• That Western European markets like UK, Germany, Italy, Austria, and France were important existing markets and/or rapidly growing markets for most states.
Member States have introduced a number of specific measures to address the impacts (or exploit the opportunities) of the global economic crisis on their markets, including:

- Reducing VAT and / or hotel tax rates. For example, Albania and Cyprus reduced their Hotel Taxes from 5% to 3% and 8% to 5% respectively in order to stimulate trade.
- Increasing the budget of the National Tourism Organisation (NTO), e.g. Germany. Some NTOs on the other hand, such as Austria, have streamlined their budgets.
- Croatian governments have created Action Plans for Tourism for each year since 2009. These have included temporary visa suspension for citizens of the Russian Federation, Ukraine, India, and China. (NB When Croatia enters Schengen its scope for visa suspensions for growth markets such as Russia and Ukraine will be reduced). The Action Plans have also included measures such as developing an Investment Catalogue and associated legal changes to stimulate external investment.
- A new employee benefit system has been introduced in Hungary (the Szechenyi Recreation Card) which aims to stimulate the domestic market place.

Short term outlook and future strategies

The general outlook is positive over the next few years. Most Member States are optimistic about prospects and the general expectation is for growth. This is particularly the case among the buoyant Central and Eastern European States which in many cases are anticipating significant growth. Smaller destinations such as Monaco and Israel are also expecting relatively significant growth (8% per annum for Israel) over the next two years.

Elsewhere, a number of countries are expecting more modest short-term growth, or are uncertain about specific forecasts – examples include more established destinations such as the Netherlands, Switzerland, Turkey, Spain, France, and Croatia.

However, not all Member States are optimistic and a number expressed some uncertainty about the immediate future e.g. Slovenia. Cyprus and San Marino are anticipating arrivals to remain steady in the short-term.

Member States are adopting a range of measures to capitalise on potential growth markets. These include:

- Marketing and promotional activity. Increasing marketing activity is a common response. Member States like Germany, France, Switzerland, Austria, and Israel indicated increased activity, particularly in the BRIC markets (see Chapter 2) but also in Eastern Europe and certain long haul markets. Croatia highlighted joint marketing work with Slovenia in long haul markets. A number of other countries, such as Republic of Moldova, Turkey, Belarus, Georgia, and Romania, also emphasised the need for more marketing activity. Greece and Israel pointed specifically to a focus on new media, e-marketing and social media.
- Development of new products. A number of Member States have development programmes, often as part of long term strategies. Examples include:
  - Norway is focusing on developing activity holidays, with an emphasis on the experience not places.
  - Albania is developing a range of new products e.g. cultural tourism, adventure tourism, ecotourism etc.
  - Serbia is looking at a number of themes e.g. nature, culture, wellness, food and drink, adventure, MICE etc. The importance of cross border tourist itineraries e.g. the Danube, and Roman Emperors’ Road has also been noted.
  - Azerbaijan is increasing state investment in culture and tourism, and museum development.
  - Lithuania has a National Development Programme (2010-2013) looking at integrated development across different sectors.
  - Relaxing visa and border procedures. Travel facilitation measures are considered important by a number of countries e.g. Armenia, Azerbaijan, Georgia and Greece, with the latter identifying the Russian Federation and Turkey.
  - Simplifying legal frameworks. For example, Greece is simplifying licensing for tourism enterprises.
  - Improving airline accessibility and capacity. This was highlighted by a number of States including San Marino, Israel, and Georgia. Malta considers increasing airline accessibility to be the centrepiece of its strategy - as direct scheduled flights have increased so has the number of visitors.
  - Market enlargement and diversification. The Czech Republic is increasing and diversifying the market mix through emerging markets as a key strategic measure. Market diversification, allied to increased airline accessibility, has been important for Malta and has helped to reduce its reliance on traditional tourist operator business.
  - Mega-events. These have been an important element of tourism development for a number of countries, such as Poland and Ukraine (EUFA Euro 2012), Azerbaijan (Eurovision Song Contest 2012) and Slovakia (Ice Hockey World Championship 2011).

There are some differences in the measures adopted across Europe. For example, mature destinations in Western and Northern Europe are typically focusing on marketing activity. Countries in South East Europe, and Eastern / Central Europe were more likely to be looking at broader development programmes such a developing new products, relaxing visa procedures, market diversification and mega-events.

**Marketing and promotional activity.** Spain’s approach in emerging markets is to improve the awareness of the country brand, which is seen as relatively low compared to more established markets. In its mature markets, Spain has concentrated on retention, cross-promotion and up-selling strategies.

### Urban destinations: A number of Member States, including Switzerland and Slovenia, highlighted that city / urban destinations have been the most resilient. This might reflect a move to shorter impulse (and discounted) trips.
Tourism: Spain’s number one economic activity

Today there is no doubt that tourism is a priority to Spain, both as an economic engine and a wealth creator.

In general, it is understood that tourism has a significant impact on other economic and social activities by being able to influence other productive sectors in addition to creating growth expectations that are hard to imagine in other areas.

Spain is a world leader in tourism. According to the UNWTO, we are the second destination for international tourist expenditure in the world rankings and fourth in number of international tourists. Also corresponding with figures provided by Eurostat, it is the first European tourist destination and the third world tourism destination for meetings and conferences according to International Congress and Convention Association.

At present, our national tourism industry is in a period of expansion, which is reflected through increasing its weight in the Spanish economy in terms of GDP and employment, acting as a real engine of economic recovery. In 2012, tourism accounted for 11% of gross domestic product, and as reported by the latest estimates, generated 11.9% of total employment.

During 2012, the country has received a total of 57.7 million international tourists, an increase of 2.7%, or about one and half million additional tourists over the previous year.

Also during 2012, international tourists’ expenditure has increased by 5.7% over the previous year, to 55.94 million euros, an increase that was accompanied by growth in both the average expenditure per tourist as well as their daily expenditure. In a context marked sharply by recession in our main markets and in our own economy, we find that Spain has received more tourists than in previous years, and that these tourists have spent more.

In 2012, tourism revenues have generated a surplus in the sub-scale tourism and travel of the balance of payments of 31,610 million euros, which was sufficient to cover the deficit of the trade balance around 123%, unparalleled figures in the last 15 years to reduce our dependence on foreign resources.

Thus, the coverage rate of the trade deficit, output generated, the positive impact on employment and the volume of foreign exchange earnings that accrue to the Spanish economy confirm that tourism is a priority sector and highlight their future ability to mobilize other sectors.

The Spanish tourism industry has been guiding the foreign market since the beginning of its development in the second half of the last century. Spain’s tourism brand is a reality that has developed over decades and our country is associated with an image linked to holidays, the light and heat of the sun, to hospitality, to the authentic … all attributes that ultimately link to the concept of happiness. Spain’s tourism brand clearly forms a prominent part of our national brand and reflects the success of an activity for which Spain seems to be especially gifted.

In addition to the natural conditions (8,000 km of coastline and 1891 hours of sunshine a year) and its friendly and hospitable nature, Spain has other elements that strengthen its leadership position, highlighting the breadth, quality and variety of its resources, its tourism offerings and its infrastructure network. With 43 Statements of Heritage, Spain is the second country in the world in this kind of distinction. It also ranks third in the world in a number of natural areas declared Biosphere Reserves by UNESCO (40). It is also the third country in the world by number of hotel beds (3.3 million beds). The Spanish high-speed rail network is the largest in Europe, and second worldwide in length. Spain also turns out to be the third European country by number of passengers carried by air, with 55 airports, and the first in kilometers of high capacity roads for cars.

Spain has a range of globally recognized food and wine. We are at the epicenter of the Mediterranean diet and we have a huge variety and quality of food products that are the basis of a diverse cuisine and nutritionally impeccable. And most importantly, in Spain you can enjoy a healthy meal while cultivating hospitality, conversation and friendship.

However, our tourism model is a model ripe with moderate growth rates, which moves in an environment of increasingly strong competition and change. For a sector that is emerging from the recession, it is facing a number of challenges such as maintaining a differential positioning supply, improve the economic and social development of tourism and sustainable business models for both the target and for companies.

Therefore, it is essential to move towards responsible tourism in all aspects: economic, social and environmental, in a way that is capable of promoting sustainable growth. And in this endeavor we are all committed to both the public and the private sector. This commitment has led us to launch the National Plan and Comprehensive Tourism, which aims to improve the competitiveness of both companies and destinations and support our country’s global leadership in this sector. This Plan has led to a closer relationship between the private sector and the administration with the aim of concentrating efforts, optimize available resources and, ultimately, achieving higher levels of participation.

In conclusion, all of our achievements are the result of the enhancement of the structural strengths and competitive leadership of our tourism industry. These are attributes which are being promoted through a combination of corporate and institutional efforts, the implementation of a policy related to sustainable development and directed at defending the Spanish position in the international arena, clearly betting on knowledge, innovation and sustainability.

And all this with a clear objective: to create greater jobs in terms of quantity as well as quality, and offer people a better quality of life.
Today’s online travel consumer has high expectations from social media, and the Slovenian Tourist Board (STB) wants to exceed these expectations with its 2011 Social Media Marketing Strategy. The aim was to develop a holistic digital marketing approach targeting different stages of a visit – i.e. the initial planning and decision-making process of a trip to Slovenia, providing useful visitor information while being in Slovenia, and utilizing attractive social media tools for sharing their memorable experience upon their return home.

STB recognize people are passionate about travel and love to share their holiday experiences via social media. They also identify that social media needs great content to keep people interested and involved. Branding has become personal and the brand “I feel Slovenia” has started to communicate with individuals, with its own tone of voice and has established its own online identity.

STB has been proactive in using the latest developments in digital tourism to fully engage its customers and its partners by:

- Raising the visibility and awareness of Slovenia as a tourist destination via social media;
- Improving the Slovenia brand and strengthening brand identity on/via the Internet;
- Increasing the number of visitors and bookings on the www.Slovenia.info site;
- Promoting and establishing wider communication about Slovenia on the Internet;
- Ensuring presence and support to the customers before, during and after trips; and
- Being creative and innovative in social media activities.

The Strategy included the following:

- Selection of appropriate social media channels (based on available resources, and goals and objectives) where STB should invest;
- Development of an appropriate content management strategy to accompany every channel;
- A specific digital media operational plan with appropriate resources and activities definition.

STB have identified the importance of organisation-wide collaboration and coordination and involve the STB management, staff, foreign offices and key Slovenian tourism stakeholders in the main social media activities. There has been a willingness among the tourism industry to interact with STB and local tourism organizations have been keen to incorporate social media into the marketing mix. However, only a few have determined the best way to achieve this.

However, the STB’s use of social media has been confronted with some challenges – e.g. by offline factors such as weak global brand awareness. STB believe that social media should be integrated with traditional media (e.g. press, an online information portal, etc.) for support and to improve awareness.

The Slovenian Tourist Board’s established online presence has included successful online partnerships and initiatives such as a series of Facebook advertising campaigns for nearby markets, which resulted in higher awareness, sales turnover and partner satisfaction. Current STB’s social media channels include Facebook, Twitter, YouTube; Foursquare, LinkedIn and WAYN.

Source: Gregor Kralj, Head of e-Business, Slovenian Tourist Board.
Russia is a unique country with inimitable beauty, rich history and cultural heritage. In 2012, 25.7 million international tourists travelled in Russia, representing an increase of 13.4% compared to 2011. The government of the Russian Federation considers tourism to be one of the priorities in the Russian economy. In December 2011 the Federal Agency for Tourism started the “Inbound and Domestic Tourism Development Programme (2011-2018)”. This programme includes three main areas:

• capital investment in tourism infrastructure;
• tourism promotion inside the country and abroad; and
• improvement of the professional skills of tourism staff.

During 2011-2012 the national tourism administration of Russia held a large number of promotional events, including international conferences and fora, a roadshow in the European region, and a large-scale advertising campaign.

Within these conferences participants discussed issues related to global tourism development and perspectives for tourism in Russia. Topics covered a range of areas including increasing the quality and safety of services in tourism industry, resorts development, tourism development in small cities, event and social tourism, and tourism development in the Caspian region.

One of the most important events in 2012 was the Roadshow, which was organized in Paris, Berlin and London. The main goals of this project were to promote trade, investment and tourism opportunities in Russia, to build on international business partnerships that encourage tourism between Europe and Russia, and to benchmark European best practices.

The mission of the Roadshow was to increase awareness among the European travel trade about Russia as a destination with rich cultural and natural heritage, as a business and leisure destination with excellent MICE (Meetings, Incentives, Conferences and Exhibitions) facilities and as an attractive market for visitors and investors. This in turn would attract interest among these market areas and result in an increase in investment and sales volumes for promising Russian destinations.

The Roadshow is seen as an effective marketing tool, which contributes to the incoming tourist flow increase, and new investment in the Russian regions.

Source: Federal Agency for Tourism of the Russian Federation
Chapter 2
Markets – Future Projections

Long term forecasts for European tourism

- Long term forecasts are for continued growth, but at a moderate pace. Europe is expected to grow at a rate of 2.3% per annum to 2030.
- By 2030, it is anticipated there will 744 million international arrivals to Europe, compared to 475 million in 2010.

Europe’s BRIC markets

- The Russian market is the key BRIC market for Europe. It is about the same size as the US market.
- The Chinese market (at about a quarter of the size of the Russian) is the second largest BRIC market for Europe. This is followed by Brazil and then India.

Growth from emerging markets

- Member States in Europe are generally reporting strong growth from emerging markets.
- However, in absolute terms, many emerging markets are small for Member States.
- The reported pattern of growth from individual emerging markets varies across Europe.

Growth expectations

- The general expectation was for continued growth from emerging markets.
- Most commonly, the focus and expectation of growth is from the Russian market, followed by China.

Market development strategies

- BRIC countries are only part of market development strategies for Member States. Many Member States consider a whole range of countries and world regions to have equal or greater importance than BRICs.
- However, BRICs featured strongly in longer term planning.
- Member States are pursuing a range of strategies to develop emerging markets. These include increased marketing, new tourism offices, agreements with tour operators, market research on key markets, simplification of visa procedures, development of air routes, and product diversification.
Long term forecast for European tourism

Long term forecasts for European tourism are for continued growth, but at a moderate pace. The UNWTO, in Tourism Towards 2030, forecasts an annual growth rate in international arrivals of 3.3% globally. Europe is expected to grow at a slightly slower rate - 2.3% per annum, with regional variations (see chart below).

By 2030, it is anticipated there will be 744 million international arrivals to Europe, compared to 475 million in 2010.

UNWTO Member States are generally anticipating longer term growth. The general expectation is for growth from non-neighbouring markets, so there are variations across Europe. For example:

- Southern /Mediterranean European countries identify potential growth from a range of areas including Northern Europe, North America, and Russia.
- Countries in Central / Eastern Europe, and South East Europe expect growth from Western European markets.
- Among Western European countries the expectation is for continued growth from long-haul, BRIC and Eastern European markets (especially Russia).

Europe’s current BRIC markets

European destinations are increasingly looking at BRIC markets to boost arrivals and spending. The following table summarises the current size of BRIC markets in Europe, which part of Europe they are visiting, and projected growth to 2017. For comparison, the US market has been included in the table.

