

NET position Priority Actions for EU Tourism

D-0615-289-Main

As a follow-up to the discussion paper presented by DG Growth on the “**Priority Actions for EU Tourism**”, and the meeting organised on 7th May 2015, NET, the Network for the European Private Sector in Tourism, is pleased to present its main priorities for the Commission’s 2014-2019 mandate.

Visa Policy

NET considers it fundamental that Visa Policy continues to top DG Growth’s agenda, as Europe’s market share is declining sharply and confronted with a strong competition from emerging tourism destinations. According to the Commission’s 2013 study, more flexible and accessible visa rules could lead to an increase in trips to the Schengen area of between 30% and up to 60% from the six target countries analysed, representing €130 billion in total direct spending over five years and some 1,3 million jobs in tourism and related sectors¹. A “smarter visa policy” will be also highly beneficial to the high number of legitimate workers (e.g. seafarers from third countries employed on-board cruise ships, also contributing to EU economy). Therefore, NET fully supports the Commission proposal on the visa package (including the Visa Code recast and the proposal for a Regulation on Touring Visa) and is calling for a swift adoption by the Parliament and the Council. However, it continues calling on the support of the Commission, namely DG Growth and DG Home Affairs, to convince the Council on the economic importance of the reform, while continuing to prevent illegal immigration and criminals from entering the Schengen area. Consequently, legitimate travellers and workers from third countries will be able to benefit from the EU economy and will contribute to boost growth and jobs creation in the sector.

NET encourages the decision-makers to work further towards a truly common European visa issuing mechanism, moving away from the national visa issuing systems that only create variances, confusion and unnecessary duplication of resources and costs.

Lastly, NET would like to highlight that the implementation of more visa waiver agreements, especially with BRIC countries, is crucial, in order to keep Europe as world’s number one tourist destination.

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CRUISE COMPANIES OPERATING
IN EUROPE

ECTAA
TRAVEL AGENTS &
TOUR OPERATORS IN EUROPE

EFCO&HPA
CAMPS SITES, HOLIDAY PARKS
& HOLIDAY VILLAGES IN EUROPE

ETOA
EUROPEAN INBOUND TOURISM

HOTREC
HOTELS, RESTAURANTS
& CAFÉS IN EUROPE

IAAPA
INTERNATIONAL ASSOCIATION OF AMUSEMENT PARKS
AND ATTRACTIONS

IRU
BUS, COACH & TAXI OPERATORS
WORLDWIDE

¹Study on the economic impact of short stay visa facilitation on the tourism industry and on the overall economies of EU Member States being part of the Schengen Area ([link](#)) – the study was commissioned by DG Enterprise and Industry, August 2013

Digital Single Market

There is no doubt that Europe's future is digital. NET fully supports the Commission's digital package, whose main goal is to ensure that all industrial sectors make the best use of new technologies and manage their transition towards higher value digitalised products and processes. Consumer protection needs to be ensured and tourism businesses need to get the most out of the single market; both are possible

The digital revolution has also led to the exponential growth of the so-called "sharing economy", where private individuals and companies offer through online platforms such as AirBnB, Campinmygarden.com or Uber, tourism services that compete with regulated professional services providers without having to comply with all the same regulatory rules (health, safety, security) especially when taking into account that many of these private service providers are using new platforms in such a way that their activities are commercial in nature. This gives rise to unfair competition vis-à-vis tourism businesses which are heavily regulated. NET, therefore, calls on the Commission to help create a level playing field for all players providing tourism services, thus ensuring that the sector can embrace innovation and promote high quality and safe services to all consumers using the latest technology.

The Internet has also changed the rules of the distribution and evaluation of tourism services, with the development of different online tools for comparison, such as online booking, metasearch giants and review sites, which effectively act as business intermediaries between consumers and service providers and benefit from it without bearing any responsibility. This has generated unfair competition and practices, resulting in SMEs being deprived of their entrepreneurial freedom and encountering many difficulties in being visible on the single market. Big data is another major challenge to be addressed in order for SMEs to benefit from the available information to further improve their products and proactively access new clients. Therefore, NET welcomes the Commission's announcement of assessing the role of online platforms, taking the above points into account, and is looking forward to resolve the acute concerns around dominant positions setting unfair terms and conditions, lacking transparency and providing misleading information concerning availability, reviews and other issues.