<table>
<thead>
<tr>
<th>Size of BRIC and USA Markets to Europe</th>
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<tbody>
<tr>
<td><strong>Outbound Market Size</strong></td>
</tr>
<tr>
<td>(million trips 2012)</td>
</tr>
<tr>
<td>Brazil</td>
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<tr>
<td>---</td>
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<tr>
<td>Total trips</td>
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<tr>
<td>Trips to own world region</td>
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<tr>
<td>Long haul trips</td>
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<tr>
<td>European trips</td>
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<tr>
<td>Northern Europe trips</td>
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<tr>
<td>Western Europe trips</td>
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<tr>
<td>Southern / Mediterranean Europe trips</td>
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<tr>
<td>Central / Eastern Europe trips</td>
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<table>
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<tr>
<th>% of trips to Europe</th>
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<tbody>
<tr>
<td>Northern Europe</td>
</tr>
<tr>
<td>Western Europe</td>
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<tr>
<td>Southern / Mediterranean Europe</td>
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<td>Central / Eastern Europe trips</td>
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<table>
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<tr>
<th>Growth to 2017</th>
<th>(％ change from 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Europe</td>
<td>58.3</td>
</tr>
<tr>
<td>Western Europe</td>
<td>23.8</td>
</tr>
<tr>
<td>Southern / Mediterranean Europe</td>
<td>4.4</td>
</tr>
<tr>
<td>Central / Eastern Europe trips</td>
<td>45.4</td>
</tr>
</tbody>
</table>
The table highlights that, in terms of number of trips, the Russian market is of key importance to Europe - generating nearly 27 million trips in 2012. This was about the same size as the US market for Europe (over 22 million). The majority of Russian trips were to Central / Eastern Europe (59%) Southern / Mediterranean Europe attracted 27% of Russian trips.

The Chinese market was the second largest BRIC market, generating 5.7 million trips, i.e. almost a quarter the size of the Russian market (21%). The majority of Chinese trips (60%) were to Western Europe. Brazil accounted for 3.0 million trips to Europe, with 45% to Western Europe, and India for 1.5 million trips, with 45% also to Western Europe.

Projected growth rates to 2017 vary by BRIC markets and regions of Europe. The highest projected rates are from the Indian market to Central / Eastern (88.5%), and Western Europe (60.9%). The Brazilian market to Northern and Western Europe show high rates, while the Chinese market is showing robust growth potential across all areas of Europe.

**Growth from emerging markets**

Individual Member States in Europe are generally reporting strong growth from emerging markets. In the UNWTO survey, European Member States typically indicated double digit growth from many emerging markets.

In Northern and Western Europe most countries reported significant growth. For example, Germany and France have seen recent growth rates of over 20% and 17% from BRIC countries respectively.

This was generally echoed among South East, and Southern / Mediterranean European Member States, with the Russian market particularly buoyant in a number of major destinations such as Spain, Portugal, Greece and Croatia. A number of states, including Greece and Turkey, also reported significant growth from Chinese and Brazilian markets.

There are slight differences between the different areas of Europe. The Chinese market is perceived as the more important growth market for Northern and Western European destinations, something reflected in the table above. The propensity of the Chinese to visit Western Europe might reflect a range of factors – business visits, educational visits but also the importance of shopping tourism.

**Connectivity:** The number of Brazilian outbound tourists to Israel grew by 79% between 2009-2010 due to the introduction of a direct flight between Brazil and Israel. The impressive growth has been consolidated since then. Some smaller Member States noted that, due to their size, they do not necessarily have the pull or connectivity and infrastructure of other destinations in long haul markets. They are looking at more modest growth rates from BRIC countries.

For South East, and Southern / Mediterranean destinations, it is the Russian market that is perceived as the most important.

Among Central / Eastern European countries growth from BRIC countries is more varied. For most Member States (e.g. Lithuania, Poland, Bulgaria, Azerbaijan, and Belarus), the Russian market is already a core market and is showing steady growth. For a number of Central / Eastern Member States growth from the other BRIC countries (China, India, and Brazil) is not significant, particularly in absolute terms.

Some countries reported significant recent growth rates. For example, Georgia identified growth rates in the last six months of 2012 of 74% from Russia and 69% from China – largely due to the establishment of a visa free policy with Russia in March 2012 and Approved Destination Status with China as of February 2012. The more established Czech Republic reported growth rates of about 20%, although these varied slightly according to markets, whilst its neighbour Slovakia reported 70% growth from India, 53% from Brazil and 42% from China. However, many emerging markets are still small. This is generally the case across Europe. In Northern and Western Europe, the Netherlands, Switzerland, Austria, and Norway all identified the BRIC markets as being relatively small. In Norway, for example, the Russian and Chinese markets are only about 1% of inbound visits. This is echoed in Southern / Mediterranean Europe - where, for example, Spain indicates that visits from China and India are modest. It also applies to many Central / Eastern European countries. Bulgaria reports that its Russian market is 30 times the size of its Chinese one, whilst Azerbaijan indicates its markets from China, India and Brazil are very small. In the case of Slovakia, visits from China, India and Russia are less than 1% of its inbound markets. The picture is similar in Poland, Kyrgyzstan, and Hungary.

**Spain’s Russian market:** Spain is experiencing a boost in big-spending Russian tourists. This growth has been credited to the rise in the number of direct flights to Spain, easier visa rules, and the growing appetite of Russia’s rapidly expanding middle class for foreign travel.

Growth expectations

The general expectation is for continued growth from emerging markets.

Most commonly the focus and expectation of growth is from the Russian market — probably a reflection of its current importance to many areas of Europe.

China was the next most mentioned emerging market that Member States are expecting growth from. Brazil and India are less frequently mentioned, although France and Germany are expecting growth from Brazil, and Switzerland identifies India as having strong growth potential.

Market Development Strategies

BRIC countries are only part of market development strategies for Member States. For most Member States a whole range of countries and world regions are seen as having equal or greater importance than the BRIC countries. Reasons for this could vary from market to market and include geographical proximity and connectivity, ease of reaching and influencing markets, cultural similarities, current market size, and relative spend and yield.

Priority markets include advanced economies, for example:

- Western Europe—identified as a priority by Member States throughout Europe. Most Member States in Central / Eastern Europe identified Western Europe as priority, in particular Germany, followed by the UK and Italy.
- North America.
- Turkey.
- Japan (but less frequently mentioned).

Priority markets among emerging economies included:

- The Gulf States.
- South East Asia, particularly Korea, Taiwan.
- Eastern Europe, particularly Ukraine, Kazakhstan and Poland.

Member States are pursuing a range of strategies to develop emerging markets.

These include:

- Increased marketing utilising a number of different channels and techniques including exhibitions, digital media and press and familiarisation trips. This was mentioned by most Member States.
- Opening new tourism offices in target countries. For example, Netherlands, Monaco and Israel opened offices in China, Brazil, and India, and Spain opened an office in India and a second office in China.
- Agreements with tour operators, including Azerbaijan with China, and San Marino with Brazil, China and the Russian Federation.
- Market research on key markets, as indicated by the Czech Republic and Montenegro.

Barriers to BRIC development. France identified some challenges to the development of the Indian market. These included food issues, language barriers and the greater competitiveness of Commonwealth countries.

Russia - a growth market. The Russian Federation is seen as a growth market in Member States across all areas of Europe. Examples include Austria, Albania, Croatia, FYR Macedonia, Slovenia, Cyprus, Belarus, Bulgaria, Lithuania, and Poland.

The Next Eleven: Austria’s NTO highlighted the Next Eleven (N-11) as the next emergent markets on the horizon. These are seen as having the potential to become part of the world’s largest economies in the 21st centuries. They include: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, Turkey, South Korea, and Vietnam.

Gulf countries: Germany and Switzerland have experienced, and expect to continue to experience, considerable growth of inbound tourism from the Gulf countries, due to intensified marketing campaigns and simplification of visa procedures.

J oint marketing: The Visegrad Countries (the Czech Republic, Hungary, Poland, and Slovakia) which were undertaking active collaborative marketing activity in China, India, Brazil, and the Middle East under the common slogan “European Quartet – One Melody”.

Russia – a growth market. The Russian Federation is seen as a growth market in Member States across all areas of Europe. Examples include Austria, Albania, Croatia, FYR Macedonia, Slovenia, Cyprus, Belarus, Bulgaria, Lithuania, and Poland.
• Trip extension. France is looking to reposition itself in certain markets from a transit destination to an end destination.

• Seeking to develop direct flights. For example, Cyprus identifies the lack of direct flights to China and India as a key obstacle to the development of these markets and is looking to develop flights. Malta also highlights airline gateways as key, and Italy has worked to get better flight connections.

• Product diversification. For example, Italy comments that it is seeking to develop new tourism products which appeal to the different cultures and requirements of targeted emerging markets. Azerbaijan is focusing on common heritage products with China, e.g. the Great Silk Way. Romania and Moldova have developed a common "Wine Route".

Product diversification. Greece is looking at developing the Chinese market through its core assets but also through diversification. Through its Operational Programme ‘Competitiveness and Entrepreneurship’ 2007-2013, the Greek Ministry of Tourism has been providing financial aid for private tourist investment plans which include ‘Green Tourism’ projects, aimed at improving the quality of the services offered by the tourism facilities as well as the ‘Alternative Tourism’ Programme which focused on investments from tourism businesses offering alternative forms of tourism such as sports, cultural, maritime, rural, gastronomic, health and wellness tourism.
Europe has traditionally been the main market for Turkey, but there has been a sharp slowdown in the travel volume from this market due to the economic recession in Eurozone countries. However, in 2011, the growth rate of inbound trips from relatively new markets like China, India and Brazil was significant. For example, in 2011, travel volume to Turkey from Brazil grew by 37% compared to 2010. Similarly, the growth rate of trips from both China and South Africa to Turkey exceeded 25%. The Russian Federation also remains a key incoming market for Turkey with a growth in trips of 12%.

In response to these changes in the global travel market, Turkey has recently focused on diversifying its marketing and promotional activities. The focus has been directed towards relatively new markets, particularly Asia and South America and intensive promotional campaigns are being carried out in these markets.

Activities include:

- To develop economic, trade and tourism relations, Turkey has signed 53 visa exemption agreements since 2003. This has resulted in an increase in the number of incoming foreign visitors, especially from the Russian Federation. The visa exemption has also improved mutual cooperation, promotional campaigns, and tourism training.

- In the Far East market, as a result of the intensified cultural relations with China, 2012 was declared as ‘Chinese Culture Year’ in Turkey, and 2013 is being celebrated as ‘Turkish Culture Year’ in China.

- Turkey also actively participated in ‘The Living Ocean and Coast: Diversity of Resources and Sustainable Activities’ of Expo 2012, held in South Korea.

- In the South American market, numerous familiarisation trips for agency representatives from Brazil took place during 2012.

Reflecting these changes in the marketplace, Turkey has reviewed its Culture and Tourism Offices which are responsible for carrying out promotional activities abroad. Until 2012 international marketing and promotion had been conducted through 40 offices in 37 countries. After the review, Turkey operates from 39 countries with a total of 44 offices. Recently established centres include Shanghai, Sao Paolo, Petersburg, Tunis, Sydney, and Toronto.

Source: Ministry of Culture and Tourism of Turkey.
Introduction

Italy has identified that long-term growth is closely linked to the increasing arrivals from BRIC countries. The Italian strategy for capturing these markets is aimed at:

- Innovating and diversifying the offer to meet the needs of people belonging to different cultures;
- Connecting tourism to the creative industry and participating in the development policies (transport, infrastructure, education, training etc.) carried out for the promotion of the whole national economic system abroad;
- Encouraging inter-institutional initiatives aimed at increasing the presence of Italian products and expertise in those countries;
- Reinforcing and implementing bilateral agreements signed in the past years, and also a renewal of their visa policy;
- Spreading the “appeal” of Italy through a strong and seducing communication campaign.

Creative promotion ‘Italia comes to you’

The promotional campaign ‘Italia comes to you’ has been run in Brazil, China, India and the Russian Federation during 2011 and 2012.

The initiative was entirely managed by the National Tourism Board ENIT through government funds from the Department for Development and Tourism Competitiveness. It involved the Italian institutions in those countries and was supported by an extensive communication campaign through local media, the press and the internet.

The projects aim was to build on the Italian appeal by enhancing the knowledge of the culture and way of life. The initiative’s main feature and guiding principle was based on a project plan called ‘Italy in the eyes of foreign artists’: months before the events, ten artists from four BRIC countries, together with reporters and journalists, visited Italy and created works of art dedicated to Italy. These were later displayed at exhibitions in the three main cities of interest in their countries. Thanks to the cooperation of the Ministry of Cultural Heritage and Activities, several works from the Italian ‘Rinascimento’ - considered appealing for the involved markets - were brought together, next to these artists’ works. The aim was to provide visitors with a two-fold vision of the Italian heritage, the original one and the other closer to their perceptions and feelings.

China

In China ‘Italia comes to you’ took place in the cities of Guangzhou, Beijing and Shanghai. The three events in China attracted more than 120,000 participants, about 150 credited journalists, 15 TV channels and many radio stations, which broadcasted a large number of special reports.

Brazil

In Brazil ‘Italia comes to you’ involved the cities of Sao Paulo, Porto Alegre and Rio de Janeiro. Each day of the event was dedicated to a specific type of tourism: from cyclotourism to the luxury segment, from the wine and food offer to the cultural heritage, and from the cruise offer to sustainable tourism. Finally, a considerable space was reserved to the promotion of Italy as a location for foreign cinema productions.

Russian Federation

The first campaign took place in 2011 in the cities of Moscow, St. Petersburg and Ekaterinburg. Mostly held outdoors, the events had the benefit of a huge aerodrome structure, which made it possible to stage exhibitions, concerts, and fashion shows. Specific areas were dedicated to marketing and B2B meetings. In total, about 70,000 Russians visited ‘Italia comes to you’.

India

The ‘Italia comes to you’ campaign opened in Mumbai at the Nehru Centre, later moving on to Delhi’s International Exposition Centre of Noida, finally ending up in Bangalore at Jay Mahal - Palace Ground.

Other target countries

After the success in 2011 in Russia, ENIT then re-launched a promotional campaign in Kiev (Ukraine) in 2012. Similar promotional events have been taking place in Mexico and others will be held in Argentina, in order to revive the so-called ‘back-home’ tourism of Argentinean citizens of Italian origin to the country of their fathers.

Source: Ministry of Regional Affairs, Tourism and Sport.
Budget airlines in Hungary

The early development of the market can be characterised by the following stages:

In spring 2003, the “pioneer” Snowflake Airlines (established by the SAS) landed in Budapest Airport from Stockholm. A month later Germanwings arrived with a Cologne/Bonn – Budapest route.

In November 2003 SkyEurope was the first low-cost airline to be based in Budapest, with planes that were licensed in Hungary, operating flights from Budapest to London and Paris.

Following these beginnings, there were significant developments in 2004:

- After Hungary’s accession to the EU Air Berlin, EasyJet and the Italian AlpiEagles flights arrived to Budapest.
- SkyEurope further broadened its route network.
- In June Wizz Air started its operation and established its base at Budapest Airport with routes to London, Rome, Paris, Prague, Barcelona and Athens and, after a few months, they expanded their network with other destinations.
- New entrants from the UK soon appeared on the Hungarian market, providing affordable air fares for travellers. Since the end of 2004, Jet2.com offers flights between Manchester and Budapest and Irish Ryanair arrived two years later in October 2007, offering low-cost flights from Ireland (Dublin), UK (Glasgow, Liverpool, East Midlands, and Bristol) and Germany (Frankfurt-Hahn, Bremen).

As a result of the appearance of low-cost carriers (LCCs) in the market, the number of passengers at Budapest Airport almost doubled during the period of 2001-2011, increasing from 4.6 million to 8.9 million passengers per year.

New routes and capacities at Budapest Airport

The void left behind by Malev Hungarian Airlines, which ceased operations in February 2012, offered another business opportunity for air carriers both flying in and establishing hubs in Budapest. Due to the Malév termination, the number of flights decreased by 25%, but the number of passengers only dropped by 13%. Visits from the 12 major markets shrank by less than 3%. Italy and Sweden were the two most affected countries with a 24%-20% decline in travellers.

After the elimination of Malév, LCCs immediately increased their frequencies on existing routes or introduced new destinations. Traditional airlines also increased their capacities by using bigger aircraft. As a result of these measures the seat capacity of low cost airlines from Budapest has increased by 31%. The most important service providers are currently Ryanair and Wizzair.

Following these changes no major decline is forecast on the Hungarian market. According to the statistics of CSO, between January and June 2012 the international tourist flow did not decline. On the contrary, there has been substantial growth from several traditionally flight-dependent markets, including Russia (+34.8%), Netherlands (+27.9%), Ireland (+23.8%), Italy (+20.9%), Belgium (+16.1%), Sweden (+15.4%), and Spain (+11.4%).

The Hungarian National Tourist Organisation (HNTO) provides assistance through the Air Marketing Fund to further increase the accessibility of Hungarian cities. The fund is raised by the airlines and service providers, and doubled by HNTO. Within this framework joint marketing campaigns have been developed and implemented in cooperation with stakeholders. The aim is to promote sustainable growth not only at Budapest Airport, but also at regional airports like Debrecen (Eastern Hungary) and Sársomló (Western Hungary).

Source: Ministry for National Economy of Hungary.
Europe continues to face economic difficulties. Long haul tourism is an important growth industry for Europe, however there is increased competition from the US, South East Asia and other destinations looking to win market share by improving visa accessibility and tourism board activity. One of the key drivers for long haul tourists to Europe is the ability to claim back sales tax and enjoy tax free shopping.

The nine Chic Outlet Shopping Villages in Europe, developed and operated by Value Retail, are globally recognised as leading luxury shopping tourism destinations. The Villages are each strategically located within easy reach of some of Europe’s favourite gateway cities – London, Dublin, Paris, Madrid, Barcelona, Milan, Bologna, Brussels, Antwerp, Cologne, Frankfurt and Munich.

In 2012 the Villages welcomed over 30 million guests and total sales increased by 13% compared to the previous year. This is largely driven by the continued growth in long haul tourism to the Villages. Since 2006 the collection of Villages has achieved, without exception, consecutive quarters of double-digit growth in tax refunded sales generated by non-EU guests. Tax refunded sales for the Chic Outlet Shopping Villages in 2012 increased by 42% compared to 2011, with non-EU visitor spend up by 9% to an average of €295.

The Middle East and Russia were the largest contributing markets to the collection respectively.

Year-to-date (to the end of week 24) 2013 total sales have increased by 11%, with spend per visit up by 9% compared to the same period last year. Tax refunded sales from January to April also grew by 43% compared to the prior year. China and Russia continue to be the strongest contributing markets accounting for 44% of the total tax refunded sales.

China continues to drive growth in the luxury goods segment, with Chinese visitors representing 31% of the total sales in the Chic Outlet Shopping Villages. We are also seeing the emergence of secondary cities not only in China but also in markets such as Russia and Brazil. The fastest growing markets include the Middle East, Kuwait, Qatar, UAE and Egypt. New emerging markets that are expected to become more important are Indonesia, Thailand and Turkey.

Shopping tourism has seen strong growth over recent years; however there are some issues that need attention:

- There needs to be greater focus on repositioning the travel and retail industries as desirable career paths in order to attract high quality workers.
- The tax refund process could be made less complicated and time consuming to attract more long haul tourists and a higher average spend.
- There continues to be complexity surrounding the Chinese visa application system in the UK. Visa complications have also deterred high spending tourists from the Schengen countries from traveling to the UK, instead opting for alternative destinations with simpler visa accessibility.

Source: Value Retail UK
Visa relaxation agreement with Russia on the Kaliningrad Oblast

Poland is a party to the Schengen Agreement and it applies uniform rules of the European Union visa policy as regards short stays (up to 3 months). The number of Schengen visa applications submitted in the Polish embassies and consulates is gradually increasing.

The impact of visa policy on Polish inbound tourism is significant. A considerable proportion of foreign tourists arriving to Poland come from neighboring countries covered by the Schengen area visa obligation, namely Russia, Belarus and Ukraine (about 25% of foreign tourists). In 2008, after Poland's accession to the Agreement, the number of foreign arrivals to Poland from Ukraine and Belarus dropped considerably. Levels have slowly recovered suggesting it has taken time for visitors, travel agencies and public authorities to adjust to the new conditions.

The issue of visas is therefore a key concern of Polish tourism industry. Consequently, the Polish Chamber of Tourism, the biggest country-wide trade led organisation of the industry, initiated a debate with the Polish authorities on the introduction of 'e-vouchers'. E-vouchers form part of the project "Innovative Programme on Activation of Inbound Tourism". In 2009 the Minister of Foreign Affairs and the President of the Polish Chamber of Tourism signed a Declaration on Cooperation in the Field of Activation of Inbound Tourism.

The Polish-Russian Local Border Traffic Agreement was signed in December 2011 and came into force in July 2012. The Agreement allows residents of border areas of each of the countries to cross the Polish-Russian border multiple times and stay on the territory of each of the countries for up to 30 days at a time, but not longer than a total of 90 days during each 6 months from the day of the first crossing of the border.

Required documents are a valid passport and a permit issued initially for 2 years, and subsequently for 5 years. It is not necessary to have a Schengen visa in order to go to Poland or a Russian visa to enter the Kaliningrad Oblast. Only the permanent residents of the Kaliningrad Oblast (part of the Russian Federation) and residents of border cities and poviatcs in Poland, situated on a part of territory of two voivodeships (provinces): Pomorskie and Warmińsko-Mazurskie, can apply for such a permit. The total number of residents covered by the agreement is approximately 3 million.

The Agreement will contribute to boosting tourism in the region, particularly shopping tourism. Areas on the Polish side of the zone are attractive destinations and cover e.g. the Polish Baltic Sea coastline with seaside resorts such as Sopot, Jastarnia, Hel, Krynica Morska, the historical city of Gdańsk, part of the Warmia and Mazury regions (abundant in lakes and forests), and unique architectural monuments, e.g. Castle of the Teutonic Order in Malbork (a UNESCO World Heritage site).

Source: Ministry of Sport and Tourism of Poland.
According to UNWTO, in 2012, a historic milestone was reached. For the first time in a single year, one billion tourists traveled the globe, a volume equivalent to one seventh of the world’s population. UNWTO also recognizes that this figure may increase up to 1.8 billion by 2030. The transformations are ongoing and decisively influence the tourism industry. Changes in the world’s tourism map.

In the early 80s, according to data from UNWTO, Europe received more than 180 million international tourist arrivals, holding more than 65% share of worldwide travel. In over 30 years, the landscape changed and despite the increase in the number of international tourists worldwide, and also in Europe, new destinations have emerged and may even supplant the European hegemony within a few years. Currently the European share of international travel is a mere 51%.

UNWTO estimates that, in 2015, emerging economies will exceed the developed economies in terms of the number of tourists received. Countries like China, India, Russia, Brazil and others of the Middle East have transformed international tourism and promise to dominate the industry in the near future.

The Old Continent

Despite the severe financial constraints that have affected the region in recent years, in 2012, international tourist arrivals grew by 3% in Europe, which remains the most visited region of the world. This is unequivocal evidence that the tourism sector is resilient and one of the most promising areas of economic growth and should therefore be regarded as an engine of recovery, especially for countries in crisis. Currently, the European tourism industry generates more than 5% of the European Union (EU) GDP, a number constantly growing, representing the third most important socio-economic activity in the EU. If the related sectors are also considered, the contribution of tourism to GDP in the EU amounts to 10%, corresponding to about 12% of employment. Employment growth in the tourism sector has almost always been higher than economic growth over the last 10 years.

Value for money

According to a 2011 report from Hotels.com, when comparing 2011 with 2010, from the period June/September, Spain had 85% increase in demand for hotels. The demand for hotels in Portugal also rose, registering an increase of 80% in the summer of 2011, compared to the same period of 2010. In relation to Greece, Italy and Ireland, the increase in on-line search for hotels in these countries was, respectively, 78%, 72% and 50%.

These were some of the countries most affected by the economic crisis and they are now experiencing flourishing tourism industries. There is a mutual benefit: for locals, tourism activities bring increased economic activity, hotels’ occupancy rates, shops and restaurants’ revenues. For the tourist, it is time to enjoy low prices, good deals, discounts and promotions.

In the present context of growing economic concern, particularly affecting the economies of southern Europe, it is necessary to invest in public policies and appropriate business practices, reflecting and investing in successful and competitive business models that could boost tourism in order to address the current economic and social situation.

Public-private partnerships. Government as facilitating agent

The tourism sector agents should be the main strategists of tourism, with the State as facilitator. Freeing the sector from excessive state intervention, giving private agents a key role in defining lines of action that are independent of changes in short-term policies, is the way to go.

Reduction of taxes in the tourism industry

Since tourism is a strategic activity for economic recovery, it is important that the high tax burdens imposed on industry players are revisited, as they can produce devastating and irreversible impacts in terms of job losses, business closures, loss of business volume and competitiveness.

Taking the case of Portugal as an example: Since 2012, VAT on food and beverage services in hotels and restaurants is one of the highest in Europe (23%), putting the country in a very unfavorable situation, compared to most direct competitors (Spain, Italy or France in the EU or Turkey and North Africa outside the EU). Compared with Spain – where VAT is only 10%, it is easy to conclude that there is an irreversible loss of competitiveness in a strategic sector. Another example is that of Ireland. In 2011 it lowered the VAT rate imposed on tourist services from 13.5% to 9%, in order to stimulate the sector’s development. This is an interesting example, worth reflection.

It is necessary to create opportunities, and times of crisis can be good starting points, encouraging an approach to tourism policies and development based on knowledge, innovation and sustainability.

Source: António Jorge Costa, President, IPDT, Institute of Tourism
Key areas for PPPs

• There are five main areas for PPPs in tourism.

• Tourism promotion ranked as the main field of cooperation. This includes marketing, consistent and distinctive branding, sales, promotion of specific themed products, etc.

• The other areas are destination management, tourism infrastructure development, human resources development, and quality assurance.

Conditions necessary for successful cooperation

• The conditions considered as necessary for successful PPPs are diverse, and varied from country to country.

• Some broad themes emerged. These included the need for a legal framework to encourage and facilitate the implementation of PPPs, and strong political will and support from the government.

Stages of development of PPPs across Europe

• Support for PPPs was generally strong, despite varying levels of implementation in each country.

• Broadly, three main stages were identified:

  • Stage 1 – long-established PPP culture, with examples of successful cooperation in tourism and/or a legal framework in place to facilitate such cooperation.

  • Stage 2 – intermediate, where more work was needed in PPPs. Some countries acknowledged that there was room for improvements, and some were only embarking on the first steps of the PPPs journey.

  • Stage 3 – no current PPPs, but where it was considered for the future.

• There is general support for PPPs, with recognition of the needs and benefits.
UNWTO Tourism Towards 2030 describes PPPs as a pillar of sustainable tourism growth for the next 20 years. As sustainable, responsible and ethical tourism gains an increasing resonance and recognition among tourism industry stakeholders and travellers alike, more and more destinations are changing their approach to tourism. They are adhering to a more holistic approach, delivering initiatives guided by the principles of sustainable development. This holistic approach in itself calls for greater cooperation amongst stakeholders at all levels and as such PPPs are set to play an increasingly important role in achieving more sustainable tourism.

Within this context, UNWTO’s European Member States and Affiliates were asked which areas national and local governments should most concentrate on when establishing PPPs. The top five key areas, listed by at least a fifth of the Members States that responded to the survey, are summarised below.

### Top five key areas for PPPs among European Member States

- **Tourism Promotion**: 45%
- **Destination Management**: 33%
- **Tourism infrastructure development**: 33%
- **Human resources development**: 31%
- **Quality assurance**: 21%

### Key areas for PPPs in tourism

UNWTO’s European Member States and Affiliates were asked which areas national and local governments should most concentrate on when establishing PPPs. The top five key areas, listed by at least a fifth of the Members States that responded to the survey, are summarised below.

#### Public Private Partnerships (PPPs)

**Defined - PPPs in tourism is defined as having a key role to play in four main areas, including improving the attractiveness of a destination; market efficiency; productivity; and overall improvements to the management of tourism.**

Source: UNWTO Policy and Practice for Global Tourism (2011)

### Tips for successful PPPs:

- Be practical and select projects that are feasible and realistic, rather than adopting ambitious programs with little prospects of implementation (Israel)
- The necessity of commitment of the private sector to work for the improvement of the marketing of the destination combined with the availability of the public sector to provide the budget for those actions (San Marino)
- Strong political will and strong political support from the government (Tajikistan)
- Professional structures with clear strategic objectives and tasks (Switzerland)
- The requirements for successful PPP include: a reliable policy environment; determining of common goals and the ways in which these can be achieved; that all partners are committed and reliable; that partners make use of their respective strengths; that there is a positive cost-benefit ratio for all partners; clearly defined contracts so as to avoid unilateral financial risk (Germany)
- Technical and organizational conditions are required for the receipt, storage and analysis of information about the interests of potential stakeholders in the partnership (Ukraine)
- PPP understood not as an institution but as a public project combined with asset maintenance or management (Poland)
- Ensuring an appropriate legal framework (Czech Republic)
- Systematic involvement of local communities in the project definition are necessary to structure policy (France)
- Experiences have shown that in terms of infrastructural development, the major state-funded projects need to be complemented by smaller scale private sector initiatives to ensure a better synchronised offer (Malta)
- Successful combination of public tasks with private interests, in addition to long-term cooperation based on trust (Austrian Tourism Development Bank)
Other areas of PPP suggested by more than one Member State included product development and diversification, intelligence gathering and dissemination, and attraction of investment in tourism.

### Conditions necessary for successful cooperation

Member States highlighted a diverse range of views on the conditions necessary for successful PPP. These varied according to the particular situations encountered in different countries. However, some broad common themes emerged, particularly the need for favourable legislation and a legal framework to encourage and facilitate the implementation of PPPs, demonstrating strong political will and support from government.

Other themes that emerged include:

- A focused approach with common and achievable goals, feasible and realistic programmes and viable projects.
- A transparent and clear governance structure / economy.
- The involvement of local communities.
- Committed and reliable partners.
- Skilful public and private representatives, and in particular stakeholders with a broad understanding of their national tourism context that have a vision beyond their own specific expertise or interest.
- A positive cost-benefit ratio for all partners, and an equal risk allocation between public and private partners.
- Availability and reliability of investors.

### Stages of development of PPPs across Europe

Different countries are at different stages of development on PPPs. Broadly, three main stages can be observed across UNWTO European Member States and Affiliates:

- **Stage 1 – long-established PPP culture**
- **Stage 2 – intermediate. A stage where more work is needed towards PPPs**
- **Stage 3 – no current PPPs. A stage with no current participation in PPPs, but where it may be considered for the future.**

Some Member States have long-established PPP cultures, including examples of successful cooperative ventures and legal frameworks in place to facilitate PPPs. For instance, Croatia emphasized that the legal framework - the Tourist Board and Promotion of Croatian Tourism Act - provides the basis for PPPs of public, private and civil society cooperation in destination management. Since its tourist board system covers all levels, national, regional and local/municipalities, it gives an excellent opportunity and framework for such cooperation.

### Successful PPPs:

Affiliate Member Valencia Tourism is a strong supporter of the concept. The Destination Management Organization was founded 20 years ago under the PPP principles, and has been acknowledged as one of the most efficient models in terms of tourism governance. It strongly believes that the PPP should spread in any tourism organization, both improving the competitiveness and sustainability for destinations.

Four other examples of well established, successful types of PPPs by European Member States are provided as full case studies later on in this chapter. These include:

- **Austria:** the Austrian Tourism Development Bank provides an interesting model of a PPP concept in tourism promotion. It is a company privately owned by the three largest Austrian Banks but that is in charge exclusively of public tasks such as the disbursement of grants/loans, consultancy activities and acting as information source for the leisure and tourism industry.
- **France:** Atout France’s true partnership model based on seeking partners and its original concept of ‘destination contracts’ consists of bringing together the tourism stakeholders of a destination around a shared development project.
- **The Netherlands:** the Netherlands Board of Tourism and Conventions (NBTC) works according to a cooperation model with the ‘Holland’ brand used to unite partners from the public and private sectors, with the aim of raising the profile and competitive strength of the country and of the partners involved. Its cooperation marketing model demonstrates the key success factors and benefits for successful PPPs.
- **Italy:** Italy’s active both on national and local levels especially in the field of destination marketing. The reforms taken by the National Promotion Board (ENIT) will enable it not only to lead the promotional campaign of Italy abroad, but also to detect and launch new tourism products in order to fit the needs of new inbound tourist flows.

In the second Intermediate stage of PPP development are those Member States that acknowledge the fact that, despite some cases of successful tourism management in their countries, more work is needed to realise the full potential of PPPs.

**Slovenia**, for example, indicates that PPPs still require improvements to realise their full potential.

Some others were only embarking on the first steps of the PPPs journey. For example, Azerbaijan is currently focusing on strengthening its private sector through trainings in order to lay the groundwork for efficient PPPs, and Kyrgyzstan created a law on public-private partnership that entered into force in February 2012, providing the framework for PPPs to deliver infrastructural facilities and services in many sectors, including tourism, recreation and sport.

Stage 3 includes Member States that have no current participation in PPPs but are considering it for the future.

The Russian Federation, for example, has no tourism management bodies with public-private participation but adhered to the legitimacy and validity of the principles of such cooperation and believes that it could be a really effective tool for future tourism development in the country.

Andorra also recognises that currently it has no tourism management bodies with public-private participation, but that, ‘as for infrastructure, the largest ski resort in Andorra has public-private participation’. It is also considering ‘for the future to include private participation in the public corporation Andorra Tourism’.

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**Embarking on PPPs journey:**

in Spain, Affiliate Member, Ayuntamiento de Benidorm reported that it is in the initial phase of the creation of PPP for tourism promotion.

‘The Fundación Turismo de Benidorm has been created in our city of Benidorm with the purpose of managing the promotion of the city. It has only two years of career and limited budget, so it is early to evaluate its success’

(Ayuntamiento de Benidorm)

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Support for PPPs

Overall, despite the various levels of development and implementation along the PPP journey in each country, there is a strong general consensus and understanding among UNWTO’s European Members States of the need and benefits of building or increasing PPPs.

This support is also evident among UNWTO’s European Affiliates Members. The Confederación Española de Hoteles y Alojamientos Turísticos (CEHAT) for example indicates that this is especially true in an environment of economic slowdown. This idea is echoed by the Austrian Tourism Development Bank which believes that, especially in times of economic turbulence, the secure supply of funds at favourable conditions and the use of a broad range of support possibilities are of highest importance. It added that the successful combination of public tasks with private interests, in addition to long term cooperation based on trust, are the keys to success.

Support for PPPs:
‘Bodies and institutions established under PPPs have a significant role in the development of tourism since they ensure support and involvement of all stakeholders in the implemented projects’. (Poland)

‘Affiliate Amadeus saw “three areas of action for PPP in tourism, including: Innovative technology to enable tourism enterprises to become more efficient and competitive; Education and training; and Sustainability standards”. The company indicated that they were “actively working with private and public stakeholders across all regions to support the objective of sustainable tourism”.'
With more than 1,100 professional members, Atout France has developed a true partnership model, based on seeking partners. The country’s tourism development agency was created in 2009 to support the development of the tourism sector and enable it to maintain its leadership in the international arena. Its budget is mainly composed of state contributions (over 40% of the budget) and partnership revenues/membership fees.

Atout France’s members (ranging from private companies in the tourism and travel-related sectors and many institutional or community organisations) have chosen to pool their resources to jointly carry out their tourism development actions through the services provided by the Agency. The agency also assists them in all stages of their tourism development, and helps maintain the competitiveness of France as a destination. To do this, the Agency carries out four main missions, with tasks carried out domestically and internationally through a network of 36 offices in 32 countries. These tasks include:

1. Maintaining an extensive and continuous operation to monitor and analyse the international tourism market.
2. Provision of technical expertise.
3. Supporting its partners in their marketing and promotion of tourism domestically and internationally.
4. Improving the quality of the sector’s offer.

In order to maintain the level of competitiveness of France and become the leading European destination in terms of tourism revenue, a comprehensive strategy has been developed in consultation with tourism professionals to involve them in its implementation. This enabled determined priority actions to be implemented. Examples of such actions include:

- Promotion of the “Rendezvous en France” brand
- Enabling the emergence of new tourism destinations that are well-structured and that have international visibility
- Maximizing the value of France’s tourism assets
- Improving the marketing of French offerings
- Optimizing the quality of destinations

Since its launch in 2011, the France brand has been used by Atout France, its international offices, and the professionals with whom the agency conducts joint promotional actions.

Atout France came up with an original concept ‘destination contracts’, consisting of bringing together the tourism actors of a destination around a shared development project. It provides its expertise and acts as a coordinator to carry out the projects implemented through co-production.

Atout France has been forming themed promotional clubs that bring together interested partners (wine tourism, culture, business tourism...). The idea is to pool resources for joint communication actions aimed at international markets.

A wide-ranging online strategy involving all the actors of French tourism has been launched, including the website www.rendezvousenfrance.com designed to showcase the best France has to offer.

To capture the expected increase in international tourist flows, it is necessary to propose an attractive and modernised France that meets the expectations of future travellers. The new classification of tourism accommodation is a first step in this process.

The objectives elaborated in the French tourism strategy can only be achieved through the involvement of as many partners as possible, whether the aim is to improve the structure of the different sectors of tourism, to attract more mega-events in France, or to raise awareness among the most strategic customer segments etc. The success of France as a tourist destination has always been based on work carried out in collaboration with professionals, their support and enthusiasm and, of course, the necessary pooling of private and public resources.

Source: Atout France.
The Netherlands Board of Tourism and Conventions (NBTC) works according to a cooperation model whereby the ‘Holland’ brand is used to unite partners from the public and private sectors, with the aim of raising the profile and competitive strength of the Netherlands and of the partners involved. It is an impartial body, without members or representation of interests. This allows NBTC to keep in contact with diverse parties in the hospitality industry and related sectors, and to connect them with each other.

**Relationship between NBTC & Ministry of Economic Affairs, Agriculture and Innovation**

NBTC receives long-term funding from the Ministry of Economic Affairs, Agriculture and Innovation, the main commissioning party and investor in marketing the ‘Holland’ brand. Based on an annual investment of 8.4 million EUR (from 2015), targets are set for increasing visitor numbers and spending, the economic value of bids for international conferences and co-financing with sector parties. NBTC develops a multi-year marketing strategy to use the available financial resources effectively. The Ministry provides approximately 50% of the total budget invested in marketing, while the remainder is provided by industry partners.

**Partnership marketing**

NBTC has developed from a classic tourist board to a public-private financed marketing organisation. A partnership protocol has been introduced through which ‘Holland’ marketing activities are developed in cooperation with the partners involved. Partners are involved at an early stage in setting up the marketing campaigns, and do so by putting forward ideas for campaigns. This involvement means they co-decide and co-invest in Holland marketing from the start. One of the factors in the success of the cooperation model is that activities are voluntary. Partners participate in campaigns because NBTC provides a clear and powerful vision for the branding and marketing of Holland and because of the increased return on investment generated through cooperation. The resulting whole is stronger than the sum of its parts.

**Combining public and private resources**

The cooperation marketing model means NBTC is able to combine the budgets of various partners for the purposes of a common goal or interest. This requires the involvement of public partners, public-private partners and private partners in the Netherlands and abroad. Many of the partners belong to the hospitality industry, but NBTC also works with parties from tourism-related sectors.

**Efficiency and effectiveness are key**

To ensure investments are made effectively, the NBTC has a strong research department and an international network of offices; both working together to keep track of international market developments and to identify at an early stage the target groups and associated media channels. The research department also analyses the effectiveness of large campaigns after they have been carried out. This approach allows NBTCs to steer the marketing focus in the right direction and ensures maximum efficiency and profitability.

**Benefits of public-private partnerships**

The benefits can be summarised as:

- Connecting public and private investments and insights.
- Raising the profile and competitive strength of the ‘Holland’ brand.
- Efficiency.
- A strong, uniform Holland brand and Holland message (no fragmentation).
- Effectiveness and profitability.

Source: Netherlands Board of Tourism & Conventions. For more information please visit www.nbtc.nl.
The Austrian Tourism Development Bank is a successful model of a PPP concept in tourism promotion. The public promotion/support tasks are defined through regulations, which are based on the EU State aid legislation and issued by the federal Ministry of Economy, Family and Youth. These regulations are the basis for the support and consultancy activities of the Tourism Development Bank. The Bank’s economic basis is secured through privately owned equity capital, which needs to fulfill the Austrian Bank Law.

Supporting Austrian tourism enterprises is an important factor in developing a market-oriented tourist infra- and superstructure, which leads to a successful Austrian tourism industry that contributes to the economic welfare of the country.

The Austrian Tourism Development Bank is the national institution in cooperation with the Austrian Federal Ministry of Economy, Family and Youth (responsible for tourism), the Federal Ministry of Finance and regional institutions. It is a company privately owned by the three largest Austrian Banks (UniCredit Bank Austria AG, Raiffeisen- and Savingsbanks), being in charge exclusively of public tasks such as the disbursement of grants/loans, consultancy activities and acting as an information source for the leisure and tourism industry.

Essentially the objective of the Bank is to strengthen the Austrian tourism industry as a vital sector of the Austrian economy and to offer professional and high-quality services and information in order to improve the competitiveness of the SME sector. The basic functions to achieve this objective are:

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<th>Financing</th>
<th>Subsidizing</th>
<th>Expertise</th>
<th>Database</th>
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<td>Ensure long-term financing at low-interest rates such as funds from the EIF, the European Investment Bank (EIB) or from other national or international sources.</td>
<td>Funds from the capital market are combined with governmental or regional support programmes (subsidies, interest-grants, guarantees, etc.) and offered as support products.</td>
<td>The specific experience and know-how generated from more than 1,500 investment projects per year as well as data received from clients are bundled into studies, consultancy and coaching of clients.</td>
<td>Information from the projects handled and from more than 2,000 annual accounts of hotels, restaurants, cableways and leisure companies constitute an important source of information about the current state of the Austrian tourism economy and the success of projects.</td>
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The secure supply of funds at favorable conditions and the use of a broad range of support possibilities are of highest importance in times of economic turbulence. The successful combination of public tasks with private interests, as well as the long-term cooperation and trust, is the key to success.

For more information see: www.oehb.at und www.oehb.at/blog.

Source: Austrian Tourism Development Bank.
European investment in tourism

- Public and European funding bodies are giving greater emphasis to the role of sustainable growth and development.
- The European Commission warns that if Europe is to remain the world’s number one tourist destination, tourism should not be taken for granted. Political efforts should be enhanced and supported with appropriate investment in priority areas to ensure future competitive growth and sustainable tourism development.
- Some Member States rely heavily on EU Structural Funds in their tourism marketing and development programmes.

Medium term (5 year) priorities for public investment

- Medium term investment priorities can be categorised into investment in hard and soft infrastructure.
- The greater emphasis, among Member States, is on hard infrastructure investment.
- In terms of hard infrastructure, the top five priority areas are investment in the transport network, product development, accommodation development, resort development, and urban infrastructure.
- For soft infrastructure, the top five priority areas are training and education of human resources, service standard / quality development, legislation / policy development, events development, and ICT development.
- Medium term planning for public investment in tourism infrastructure has been influenced by the economic and financial crisis.

National investment in tourism infrastructure

- Among national governments, there are two differing approaches to tourism investment planning and development:
  - Firstly, a market driven approach with limited government strategy, policy or planning for tourism infrastructure investment;
  - Secondly, an approach more committed to government guidance or control over tourism development, with comprehensive strategic plans for tourism supporting investment in tourism infrastructure.
European investment in tourism

Within Europe, public and European Funding bodies are giving greater emphasis to the role of sustainable growth and sustainable development.

For example, the new European Union’s Financial Framework continues to recognise and give great emphasis to the role of sustainable growth and development. The European Investment Bank (EIB) also supports sustainable tourism development. The EIB finances tourism infrastructure, including hotels and resorts, theme parks, cafes and restaurants, and visitor attractions, as well as tourism-related infrastructure such as airports, ports, railways, roads, cultural and historical sites, water and waste treatment, sustainable energy and environmental management.

Some of the UNWTO European Member States indicate that they rely heavily on EU Structural Funds. Lithuania, for example, reports that its main sources of funding for tourism promotion and development are the annual state budget and European Union Structural Funds. Malta also emphasises the role of the EU Structural Funds in supporting investment in tourism infrastructure, indicating that the European Regional Development Fund and the European Social Fund are used to improve general infrastructure from which tourism would also benefit.

National investment in tourism infrastructure

Traditionally, national governments have taken one of two main approaches to the concept and process of tourism planning and development. Some adhere to a planning philosophy that is market driven, led by the many forces of the multi-sectoral tourism industry. In contrast, others demonstrate an approach more committed to government guidance or control over tourism development.

Priority investment: ‘If Europe is to maintain its position as the world’s number one tourism destination towards 2030, tourism should not be taken for granted, but political effort should be enhanced and supported with appropriate investment in priority areas to ensure future competitive growth and sustainable tourism development’.

(See end of this chapter for the European Commission article)

Sustainability - high on the agenda of some European Member States: for example, over the past ten years, the Government of Montenegro has put in place a policy framework to ensure that future tourism development is sustainable, as well as providing a business/operating environment that is conducive to attracting foreign investment.

Germany’s approach to investment: the Länder (States of Germany - the federal subdivisions of Germany) make the decisions about public investments in the tourism sector.

The Governments of UNWTO European Member States also demonstrate this dichotomy in their position:

On the one hand, some have developed or are developing comprehensive strategic plans for supporting investment in tourism infrastructure. For example:

- Georgia: Through heavy public and private investments in tourism infrastructure and the Government’s strategic plan to reduce seasonality, one of the Black Sea destinations of Batumi, which was very seasonal, has become a year round destination. Supportive policies enabled Batumi to operate as a MICE and gambling destination as well as to host many local and international events throughout the year. (See case study at the end of the chapter).

- Spain: Spain has a Comprehensive National Tourism Plan: Operating for the period 2012-2015, this has eleven key measures. These include investment measures such as:

- Support for the regeneration of mature destinations;
- Lines of credit for the renovation of tourism infrastructure;
- Support to tourism municipalities;
- Smart destinations;
- Lines of credit for young tourism entrepreneurs;
- Innovative tourism entrepreneurs programme.

On the other hand, other Member States, like the national government in the Netherlands, did not have any specific strategy or policy regarding tourism infrastructure, quality assurance or human resources.

Spain’s Comprehensive National Tourism Plan: Operating for the period 2012-2015, this has eleven key measures. These include investment measures such as:

- Support for the regeneration of mature destinations;
- Lines of credit for the renovation of tourism infrastructure;
- Support to tourism municipalities;
- Smart destinations;
- Lines of credit for young tourism entrepreneurs;
- Innovative tourism entrepreneurs programme.
Medium term priorities for public investment

The majority of UNWTO European Member States have identified priorities for public investment in both hard and soft infrastructure over the next five years.

- Hard infrastructure includes:
  - Public-related tourism infrastructure, such as transportation, water supply, energy / power, waste disposal, and telecommunications.

- Soft infrastructure includes training and education of human resources, information exchange, marketing and promotion etc.

The following chart summarises the priority areas for investment by Member States.

Areas of hard infrastructure investment accounted for four of the top five priority areas in the next five years. Investment in the transport network is seen as the top key priority area (for 57% of Member States which responded). This is followed closely by a soft infrastructure area, namely, training/education of human resources (55%). The other top priority areas all relate to hard infrastructure: product development (43%), accommodation development (33%), and resort development (26%).

In terms of hard infrastructure, the main priority areas for public investment in tourism infrastructure listed by Member States are:

- Transport network: including road and railway networks improvement, better access to tourism destinations and sites, and investment in airports/heliports/marine ports. Also mentioned was the development of sustainable ways of transport and, in particular, non-motorized transport such as cycling.

- Product development: including diversification and development of new products and innovations tailored to the needs of customers. In addition, tourist attractions such as water parks, cycling and cultural routes, rural tourism, conference centres, casinos, spas, sports/adventure/nature facilities, etc., were identified.

- Accommodation development: including the refurbishment/rehabilitation and development of new tourist accommodation, particularly hotels. The diversification of the types of accommodation and development of increased capacity are considered important.

- Resort development: including the development of new resorts or modernisation of existing ones (ski resorts, golf resorts, beach and coastal development). Spain identifies the support for the regeneration of mature destinations with the example of the “so-called 4th generation resorts, true destinations within a destination, with a high concentration in certain target groups and focused on the thematisation of the travel experience”.

- Urban infrastructure: including investment in waste management and water infrastructure, sewage systems, electricity, landfill, telecommunication networks etc. This area of investment is particularly highlighted by Member States in Southern/Mediterranean, South East and Central/Eastern Europe.

- Tourism signage: better signing of tourism facilities.

Top priority areas for public investment in tourism infrastructure among European Members States

<table>
<thead>
<tr>
<th>Area</th>
<th>Hard infrastructure</th>
<th>Soft infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Network</td>
<td>57%</td>
<td></td>
</tr>
<tr>
<td>Training and Education of HR</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Product development</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>Accommodation development</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Resort development</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Service standard / quality</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Legislation / policy development</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Urban infrastructure</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Tourism signage</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Events development</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>ICT development</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Improved tourism industry</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>
Examples of investment priorities in hard infrastructure

Albania –
‘Continuing the road infrastructure improvement of the main and secondary roads, investing in tourism signage and telecommunications networks, increasing accommodation capacity, focusing on the building of the modern resorts, investments in landfill, water infrastructure, sewage systems etc. In addition, training human resources in collaboration with the Ministry of Education, Albanian Tourism Association, NGOs etc.’

Andorra –
‘Construction of a heliport to improve access to the Principality.’

Azerbaijan –
‘The largest tourism investment is the construction of the Shahdag Mountain Resort in the Northern part of the country. By 2020, Shahdag Mountain Resort will have the largest skiing facilities in Europe with capacity to receive 5 thousand overnight visitors.’

Belarus –
‘The development of transport network is the core element for the public investment in tourism infrastructure.’

Bulgaria –
Improvement of the hard infrastructure like roads, sewage facilities and green energy sources.

Cyprus –
has directed a considerable amount of investment to the development of golf infrastructure, new marinas, casinos, conference centres, health & wellness industry and sporting facilities.

Malta –
Improvements in the road network and public transport development, as well as coastal zone development and the development of the island of Gozo as an eco-island destination

Poland –
‘Within the next 5 years the priority for public investment in the field of tourism infrastructure will be given to bicycle routes with the supporting infrastructure.’

Serbia –
‘Development of new mountain resorts and modernization of the existing ones. Serbia invests a lot in cultural routes with supportive infrastructure. Development of rural tourism has also seen considerable investments through the “Sustainable Tourism for Rural Development” project, which is a joint programme of the Serbian Government and five UN agencies.’

Switzerland –
‘Upgrading of hotel and mountain railway infrastructure is of utmost importance. There is a particular need for the investment in the alpine medium category hospitality industry.’

Turkmenistan –
‘A core focus has been on the development of the first national tourism zone “Awaza” on the Caspian Sea. Currently, the total volume of the investment in this national tourism zone exceeds 2 billion US dollars.’

The development of soft infrastructure is partially about investment but there are also broader issues – such as development of appropriate legal and policy frameworks, and improved coordination. The key areas for soft infrastructure investment are:

- Training and education of human resources: including vocational training, investment in life-long learning and up-to-date training for tourism staff, and investment in making tourism more professional. In addition, other development areas include policies to improve employment opportunities, conditions of employment etc.

- Service standard / quality development: including the improvement of the quality level of services, strengthening visitor welcome within a destination and developing service standards/norms.

- Legislation / policy development: aimed at simplifying procedures and creating an environment conducive to tourism infrastructure development.

- Events development: development of internationally renowned events (see, for example, the Polish, Ukrainian and Azeri case studies on ensuring a sustainable legacy for mega-events).

- ICT development: such as the implementation of information systems and improvement of promotional material.

- Improved coordination in the tourism industry: such as enhanced local cooperation, and cooperation along the value chain.
### Examples of Investments in Soft Infrastructure

**Flemish Community of Belgium**
- Soft infrastructure priorities include investing in the attractiveness of employment and training of tourist personnel and the reinforcement of a welcoming and professional tourist reception.

**FYR Macedonia**
- Development of an efficient management plan for education and training of human resources in the field of tourism, especially training of local staff of accommodation facilities.

**Israel**
- Measures being taken to improve soft infrastructure include upgrading of proficiency of employees in all tourism vocations, the creation of demand for tourism studies and employment opportunities, the diversification of educational types and possibilities, and tourism education within the formal schooling system.

**Lithuania**
- In the period 2014-2020, we see as priority areas public investment in soft infrastructure, tourism innovations and tourism clusters.

**Malta**
- The development of a rural policy as well as physical interventions to attract countryside tourism that respects rural lifestyle in parts of Malta.

### However, some of the feedback received highlighted the effects the economic and financial crisis has had on the tourism industry and that medium term planning for public investment in tourism infrastructure is by no means immune to its repercussions. For instance, UNWTO European Affiliate, Diputación de Barcelona, Gerencia de Servicios de Turismo, explained that the crisis has made it difficult to prioritise new tourism infrastructure. As such, in the next few years, it plans to concentrate on the maintenance of current tourism infrastructure and the guarantee of the provision of quality tourism services.
Ensuring a sustainable legacy of mega events in Poland

Poland and Ukraine hosted the 14th European Football Championship UEFA EURO 2012™. Over 170 state and local government institutions were involved in the Championship’s organization. Poland gained access to unique know-how regarding organizing mega events. New tools and structures were used to great success, setting new project standards for events of this magnitude. The model adopted by Poland was based on special purpose vehicles appointed by the State Treasury and local governmental authorities.

Project management tools were implemented to coordinate the preparations of the event, playing a key role in the cohesive and effective coordination of individual tasks. Project Portfolio Management (PPM) System, for example, is a complex system for managing projects and risks that was used by public entities, while EuroMaster system was implemented to streamline the information exchange between all organizers. This portal contained up-to-date information on the Tournament, reported in line with the Tournament clock by all services involved in running the Championships. Products such as Polish Guide and Polish Pass were also created, enabling visitors to plan a trip, book accommodation, get medical insurance and transport in Poland at the time of the Tournament. The solutions such as PPM, Polish Guide or EuroMaster were especially appreciated by the UEFA representatives, who considered their use for subsequent sport events at international level.

The preparations for the Tournament were inseparably linked to the modernization of the country, which involved 219 investments and over PLN 94 billion. This made it possible to develop new, multi-functional stadiums, airports, railway stations, motorways and express roads. The hotel infrastructure was also extended to cater for training, workshops and conferences, while the quality of hotel services was permanently improved. The infrastructure in Poland was extended and modernized on an unprecedented scale and the image of the country improved greatly both in the eyes of foreign fans, tourists, media, as well as in the eyes of Poles themselves. None of the investments were constructed solely for the purpose of the Championships. The preparations for the Tournament accelerated the implementation of certain investments by several years, which resulted in significant improvements in the quality of life of Poles and tourists’ enjoyment of the destinations.

An international campaign to promote Poland was launched a year before the UEFA EURO 2012™. in June 2011, although the Polish Tourist Organisation had presented the first element of the promotion earlier on in the year at ITB Berlin, where Poland was a partnership country. In 2011, Poland and UEFA EURO 2012™ were also promoted during the MITT Moscow travel fairs, TUR fairs in Goteborg and at the World Travel Market in London, where the stand promoting Poland as the UEFA EURO 2012™ host was distinguished with an award and the interactive tent put up for the occasion was considered by the organizers as the greatest attraction of the fairs. The extensive promotional measures covered press, radio, TV, the internet, and a number of press conferences. These activities were undertaken in various markets, including France, the United Kingdom, Germany, Belgium, Denmark, Sweden, and the Netherlands, as well as Russia and Ukraine.

The UEFA EURO 2012™ European Championships in Poland contributed to an increase in revenues from tourism. The economic effects were related to the inflow of fans and guests at the time of the Championships, when Poland was visited by 600,000 foreign tourists and fans who spent circa. PLN 900 million in Poland. Afterwards, the event was still contributing to the increase in arrivals of foreign tourists for recreational purposes through the improvement of the image of the country as an attractive tourist destination. Surveys have shown that 85% of foreigners staying in Poland during the Championships gave a very high score to the Tournament. Almost 80% declared that they will re-visit Poland and 92% considered that it is a country worth recommending to friends as an attractive tourist destination. It has been estimated that due to the improvement of Poland’s image after UEFA EURO 2012™, Poland will be visited annually by 500,000 additional tourists and that by 2020 the revenue from foreign tourism in Poland will increase by PLN 4.2 billion.

The UEFA EURO 2012™ Championships had record attendance at places designated for public viewing of matches, with 4.4 times more people claiming to have a good time in fan zones than at the stadiums. A total of over 3 million people watched matches in fan zones in the Host Cities (almost twice that in Switzerland and Austria during UEFA EURO 2008). The Championships was also a success in terms of safety provision, with 85% of foreign fans and tourists declaring they felt safe during their stay in Host Cities.

Thanks to the UEFA EURO 2012™ Poland joined the elite group of countries that have had the opportunity to organize mega football events. UEFA representatives speak highly of the organization and conduct of the Tournament in Poland, emphasising the professional organization and safe course of the Championships. The UEFA EURO 2012™ organization in Poland brought valuable experience and contributed to the increase in attractiveness of the country.

Source: Ministry of Sport and Tourism of Poland.
New ambitions

The main challenge faced by the Ukrainian tourism industry in the coming years is to maintain the pace of development of the sector and strengthen a positive image of Ukraine as a tourist destination.

International sporting and cultural events are being planned until 2028. First on the list is the European Basketball Championship in 2015; and Ukraine expects to bid for the right to host the World Championship in 2019, and the Winter Olympics in 2022. Although its Olympics bid will not be considered until 2014, the Ukrainian government has decided to begin preparations for the development of infrastructure already. In addition to major sporting events, other projects are planned to maintain the pace of development of tourism. For instance, the cities that have already developed tourism infrastructure and hosted final matches of the UEFA EURO 2012™ are concentrating on business and educational tourism.

EURO heritage

The Chairman of the State Agency of Ukraine for Tourism and Resorts, Ms. Olena Shapovalova, indicated that preparatory works for the final matches of UEFA EURO 2012™ lasted more than four years. The result was not only a successful Euro 2012, but also a large-scale comprehensive improvement of the transport and tourism infrastructure in Ukraine. Over the period of preparation for the championship, new airports have been built and a high-speed railway developed. As a result, 126 new hotels are now operating.

For a long time, there was no policy in Ukraine in the field of tourism’, said UNWTO Secretary-General Taleb Rifai during his November 2012 visit to Ukraine; but for the last 2-3 years many positive changes have been observed, such as the coordination between Vice Prime Minister, Minister of Infrastructure, and the creation of the State Agency of Ukraine for Tourism and Resorts. Legislative changes have followed administrative ones, with, for example, in 2011 legislation favouring hoteliers (with a new tax code providing 10 years exemption from income tax for 3-5 star hotels), or flexible conditions set for private entrepreneurs who are engaged, for example, in rural green tourism.

Ukraine and UNWTO: joint action plan

During the International Tourism Forum in Kiev in November 2012, Ukraine and UNWTO agreed to strengthen their cooperation. UNWTO will assist the government of Ukraine in developing a tourism development plan until 2022. Firstly, it is important that the information from the State Statistics Service and National Bank is reliable and complies with international standards. For that purpose, the development of the System of Tourism Satellite Account is essential. The second task will be to learn how to efficiently use opportunities offered by major sporting, cultural and other global events for the further development of tourism. Finally, the third task will consist of improving the regulatory framework of tourism.
Moscow is welcoming an increasing number of international tourists. In 2012, the number of international arrivals into Moscow’s airports increased by 16%, bringing 5.2 million foreign citizens. Specifically, the share of long-haul tourists arriving for cultural and educational purposes has increased for the third year in a row. Results from 2012 place this figure at 41%, exceeding the share of foreign tourists arriving in Moscow for business (38%) for the first time.

Tourism activity generally increased in 2012 with:

- An 8% increase in the number of people staying in Moscow’s hotels, passing the 5 million mark for the first time in the city’s history.
- Overnight stays increased by more than 1.6 million, reaching 13 million.
- Paid tourist services earned a value of 24.7 million roubles, an increase of 19%.
- The earnings of hotel enterprises reached 48.6 million roubles, having increased by 11%.
- Tax revenues from hotel activities totalled 7.3 million roubles, an increase of 10%.

These increases necessitate improvements in the tourism infrastructure, across both hard and soft items. The Moscow Committee on Tourism and Hotel Industry is implementing its activities in accordance with the ‘Tourism Development’ sub-programme of Moscow’s state programme ‘Development of Leisure and Tourism Industry in 2012-2016’.

Over the last 2 years, almost all the classic elements of tourism infrastructure and services have appeared in Moscow: a tourist call-centre, a multilingual tourism portal, bilingual signs at tourist sights, and signs with maps. In early 2013, 5 free stationary viewing binoculars were installed at Moscow’s main viewing platform at the Sparrow Hills.

In 2012, construction began on 22 new hotels with almost 900 rooms. Development of the low-capacity accommodation segment is taking place at faster rates: 18 mini-hotels and hostels opened with 937 bed spaces in 2012. Today 215 hostels and mini-hotels with 10,096 bed spaces are operating in the city. Work has also started on introducing a new voluntary classification system of the capital’s hotels. In 2012, the first 13 hotels were classified in categories from 2 to 5 stars.

Significant efforts have also been made to improve visitor information provision:

- Four tourist information centres were opened in 2012, three of which are located at the main railway stations and one on Red Square in Historical Museum. Similar centres are planned for Leningrad station and Vnukovo Airport.
- Information points have been opened in the city’s 5 largest hotels, with touch screens connected to the city’s tourism portal and stands for free information, such as tour guidebooks, booklets, and also detachable maps in 8 languages. More than 3.5 million copies have been printed, of which more than 3 million are detachable maps of the city.
- QR-codes, with descriptions of tourist sites, have been placed on 144 signs.
- A new citywide navigation system is due to be created.

In addition to this, there have been improvements to the travel network. The regular City Tour route on double-decker CitySightseeing buses, launched in 2012, has been joined by two intermodal routes which include an excursion trip by bus and boat. The MoscowPass has been launched, allowing tourists to get discounts on entry tickets to museums, and boat and bus tour excursions over a three day period.

A number of events are also being held to promote and generate tourism in Moscow.

Moscow Velonight event took place in 2012: 3,000 cyclists travelled on an excursion route dedicated to monument locations of the 1812 war. Another large event of the tourist high season is the Times and Eras festival of historical re-enactment clubs. 195,000 Muscovites and visitors of the city visited the festival in 2012. In May 2013, the traditional Night of the Museums event was successfully held in Moscow, exceeding the equivalent event in Berlin in terms of the number of participating museums and visitors.

In 2013, Moscow was chosen as the location for the III Congress of the World Tourism Organisation for Development of City Tourism, which takes place on 20 September 2013. The Committee is actively developing the tourist event calendar.

Every year, Moscow participates in 26 of the largest Russian and international tourist exhibitions. The first road show of the capital’s tour operators was held in 2012 in a branded bus in 25 Russian cities in Central Russia, Southern Russia, the Volga region, and Western Siberia. In 2013, the programme was expanded to 30 cities.

In 2012, more than 1,000 tour operators, tour agents and journalists from 16 countries and 44 Russian regions participated in introductory tours held together with hotels. More than 1,500 people are participating in the introductory tour programme together with TUI, Thomas Cook and Russian tour operators in 2013.

Following all of the above improvements, the main tasks for 2013-2014 are:

- further implementation of targets of the ‘Development of the Leisure and Tourism Industry’ programme, increasing the number of stays in hotels and incoming tourist flows from Russian regions, as well as from China, India, Germany, the United Kingdom, and also counties with developing economies;
- further development of tourism infrastructure;
- improving Moscow’s image as a tourist centre in Russian regions and abroad.
An active promotional programme was also implemented. This incorporated the event logo and its slogan. All the promotional materials published by the tourism industry contained information on the hosting of Eurovision 2012 by Azerbaijan. During the second half of 2011 and the first quarter of 2012, Azerbaijan participated in more than 20 international tourism fairs, promoting especially its hosting of Eurovision 2012. Youth organizations, student unions, and other promotional agencies in the country also had an active involvement in the event's promotional campaign via internet, social media, international student networks, and electronic media.

All these projects required the unprecedented coordination of all government agencies, private and public sector, banks, state companies, and institutions. Azerbaijan’s tourism industry considered the hosting of the Eurovision 2012 to be a long-term investment in the country’s image as an emerging tourist destination, showing that it was capable of meeting the various needs and expectations of its guests to the highest international standards.

The Eurovision process started with the winning performance of the Azerbaijani duet in Germany in May 2011. This gave Azerbaijan the right to host the next Eurovision contest. In the year leading up to Eurovision, several large scale infrastructure projects were initiated. This involved the construction of new hotels and the development of the new ‘Crystal Hall’ where the Eurovision 2012 would take place. Huge efforts were also made to modernize the transport infrastructure. This included new taxi cabs and buses, installation of new POS-terminals (even in small shops and other service facilities), construction and upgrading of new roads, and production of road signs in English.

Other developments included the extension of the Baku National Park by a further 2.5 km, upgrading and refurbishment of buildings and street lighting systems, and improvements to the Funicular, parks, fountains, shopping centres etc. However, the preparation was not only about hard infrastructure development but also included soft infrastructure, for example the development of high standards of service quality for visitors, enhancing communication between the local population and foreign tourists (through, for example, English language courses organised for policemen and taxi drivers) and development of a system of student volunteers from Baku universities.

Initially, the European Broadcasting Union, the organizers of the Eurovision, had expressed some uncertainty in Azerbaijan’s capacity to deliver all its commitments. Their main concerns related to the construction of the Crystal Hall, and some back-up options were considered. But, despite some complications from unusually adverse weather and a cold winter, Azerbaijan delivered on its promises.

These efforts were rewarded. The majority of tourists, official delegations, and media emphasised the high standard of hospitality and organization at the event.

Source: Ministry of Culture and Tourism of the Republic of Azerbaijan
Batumi is turning into a vibrant, cosmopolitan resort destination, attracting tourists from around Georgia and beyond. In 2011 the American Academy of Hospitality Sciences awarded Batumi as the best destination for 2012 and it is now the leading Black Sea resort.

How has the Government achieved this? So far it has invested more than 100 million in developing tourism infrastructure, including the renewal of 80% of the road system, and the development of bike stations and cycling routes. In the near future new hotels, including such leading brands as Hilton, Kempinski and Holiday Inn with overall capacity of 3000 beds are planned to open. Furthermore, the government of Ajara, in cooperation with Royal Caribbean Cruise Line (RCCL) plans to invest in development of new Batumi Cruise Port that will be able to accommodate all kinds of vessels entering the Black Sea. Multi-functional facilities along the pier (400m) will include souvenir shops, museums, cafes, restaurants and event halls. Also it should be noted that Batumi has a great potential of gambling. The government of Georgia granted Batumi a number of advantages in this direction. Moreover, building a hotel with a minimum of 100 rooms will automatically grant the investor the opportunity to obtain 10 years casino license free of charge. As a result, more and more visitors from Turkey, Azerbaijan, Iran, Israel, Ukraine and other countries show an interest in gambling alongside other tourism activities.

An important driving force for the economy of the city is MICE tourism. Construction of relevant facilities and brand hotels create an environment which facilitates the development of MICE tourism in the city. Batumi hosts numerous conferences and exhibitions, such as: Batumi international tourism exhibition “Batumi Expo”, Batumi international construction and design fair, Batumi international agri products and technology fair. This popular tourist destination also hosts many local and international, cultural, business, sporting, and other events that substantially extend the tourist season. Some of the celebrities performing concerts in the city are: Placido Domingo, Jose Carreras, Chris Botti, Sting, Macy Gray, Enrique Iglesias etc., whilst annual cultural events include: “Black Sea Jaz Festival”, Symphonic Music Festival, BIAFF Film Festival, Animated film festival, Electronic music festival etc.

One might wonder what is it that makes Batumi so unique and why it has become so popular over the past few years. The short answer to that would be that every single feature in the city. Presently, Batumi features the restored old historical town, 8km long boulevard with its picturesque palm trees, attractive seaside park, cafes, restaurants, upmarket hotels (Sheraton and Radisson), nightclubs, sport centres, dancing fountains, Ferris Wheel and a range of other features and activities that make the city particularly attractive. Furthermore, one can also find an internationally renowned Botanical Garden within a few minutes’ drive from Batumi which happens to be the one of the largest of its kind in the world. Generally speaking, the Ajara region, with its diversity of flora and fauna, offers spectacular coastal, forest and alpine landscapes.

Let’s look at the figures to get a clear picture of the latest developments. The number of international visitors has grown rapidly over the recent years. In 2005, the number of foreign visitors in the Ajara region was 27 000. However, in just 6 months of 2013 around 109 000 international travellers visited the region, which is about 7% growth compared with the same period in 2012.

To sum up, Batumi is an attractive destination for visitors and investors alike. It possess certain unique charm and liveliness, with its relaxed atmosphere, modern infrastructure, good restaurants and nightlife, which easily makes every traveller fall in love with this wonderful city.

Source: Georgian National Tourism Administration
With its rich variety of cultures and diversity of tourist destinations in a relatively small geographical area, and high quality infrastructure, Europe is and remains the world’s number one tourist destination. Europe received 534.4 million international tourist arrivals in 2012, which represents 52% of world arrivals and UNWTO forecasts that Europe will continue to lead in international arrivals, even if at a more moderate growth rate of around 2.3% for the next period until 2030.

However, Europe is facing increasing global competition from emerging destinations. Therefore, we should not rest on our laurels. In order to maintain Europe’s position as the world’s number one tourism destination towards 2030, we should certainly not take tourism for granted, but enhance our political efforts and support them with appropriate investment in priority areas to ensure our future competitive growth and sustainable tourism development.

It is crucial to improve the competitiveness of our sector and strengthen its dynamic and sustainable growth. In order to achieve this objective, I consider it is important to further develop innovation in tourism, reinforce the quality of supply in all its dimensions and to continue improving professional skills in the sector.

Innovation has become a major driving force for structural change and growth in the tourism industry. In order not to lose momentum, Europe should pro-actively encourage tourism policies targeted at promoting innovation, improving productivity (e.g., human resources, knowledge, R&D, information technology), the development of new business models, and a dynamic culture of enterprise. To remain competitive against new emerging tourism destinations, European destinations should aim to stay at the cutting edge of the development of new products and ideas in tourism.

We should also not underestimate the importance of information and communication tools and services and deploy appropriate efforts to speed up their effective integration in all tourism activities and businesses, in particular SMEs.

Further to this, encouraging knowledge sharing within the tourism industry will allow us to achieve more resource-efficient and collaborative approaches to research and development in tourism.

We also need to invest in supporting skills development, labour market mobility and a more attractive business environment in tourism, allowing the industry to maintain and attract a sufficiently skilled and highly qualified workforce, and hence support productivity improvements in the industry.

I also consider that it is of primary importance to improve the private sector’s involvement in policy development and encourage collaborative partnerships with the private sector and tourism supplier associations to work more effectively in co-operation with the public sector stakeholders, for example, to develop marketing plans, identify tourism development opportunities, and provide input into policy and tourism strategies.

Last but not least, I strongly believe that Europe can further harness its image and raise its visibility to support tourism competitiveness and attract international tourists, especially from fast growing emerging economies whose expanding middle classes are new source markets for European destinations. Europe must therefore take advantage of the strengths of its rich and varied tourism offer, in particular the diversity of its natural scenery, cultural wealth, history, as well as its quality and safety to target these new long-haul markets.

Enhancing Europe’s visibility and facilitating increased tourism flows into Europe have been high on my agenda as a Vice-President of the European Commission and Commissioner responsible for tourism. In this regard, important achievements have been made, to mention only the recent Commission Communication on the EU visa policy, which examines how the correct implementation and further development of the common visa policy could help growth in the EU by facilitating travel opportunities for third country nationals. Last but not least, our work on a European Tourism Label for Quality Schemes will greatly contribute to enhancing the tourism sector’s competitiveness and improve Europe’s image as a collection of sustainable and high-quality destinations. As underlined in our 2010 Tourism Communication, it is the European Commission’s aim to ensure that Europe maintains its position as a lead tourism destination in the world.

Source: European Commission.
Social media is more relevant than ever for our customers – and this new social check-in service – which was developed in cooperation with Finnair – underlines the importance of incorporating social layers into our solutions and enabling direct social channel access to airline customers, especially at times when special announcements are necessary.

If you haven’t seen it yet, Finnair’s newly introduced social check-in service allows passengers to link their Facebook profile with their check-in. By doing that, they can then see on the seat map who is travelling with them on the flight, and choose a seat according to common interests for example.

After checking-in, passengers can tell their social network friends where they are heading and their estimated time of arrival.

These functions promote visibility for Finnair – helping the airline reach a broader audience via social channels. It also adds a bit of fun to the often monotonous check-in process by empowering their customers with a new way to interact, share, and engage with old friends – or even make new ones.

When we were designing this social check-in service with Finnair – one thing was at the forefront of our minds; data protection. Accordingly, social check-in users can select the level of privacy for their information and the service only shows the customer’s public Facebook profile, which is only visible to passengers on the same flight.

Facebook is the first available social network so far – but in the future airlines’ customers will be able to link their check-in with more social networks like LinkedIn, Google+, Twitter and Weibo. What do you think? Would you use Social check-in?

Source: Guillaume Ebrard, Product Manager, Altea Departure Control, Amadeus IT Group

Amadeus: Social Check-in Boosts Online Visibility for Airlines and Fun for Passengers

Amadeus is a leading transaction processor for the global travel and tourism industry. It provides transaction processing and technology solutions to both travel providers (including full service carriers and low-cost airlines, hotels, rail operators, cruise and ferry operators, car rental companies, travel insurance companies and tour operators) and travel agencies (both online and offline).

Inspiration and selection

Inspiration for travelling is increasingly found on platforms which contain customer comments and recommendations, including websites with user-generated content. It is essential that public administrators have sufficient systems in place to analyze the relative position of their destination, the level of user engagement with content, sentiments expressed, etc. It should also have tools in place that allow those responsible to respond to, and act on, negative feedback that may affect the level of recommendations. Therefore, the response systems must allow actions to be launched through both the public administrations involved and through the companies concerned.

On the other hand, the public administration and the private sector can collaborate in the generation and distribution of content through Content Management Systems (CMS) that consolidate content, ensuring proper distribution to many channels, and therefore presenting a unified message across the destination. This allows stronger brand promotion and recognition.
Booking

The role of government in facilitating the booking of tourism services has always been controversial, and the legal position must be carefully considered before a destination organization offers such services. However, the technology exists to allow a public organization to offer both online and offline retail, including taking bookings for services such as transport, accommodation, catering and other complementary offers. The technology even allows the user to build individual packages tailored to his or her requirements.

When should a public administration take this role? In our opinion only when the offer experiences difficulties positioning itself in the market and requires greater promotion and support, for example rural tourism and new destinations where the tourism industry is being developed.

In the case of the mature markets, we do not believe it is necessary for the public administrators to directly sell the product. Instead, the administrations can and should provide facilities to private retailers such as visa facilitation, tax reductions and others means so that the market operates efficiently. Integrating electronic transactions into the booking process is key to facilitating the flow of travelers.

Travel and stay

The traveler needs to have a point of reference and assistance throughout his/her journey and visit. Usually this role is provided in an uncoordinated way by travel agencies, airports, airlines or railways, tour operators, tour organizations, hotels, etc.

Using open data technology, it is possible to share information across these organizations, improving the quality of information available to stakeholders (including the tourist), as well as providing a means to coordinate emergency actions if required.

Furthermore, the increasing role of mobile applications offers further opportunities for public and private bodies to reach and assist the tourist during their stay. Location technology allows mobile apps to provide relevant and useful information to the tourist, where this may include tourist information, travel guidance, weather reports and/or facilitate the booking of nearby activities and services.

A key point in this step is the modernization of the tourist information offices, which are starting to rethink their role. The traditional role of providing destination information at a specific site is diminishing, particularly with technological advances. Therefore it is important that tourist information offices embrace the available technology, either in kiosks or via mobile applications, to facilitate and enhance the tourist experience.

Post trip

Once the trip is over, the aim is to ensure that a) the customer will recommend the destination to others, and b) that the customer will come back. Both the private and public sectors can combine their efforts to achieve these goals. For example, they can establish loyalty programs that reward repeat customer visits. Such a programme must have the appropriate technological support.

Conclusion

We have seen that the technology can help the collaboration between the private and public tourism sector. In many cases these use mature technologies, whilst others are newer and tourism services are still learning how to use these to their potential. Further innovation is required to produce service models (for the public administrations) and business models (for the private sector) that successfully combine the efforts of both agents.

Source: By Javier Martí Perez – Tourism Director of Everis
**European-wide cooperation in tourism**

- UNWTO states that global challenges demand increased cooperation.
- Cooperation in tourism is already high on the agenda in Europe.
- Many Member States indicate they were already actively engaged with various European-wide cooperation initiatives.
- There is support from UNWTO European Member States for the new European Commission political framework for tourism in Europe.

**Cooperation - UNWTO members’ perspective**

- There is a general belief in the concept of cooperative activity.
- However, some Member States and Affiliates had strong opinions on how far such cooperation should go:
  - Some would welcome a common European tourism policy;
  - Others, although supportive of the idea of European cooperation in tourism, favoured a voluntary approach to cooperation.

**Key areas for cooperation**

- Tourism marketing and promotion activities are seen as the main area for cooperation.
- This is followed by cooperation on the following:
  - Greener and more sustainable tourism;
  - Visa system and travel facilitation;
  - Diversification of the tourism offer;
  - Tour product/trans-border route development.
European investment in tourism

‘Global challenges demand increased cooperation’, says UNWTO Secretary-General, Mr. Taleb Rifai. Cooperation is about maximizing individual efforts towards common goals by working together. If Europe is to remain the world’s most visited travel destination, as forecast in UNWTO’s Tourism Towards 2030, and be equipped to face increased competition from emerging destinations, then cooperation at all levels of the multi-sectoral tourism industry – organisations, public administrations, destinations, stakeholders, academics, etc. – must be encouraged and strengthened over the coming decades. Cooperation is already high on the tourism agenda in Europe, and many Member States and key tourism stakeholders are actively engaged in various European-wide cooperation initiatives. For example:

The UNWTO is a strong advocate of cooperation in tourism and in March 2012 it reached an agreement with the European Travel Commission (ETC) committing to advance their joint efforts to address major issues facing the tourism sector. This agreement was seen as a step forward towards maximising their efforts and exploiting their synergies.

The European Commission (EC) has designed a new political framework for tourism in Europe, based on a coordinated and cooperative approach (see Europe, the world’s No.1 tourism destination – a new political framework for tourism in Europe - June 2010). The EC encourages a ‘coordinated approach for initiatives linked to tourism’ and identifies a need to ‘define a new framework for action to increase its competitiveness and its capacity for sustainable growth’. This framework aims to be implemented in close cooperation with the EC Member States and the principal operators in the tourism industry. The actions promoting tourism were grouped under four priorities, providing the skeleton for a new action framework. These actions are to:

- Stimulate competitiveness in the European tourism sector;
- Promote the development of sustainable, responsible and high-quality tourism;
- Consolidate the image and profile of Europe as a collection of sustainable and high-quality destinations;
- Maximize the potential of EU financial policies and instruments for developing tourism.

ETC and the EC signed an agreement in October 2011 to strengthen the image of Destination Europe, supporting a programme of joint activities to promote Europe, particularly in new emerging markets. In August 2012, the EC also officially announced the award of a EUR 1 million grant to ETC to support its long-term strategy for Europe as a tourism destination - ‘Destination Europe 2020’.

Cooperation – UNWTO members’ perspective

The European Commission political framework:

ETC and the EC signed an agreement in October 2011 to strengthen the image of Destination Europe, supporting a programme of joint activities to promote Europe, particularly in new emerging markets. In August 2012, the EC also officially announced the award of a EUR 1 million grant to ETC to support its long-term strategy for Europe as a tourism destination - ‘Destination Europe 2020’.

Cooperation – UNWTO members’ perspective

The benefits that European cooperation can bring to the tourism sector are widely recognised by Member States and Affiliates. However, some members have strong opinions on how far such cooperation should go. Some, like UNWTO European Affiliate Member, the Universidad Católica San Antonio de Murcia, reported that the most important aspect of cooperation was the development of a real common European tourism policy and the recognition of tourism as a key economic sector of the EU.

Others, like the Netherlands, despite being supportive of the idea of European cooperation in tourism, favoured a voluntary approach to cooperation when relevant. The Netherlands argued that it was important to create proper preconditions for the private sector at the European level, e.g. by strengthening the internal market, reducing the administrative burden and improving access to capital for SMEs, but that tourism policy itself was best left at national level.

Key areas for cooperation

Tourism marketing and promotion activities appeared as the top priority among Members States in order for Europe to remain competitive as it moves towards 2030, cited by almost half (48%) of responding Member States.

This was followed by:

- Cooperative work on greener, more sustainable tourism (29%);
- Visa system and travel facilitation (24%);
- Diversification of the tourism offer (21%);
- Tour product/trans-border route development (21%).

This broadly echoed the key priority areas defined by the EC in its communication ‘Europe, the world’s No.1 tourism destination – a new political framework for tourism in Europe’ (see above). The chart below shows the top ten priority areas, identified by Member States, for cooperation for tourism in Europe.

European Commission political framework:

UNWTO European Member States back the new European Commission political framework for tourism in Europe. For example, Portugal, Hungary, and Poland in particular emphasised the importance of supporting it.
The key areas for cooperation are:

- **Promotion (tourism marketing and promotion activities):** this included a range of initiatives such as cross-border cooperation in the field of marketing (Germany cited, for example, the cooperation in the Alpine and Baltic Sea regions), regional promotions (cited, for example, by FYR Macedonia), promotion of the image and profile of Europe as a destination with a multitude of destinations, and joint promotional activities.

- **Sustainable tourism (working towards a greener, more sustainable tourism):** areas highlighted included reducing the negative impact caused by tourism, sustainable development, and innovation in green tourism (cited by, for example, Israel).

- **Visa systems and travel facilitation (see box).**

- **Diversification of the tourism offer:** many Member States supported the idea of enhancing Europe's competitiveness through the protection and encouragement of its diversity. For example, Romania envisaged the diversification of the supply of tourism services as a priority area for cooperation with the development of thematic tourism products at a European scale. Turkey indicated that countries should concentrate on particular types of alternative tourism to sustain growth, e.g. winter tourism, health tourism, cultural tourism etc.

- **Tour product / trans-border route development:** this included the development of more regional, transnational routes and itineraries, and cooperation agreements between various countries. The case study at the end of the chapter outlines the SusTEn project (Sustainable Tourism Entrepreneurship Mechanism) and highlights the collaboration of local actors of all related categories. It is founded strongly on transnational networking and joint actions.

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**Visa system cooperation:**

Switzerland highlighted visa policy as the most important area for cooperation to grow tourism in Europe.

Affiliate Member, Amadeus, supported this idea and believed that the visa facilitation is critical to attract tourism from high-growth markets.
Other areas of cooperation (listed by a minimum of three Member States) included:

- Research/statistics and knowledge transfer: ‘Improving the tourism knowledge base’ was defined as the most important challenge by the Flemish Community of Belgium. Slovakia also highlighted this area and listed statistical data, intelligence and research, and the exchange of good practice as key aspects of cooperation.

- Tourism legislation and implementation (including coordination of national tourism policies): Germany, for example, indicated it was in favour of the reduction of obstacles for tour operators within Europe. France called for a consistent legal framework for package tours, and the Netherlands reported that it was important to create proper preconditions for the private sector at the European level (e.g. by strengthening the internal market, reducing the administrative burden and improving access to capital for SMEs).

- Training/education of human resources: particularly cooperation in relation to the improvement of professionalism, and the attractiveness of tourism employment.

- Supporting quality in tourism: for example, the Czech Republic highlighted the European Tourism Quality Label initiative.

- Stimulation of innovation in tourism (as cited by Romania for example).

- Cooperation with international organisations: for example, Greece highlighted enhanced cooperation between the UNWTO, EU, OECD, and other organizations/institutions in the field of tourism as a priority area.

- Support the European Commission Action Plan: as mentioned above, Portugal, Hungary, and Poland in particular highlighted the importance of supporting the European Commission action plan aimed at keeping Europe as the world’s No. 1 tourist destination.

- Public-private partnerships: this area is covered in detail in chapter 3.

- Creating a favourable business climate: Germany, for example, saw as a key priority the creation of economic conditions that allow the demand for domestic and foreign travel to remain stable or to rise further and thus safeguard the sales of the tourism companies.

- Other areas (mentioned by only one or two Member State): Romania for example cited the extension of the tourist season as a key priority, while UNWTO European Affiliate, Armande, highlighted ICT in tourism, adding that new technologies are emerging and that companies in the travel industry need help to learn to adopt, maintain and efficiently use those technologies.

Cooperation for competitiveness: ‘In order for tourism in Europe to remain competitive as it moves towards 2030, Europe needs to strategically cultivate its comparative advantages and orientate its marketing, product development and human resource development efforts to enhance its competitive position and attract priority markets/segments’. (Higher Hotel Institute Cyprus)

To conclude, Member States and Affiliate Members identified a range of potential cooperative measures. Many of these are long-established areas for cooperation, often addressing particular tactical needs – for example, joint marketing. However, many Member States identified areas for cooperation that were more strategic and will require significant ongoing commitment as European tourism continues to move forward to 2030. Examples include sustainable tourism, education of human resources, and tourism legislation.
The “SusTEn Mechanism” project has been implemented within the frame of the MED Programme, specifically under the Axe 2: “Protection of the environment and promotion of a sustainable territorial development” - Objective 2.1: “Protection and enhancement of natural resources and heritage”.

SusTEn has brought sustainable tourism under the spotlight as being the cornerstone for regional socio-economic development. To this end, it has resulted in developing a coherent mechanism for rationally planning and implementing territorial initiatives devoted to supporting small and medium tourism business units to consciously move towards sustainability. That means integrating the principles and practices of Corporate Social Responsibility, improving their product or/and service quality, their competitiveness and marketability and, in consequence, substantially contributing to sustainable socio-economic development and the preservation of natural and cultural assets. SusTEn emphasized the collaboration of local actors of all related categories, whilst strongly based upon transnational networking and joint action. In this context, the project focused on:

a) Sustainable tourism businesses, which could substantially contribute to polycentric, balanced and harmonized regional development, to act as guardians’ for natural and cultural resources, and to enhance the economic activity, whilst allowing neighboring sectors to reap significant benefits.

b) The elaboration and practice of an integrated model for organizing and operating sustainable tourism enterprises. It includes a Sustainable Tourism Enterprise Standardization Document (based on internationally recognized Standards, Codes and Best Practices), a Sustainability Audit Methodology, a Model Management System, and guides for developing Sustainable Enterprises in the tourism sector.

c) The involvement and capacity building of significant territorial actors in establishing integrated initiatives aimed at sustainable socio-economic development and preservation of natural and cultural resources. This joint contribution (and leading role) of such actors constituting a bottom up approach to sustainability has been one out of the major elements of the project’s concept and action.

d) Trans-territorial/transnational cooperation in the frame of viable networks, with extensive know-how and expertise, and with the potential for effective joint business/marketing action at the international level.

e) The amelioration of territorial tourism enterprises’ and products’ competitiveness and development prospects, through:

- Raising their capacity to act effectively and rationally within the international market.
- Improving the management and product quality and complying with both respective international standards and the criteria set by the Sustainable Tourism Standardization Document.
- The development, adaptation, incorporation of technocognitive methods, practices and means of the project’s treatment of natural and cultural heritage, territorial marketing, clustering/networking, CSR, etc.

More than 200 enterprises of the tourism and neighbouring sectors comprised the project’s ‘pilot sample’ and participated in the implementation process and directly benefited from it.

The SusTEn Partnership comprised significant actors with exceptional know-how and expertise, and complementary fields of interest and authority, covering the whole range of the required competences. These included the University of Patras, Dpt of Business Administration - Laboratory of Research and Tourism Satellite Accounts (Lead Partner); Region of Attica; BIC of Attika; IRECOOP VENETO; Province of Ragusa; Province of Venice; Foundation University-Enterprise of Balearic Islands (FUEIB); Chamber of Commerce and Industry of Primorska; Town Council of Palma Mallorca; Chamber of Commerce and Industry of Lyon. SusTEn target groups (stakeholders and beneficiaries) include a wide spectrum of actors of all categories and all levels related to the project’s fields of intervention. The SusTEn’s geographical area of research and intervention included seven territories from five countries of Southern Europe: Greece (Attica, Western Greece); Italy (Veneto, Sicily - Ragusa); Spain (Illes Balears); France (Rhône-Alpes - Rhône); and Slovenia (Obalno-Kraska).

For more information please visit: www.sustenmechanism.com
Because of these creative skills, cultural tourists seek out the local and the defining elements of the atmosphere of places. This enables them not only to see or experience a place, but to live and dwell in the culture itself. Cultural tourism today is a journey.

Cultural tourism is essentially about journeys. Not just because the tourists by definition travel to experience culture, but also because culture itself is a journey - a voyage of discovery and self-realisation. Summarising the trends outlined above, the new cultural tourism can be characterised in terms of:

- co-creation;
- increasing linkages between suppliers and consumers;
- increased contact with the local culture;
- increased emphasis on the everyday and intangible heritage;
- a shift towards events as a means of valorising place;
- creative spaces;
- holistic, spiritual approaches;
- new grounds for authenticity (a move away from authority towards context, originality and user-generated content).

Not only does cultural tourism develop a narrative about the place in which both locals and tourists dwell, but it also develops narratives about the individual tourists who go through and experience interculturality in those places. The narrative of tourism therefore links place and journey, local and global, dwelling and mobility, host and guest.

Council of Europe cultural routes - a journey through the culture and history, telling the story of Europe

Since its inception, the then “visionary” Council of Europe Cultural routes programme has provided a solid and coherent model highly adapted to the new trends in tourism. The Declaration of Santiago de Compostela in 1987 called upon member states to “launch programmes of cultural activities in order to rediscover the historical, literary, musical and artistic heritage created by the pilgrimages to Santiago de Compostela; promote the establishment of on-going exchanges between the towns and regions situated along these routes; in the framework of these exchanges, foster contemporary artistic and cultural expression in order to renew this tradition and bear witness to the timeless values of Europe’s cultural.

The following considerations are drawn principally from the Study on the Impact of Cultural Routes on the Innovation and Competitiveness of Small and Medium-Sized Industries (SMEs) co-produced by the Council of Europe and the European Commission, published online in 2011.

The modern face of tourism - an individual, holistic experience

Over the past years, there has been a shift from a purely production focus (mass tourism) and a primarily consumption focus (experiences) to the integration of production and consumption (co-creation).

In a system of co-creation, the links between actors and organisations become vital, as these facilitate the co-creation process. These linkages depend not just on the form of information flows, but also on the content of the information. Changes in the form of communication such as the advent of the Internet, smartphones and social media have revolutionised the way we communicate and the way we travel and, in addition, information has to be shaped to provide the specific content that people want. Storytelling is needed to make a particular place attractive to travel to, or information on the specific benefits that are of the destination. This means a shift from the simple provision of information and services towards the creative co-creation of experiences and narratives. In the field of cultural tourism we can see a similar shift away from static museums and monuments towards more interactive and intangible experiences and the creative development of narrative.

How cultural routes contribute to the competitiveness of a sustainable European tourism industry (European Cultural Routes Institute)
identity." These are exactly the kind of activities sought after by cultural tourists today, which are now developed by all the 26 routes certified by the Council of Europe.

With the adoption of the Enlarged Partial Agreement on Cultural Routes in 2010, the concept of tourism used as a means to achieve these objectives was integrated into the statutory texts: "The EPA [...] shall seek to shape a shared cultural space through the development of Cultural Routes aiming to foster awareness-raising about heritage, education, networking, quality and sustainable cross-border tourism and other related activities."

These aspirations fit perfectly into the new landscape of cultural tourism, giving the cultural routes a new and important role to play.

Economic and social impact of cultural routes

The cultural routes encourage widespread community participation in cultural activities, raising awareness of common cultural heritage. Established on cultural and social principles, they represent a resource for innovation, creativity, small business creation and cultural tourism products and services development. The promotion of cultural tourism has been a logical step in developing cultural routes since this type of tourism builds on the uniqueness and authenticity of remote destinations, local knowledge, skills, heritage and traditions.

In this context, the cultural routes of the Council of Europe have over the last two decades shown enormous potential for SME generation, clustering, networking (intercultural dialogue), and promoting the image of the Council of Europe and Europe generally. Cultural routes networks benefit SMEs by providing markets for SMEs’ products and contributing to tourism revenue generation in remote destinations.

The case studies of the cultural routes carried out during the study on their impact on SMEs show that greater collaboration is emerging between the cultural routes and tourism SMEs to develop cultural tourism. Examples include the development of interactive guides (Transromanica), new audiences via social media (Transromanica, Hansa Youth), new celebrations (Hansa International Festival, Days of Jewish Heritage), new heritage merchandise (all routes), joint marketing with hotels and restaurants (all routes), joint promotion with transport providers (Hansa), gastronomic tourism (Olive Tree), agritourism/ecotourism (Via Francigena, al-Andalus).

The need for cooperation between all stakeholders to develop successful cultural tourism strategies

One of the conclusions drawn from the study on the impact of cultural routes on SMEs’ innovation and competitiveness was that the programme should further enhance its cultural, social and economic added value, building on the expertise, know-how and reputation gained to develop common strategies and establish strong partnerships with different stakeholders and authorities. The authors recommended the development of a new coherent road map for co-operation between the Council of Europe cultural routes, other European routes created with European Union funds, related UNESCO initiatives, especially those associated with the Council’s cultural routes, and other significant European and international projects in order to establish a competitive and effective joint strategy for the promotion of “European Cultural Routes” globally. This has been the basis for stepping up cooperation over recent months with UNWTO, OECD and UNESCO on subjects of common interest where joint action will certainly benefit existing and new initiatives in the cultural tourism sector.

Source: Penelope Denu, Council of Europe, European Cultural Routes Institute
AENOR

We currently live in a situation where tourism offerings are increasing, not only by the growing number of destinations but also by the variety and sophistication of them. For example, the sun and beach tourism, with strong roots in the European Mediterranean region and, in particular, in Spain, is trying to be enriched with cultural attractions as well as through the implementation of appropriate infrastructure for rural tourism.

There are many factors that influence this increasing number of tourism offerings:

- A better knowledge of how to structure and promote a tourist destination focused on the main outbound markets;
- The growing trend towards the diversification of sources of income in local economies;
- Consolidating ways to achieve an important and regular flow of visitors (such as tour operators and the growing importance of e-tourism);
- The increase of international events with the presence of professional and individual audiences;
- The vision that tourism is a positive contribution to the GDP of a country and sustainable in two dimensions: an offer that addresses the environment and long term economic viability.

The sustainable tourism of today and tomorrow needs to ensure concepts such as service quality, environmental management, sustainability, safety and social responsibility.

This is in line with what the main market consumers increasingly demand, not only for tourism businesses, but to organizations of all kinds.

Is it conceivable today that a brand recognized and valued by the public, in every field of activity, does not act responsibly in terms of quality, environmental performance or safety?

Today, we need an integrated vision of the destination that offers within it various elements across those aspects that build competitive advantage in a global market.

For this effort, the elements of the tourism “ecosystem” have the technical standards and certification as valuable allies. Assumed as an essential advantage in other sectors, the standards and certification are playing an increasingly important role in the tourism sector as useful tools for competitiveness and sustainability.

Technical standards contain best practices and the market consensus on the best ways to address important processes for organizations and society in general.

The ISO (International Standards Organization) has promoted the creation of a technical committee to develop international standards to help and guide tourism organizations. In this committee, ISO/TC 228 experts from more than 60 countries work in areas such as beaches, dive services, active tourism, marinas, spas, tours, tourism information, industrial tourism, accommodation, environmental protection, natural environment, among others. Currently, it has released the first dozen international diving standards, and is conducting work on almost twenty draft standards in other fields. The committee is co-secretariat by AENOR, the legal entity responsible for the development of technical standards in Spain and the Spanish representative in international forums.

Certification not only identifies that an organization or installation has successfully implemented a management system or environmental quality standards but also addresses the increasing number of variables appreciated by the tourists: sustainability, food security, energy efficiency, social responsibility, etc.

The conformity evaluation that covers the certification, inspection, testing and validation brings competitiveness to all types or organizations, from micro-SMEs that can be a family restaurant to a big hotel chain. These range from ensuring the compliance of the legal requirements, to certification under a management system or the quality of a product or service. So far, AENOR has awarded more than 1,000 certificates to organizations in the tourism sector: from beaches to museums, to hotels and restaurants, through national parks or spas, recreational organizations, sporting or public transport passengers, among others. Included in the latest organizations that have obtained a certificate with the entity is Salvadoran Tourism Corporation (CORSATUR), which is especially important in setting the example for the rest of the country.

There are several certifications that support the improvement of the competitiveness of industry organizations. For example, certifying that they have implemented a system of quality management according to international standard ISO 9001 and Environmental Management System ISO 14001. Among the newest, the Energy Management system under ISO 50001, which helps reduce energy consumption, costs and CO2 emissions, or ensuring food safety, according to ISO 22000. Tourism is an activity that doesn’t offer second chances due it’s intangible nature and the fact that services are experienced at the same time they are produced, and the visitor wants to have certainty that it will be a rewarding experience. Certification is a factor with a potentially relevant influence when making decisions between several options.

Source: Avelino Brito - General Manager of AENOR
The very concept of 'youth travel' emerged from postwar Western Europe as European nations invested in sending their young abroad in the hope that this would build peace through tolerance, trust and understanding. Many of the government agencies set up for this purpose still exist today and can be found among the members of both UNWTO and WYSE Travel Confederation.

However, over the past six decades the youth travel industry has expanded and diversified to become something quite different. Today, the youth travel market is composed of five major sectors: language travel, higher education, exchange/ work experience, volunteer travel and adventure travel (including backpacking). All of these sectors are supported by a burgeoning and highly innovative range of supplier industries including specialist accommodation, financial services, technology providers, and marketing agencies.

Today, according to UNWTO figures young people represent over 20% of international arrivals, so based on the most conservative estimates, we should expect to see at least 300 million young people crossing international borders every year by the year 2030. Our research shows the market value of the youth travel industry in 2012 to be $182 billion. Youth travel therefore can no longer be derisively considered as a niche market or "low-value budget travel".

Not so much an age bracket as a 'state of mind'.

There are two over-arching reasons for the massive growth in youth travel in recent years. The first of these is young people from the emerging economies who are leading the growth in global travel generally. As living standards have risen in developing countries, young people are starting to travel for the first time and many of these young people are comparatively affluent. The second reason for this general growth has been that the very term of 'young traveller' has undergone significant changes since it was first popularly used in the mid-twentieth century. Today, increasing numbers of children participate in foreign language immersion schemes while many young adults adopt a style of travelling traditionally associated with youth travel well into adulthood. This indicates to us that the concept of youth travel increasingly refers to a traveller's state of mind, rather than his or her particular age.

Groundbreaking research reveals the scale and diversity of youth travel today

As part of our commitment to helping our members and the wider industry make informed decisions and adapt to the latest trends, we recently completed the third edition of our New Horizons study of young consumer travel behavior. The survey, open during 2012 collected over 34,000 responses from young consumers around the world. The results of New Horizons III both confirmed some existing trends and uncovered some fascinating new developments in how and why young people travel.

- More trips to a wider range of destinations. Between 2002 and 2012 the number of trips taken outside our respondents' home region increased from 6.2 per year to 10 per year. The spread of destinations visited on our respondents' last main trip increased across the board too. In fact, all regions, from the Arctic to Australasia had seen an increase in visits from young travellers, indicating that Europe's attractiveness to this age group cannot be taken for granted indefinitely.

- Average spend of nearly 3,000 euros per trip. When we asked young people how much they spent on their last main trip, the response confirmed our expectation – that spending increased from €1,510 to €2,905 per trip over the decade from 2002 to 2012. Furthermore conversations with our members confirms that spending by young travellers on accommodation, food and entertainment is more likely to be with smaller, local providers, thus enhancing the economic impact on the communities they visit.

- A new generation of youth travel accommodation. Offering bars, music gigs, specialized local tours, comfortable, clean, accommodation and of course the essential WiFi connection, today's generation of budget accommodation is symbolic of the change that many youth travel businesses have undergone. The increasing appeal of hostels to business travellers, those on study/ volunteer programmes and 'flashpackers' (the time-poor, money rich backpacker) shows how hostels are diversifying their markets and booming as a result.

- Travel creates a thirst for more travel. This was the number one perceived benefit of travel when we asked our respondents to reflect on their last main trip. ‘A greater appreciation of other cultures’, ‘more tolerance of cultural differences’ and ‘greater self-confidence’ were also attributes which young people said that travel had brought them. Thus the principles behind encouraging young people to travel are as solid today as they were 60 years ago when the first dedicated youth travel operators were established.

Working together to support the growth of youth travel in Europe

Communicating the importance of youth travel to governments worldwide is one of the primary tasks of WYSE Travel Confederation and in September 2012 we were joined by Taleb Rifai, Secretary-General of UNWTO at the World Youth & Student Travel Conference (WYSTC) in San Diego. The Conference is the world's biggest meeting of youth travel professionals and with the encouragement of the Secretary-General, the 800 delegates from 64 countries seized the opportunity to make a formal declaration; The San Diego Declaration, putting forward a series of recommendations on how governments and businesses can help to support the future growth of youth travel. Among the 15 key recommendations we can highlight the following 5;

- Making youth an integral part of every government's strategic tourism policy;
- Carrying out proper, standardised research so that we may better understand the profile, characteristics and interests of young travellers;
- Applying visa policies that recognize the economic and social benefits that youth travel can bring;
- Including travel as a vital part of every young person's education;
- Promoting and investing in programmes to young people that will allow them to grow personally and professionally.

With the support of UNWTO and its members, we will continue to show how youth travel represents not just an important market segment for the world's destinations, but also a vital resource of innovation and change for the industry in general.

Source:
David Chapman, Director General, WYSE Travel Confederation
Chapter 6
Focus areas for UNWTO and conclusions

Among Member States, there is strong support for the priorities of UNWTO as reflected in its General Programme of Work and in the policy issues endorsed by its Members, namely raising awareness on the matters of travel facilitation, intelligent taxation and connectivity. Members urged the organization to continue its efforts to remain at the leading edge of global tourism policy formulation, advocacy and development. For example:

Switzerland welcomed the on-going efforts of UNWTO in these challenges and recognized the organization as a global forum for tourism policy issues and a source of knowledge and statistics.

Some Member States echoed this sentiment expressing that in their view UNWTO has already evolved into the international organization which best represents the interests and aspirations of the global tourism industry. Malta adds “It is authoritative, credible and reacts fast to developing situations”.

Areas of focus for UNWTO

Member States identified, in particular, four key roles which they believed UNWTO should continue to focus on and/or strengthen in the future. These include:

- Lobbying on key policy issues and generating and sharing knowledge (including such as travel facilitation and connectivity, dissemination of best practices and benchmarking, tourism statistics, market trends, forecasting, etc.) this was identified as the main priority with 77% of Member States recognizing it as UNWTO’s key strength. The UNWTO is often viewed, and expected to be, the source of knowledge to turn to. Bosnia-Herzegovina for example praised the ‘excellence of the information provided through its Barometer series’, while Monaco thought that ‘the role of the UNWTO is of great importance to the Principality of Monaco as it enables us to collect worldwide information’. Turkey encouraged UNWTO to continue its work on providing increasingly ‘credible, comparable and accurate regional, national and global statistical data’.

- Platform for the exchange of best practices: mentioned by 40% of responding Member States, this is the second key role for UNWTO. Members are keen on seminars and workshops as a means of sharing and exchanging information and good practice, thereby contributing to human resources development.

- Support for travel facilitation was mentioned as a specific focus by the majority of respondents.

Institute for Tourism (Croatia) and the UNWTO – ‘the best way to address those challenges is for the UNWTO to continue their efforts in raising awareness on tourism impacts and importance for economic and social development as well as on importance of sustainable and responsible tourism development.’

Travel facilitation: Germany called on UNWTO to continue its efforts to ‘support travel facilitation (visa procedures, accessible tourism for all etc.)’
• Technical cooperation and assistance: this is considered to be a fundamental mission of UNWTO by 29% of Member States. The services detailed had a wide scope, encompassing tools/methodologies/guidelines relating to the design and implementation of tourism strategies and tourism policies, as well as education, branding, tourism governance, destination management, sustainable tourism etc. Some Member States look to UNWTO for guidance, as a purveyor of trusted expert methodologies, standards, and assistance.

Conclusions on the Report

The key tourism trends highlighted in Chapters 1 and 2 of this report include:

• Since 2009 European tourism has grown at a variable rate. There have also been significant variations in recent growth rates across European regions, with South East Europe and Central / Eastern Europe experiencing more rapid growth than the mature destinations of Western and Northern Europe, and Southern / Mediterranean Europe.

• During the post 2008 economic crisis, destinations in:
  o Western and Northern Europe, and Mediterranean Europe have typically experienced resilience in their core established markets (generally the mature European and, to a lesser extent, North American markets) but stronger growth rates from emerging BRIC and Asian economies.
  o SE Europe and Central / Eastern Europe identified the mature European economies as significant growth markets.
  o Central / Eastern Europe emphasised the existing importance of markets in neighbouring countries, particularly Russia.

• Member States are adopting a range of measures to capitalise on potential growth markets – including marketing and promotional activity, mega-events, new product development, airline route development, and inbound market diversification.

• Long term forecasts are for continued growth but at a more moderate pace in Europe. Europe is expected to grow at an average rate of 2.3% per annum to 2030.

• Member States in Europe are generally reporting strong growth from emerging markets. However, in absolute terms, many emerging markets are small for Member States and the reported pattern of growth from different emerging markets is not even across different areas of Europe.

• The general expectation is for continued growth from emerging markets. Most commonly the focus and expectation for growth is from the Russian market. China is the next most mentioned.

• BRIC countries are only part of market development strategies for Member States. For most Member States, a whole range of countries and world regions are seen as having equal or greater importance than the BRIC countries.

Chapter 3 highlighted general support for Public Private Partnerships among Member States and Affiliate Members. Different countries are at different stages of development on PPPs. Some Member States have long-established PPPs whereas others acknowledged that, despite some cases of successful tourism management in their countries, PPPs could be further reinforced. In yet other cases, PPP is embryonic.

Tourism promotion is seen as the most important area of PPPs. Other common areas included destination management, the development, creation and maintenance of tourism infrastructure, human resources development (particularly training/education), and quality assurance.

Conditions considered important for PPP development include having a favourable legal framework, common and achievable goals, and transparent and clear governance structures. The ‘people’ element was also seen as key, e.g. the involvement of local communities, having committed and reliable partners, and skilful public and private representatives.

In Chapter 4, Member States across Europe identified two broad approaches to public investment in tourism infrastructure. Some, like Italy and Spain, have developed comprehensive strategic plans for supporting investment in tourism infrastructure. Other Member States do not have any specific strategy regarding tourism infrastructure, quality assurance or human resources, leaving it instead in the hands of market forces.

Investment priorities are a mix of hard and soft infrastructure. The top priorities for investment are the transport network, training/education of human resources, product development, accommodation development, and resort development.

The priorities for cooperation across Europe illustrated in Chapter 5 are considered to be marketing and promotion, sustainable tourism, visa systems and travel facilitation, diversification of the tourism offer, and tour product/trans-border route development. A number of particular challenges for European tourism have been identified if it is to remain the world’s leading inbound destination in the long run. These include:

• Globalisation and changing markets – key challenges will include:
  o Retaining (and growing) core markets in the face of increased competition from emerging global destinations and in an environment of economic downturn (in many markets).
  o Maximising growth from emerging countries, particularly with potentially limited resources for marketing and development.
  o Catering to demographic changes in the market place – more elderly markets, differing cultures etc.
  o Creating the environment and conditions to foster successful PPPs.
  o Managing the visitor economy through PPPs and investment across a range of areas such as promotion, destination management, infrastructure development, and human resource development.
  o Achieving pan-European cooperation in a number of areas such as travel facilitation and visa system, promotion, and sustainable tourism. Some areas of intervention and cooperative activity will be more easily implementable in the short to medium term. Others will require a longer term time perspective.

Chapter 6 allowed the Member States to reflect on how UNWTO should continue to collaborate with the European tourism sector in order to best address the sector’s challenges and opportunities and ultimately consolidate its position as the world’s leading inbound destination.

Member States identify four key areas of focus for the UNWTO, namely to lobby and generate knowledge on key issues in tourism, to provide a platform for best practices and knowledge sharing, to provide technical cooperation and assistance and to further drive interregional cooperation.
The World Tourism Organization, a United Nations specialized agency, is the leading international organization with the decisive and central role in promoting the development of responsible, sustainable and universally accessible tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how. Its membership includes 154 countries, 7 territories, 2 permanent observers and over 400 Affiliate Members.

UNWTO Affiliate Members bring together over 400 companies, educational & research institutions, destinations and NGOs whose activities are related to tourism and which contribute to the UNWTO their knowledge and expertise to promote the development of tourism that’s responsible, sustainable and accessible for everyone. Over 80 countries are represented among the Affiliate Members, the world’s premier forum for exchanging tourism knowledge.