Streamlining the regulatory and administrative framework impacting tourism at European level, but also at national, regional and local level

NET fully supports the priority of the Commission to streamline regulatory and administrative aspects that have been identified by the industry, and in particular by SMEs, as complex, incoherent and without sufficient legal certainty. In this context, NET calls on the Member States to reduce local, national and regional

tourism taxes, as they directly impact the consumer's choice in terms of destinations and, therefore, the tourism sector's competitiveness vis-à-vis other regions, not forgetting its direct impact on employment. NET would recommend that the Commission carries-out a study on the impact of taxes and levies raised on tourism products and services at local, regional, national and European level on the competitiveness of Europe as a destination.

In addition, a call from the Commission to the Member States on the importance of reducing VAT rates on travel and tourism services would help develop local economies and sustain growth and jobs, as well as helping Europe remain competitive on the global market.

Improving the governance of the Tourism sector

NET welcomes the need to improve the governance of tourism related topics at EU level. NET is convinced that mapping all legislative proposals/policy orientations having an impact on tourism will facilitate the development of a holistic approach which will benefit growth and jobs in the sector. To achieve this objective, improved cooperation amongst all relevant DGs, the European Parliament, the Council and tourism stakeholders is needed.

Nevertheless, NET has strong doubts about the benefits of creating a European Tourism umbrella organisation, as not all topics interest or impact the different stakeholders in the same way. NET is of the opinion that such platforms should only be built on a voluntary basis. There are already a number of platforms, such as NET, ETAG, etc.

Promoting sustainable and responsible tourism

NET fully welcomes the development of a more sustainable and responsible tourism industry, which would ensure Europe's growth and competitiveness, and takes into consideration tourism businesses' constraints and needs for funding, in particular in the area of accessibility. NET would, therefore, welcome support from the Commission to help the sector in achieving more sustainable businesses through financial aid, such as continued funding of Travelife, and call on the Member States to fund these objectives as well.

NET also welcomes the completion and adoption of the European Charter on Sustainable and Responsible Tourism, but would recommend aligning it closer with the UNWTO Global Code of Ethics for Tourism to avoid overlapping in terms of content and reporting obligations. In fact, NET believes that the joint promotion of the Charter and the UNWTO Code of Ethics could be developed in order for synergies to be created.

Upgrading the skills and competences in the tourism sector

The tourism industry employs more than 13 million people² in the EU. It accounts for 9% of employment in the “non-financial business economy”. Up to 43% of the employees in the sector are under 35. The sector is, therefore, key to fighting unemployment and, in particular, youth unemployment, therefore facilitating social inclusion.

The sector also provides job opportunities for all types of workers: in the hospitality industry alone up to 33% of the workers are relatively unskilled compared to 20% in the overall economy. The tourist accommodation sector accounts for a high share of female employment: up to 60% of the employees are women.

The tourism sector is for many reasons the first labour experience for many people. It is a gateway to the labour market. However, the sector encounters, on many occasions, difficulties in attracting and keeping skilled labour, due to the fact that tourism companies face major challenges, such as seasonality and a high share of SMEs. For this reason, NET fully welcomes Commissioner Bińkowska’s priority to upgrade skills and competences across the tourism sector and will closely continue to cooperate with the Commission to develop this top tourism priority.

Anticipating future trends and skills needs in the tourism sector is key to training employees and employers for the industry’s future requirements in order to enhance the competitiveness of tourism SMEs, so they continue creating jobs and providing a quality service adapted to the customers’ expectations.

NET would also welcome the European Commission’s call to Member States to reduce labour costs and therefore unlock SMEs’ potential for jobs creation.

Fostering low and medium season tourism exchanges

NET welcomes the Commission initiative to foster low and medium season tourism exchanges. The main objective is to overcome seasonality and consequently extend the season, which would bring more growth and jobs to the tourism sector and local economies.

Nevertheless, NET considers that the development and design of products should be left to the industry. If there is a business opportunity, the tourism sector will naturally adjust accordingly. Net calls on the Commission to support the sector to

² Source: Eurostat ([link](#)).

further adapt and stimulate senior traveling.

Improving intermodality and transport connectivity

NET considers that transport connectivity is a key element in the tourism industry and the provision of the needed infrastructures remains crucial for the realisation of its full potential. In this context, improving the intermodality and transport connectivity is fundamental in order to ensure a seamless travel experience for European citizens and visitors and, by the same token, fight seasonality, address accessibility issues at European level, maximise the benefits for tourism in local economies and to better promote tourism for all.

In this respect, NET invites the European Commission to work towards promoting seamless intermodality and door-to-door solutions for European travellers, in particular, within the collective door-to-door mobility chain. Proposals for actions should leave enough flexibility for entrepreneurial initiative and innovation, and by the same token strengthen the competitiveness of the collective door-to-door mobility chain as a whole, both in urban and long distance mobility, thus reducing the adverse effect of traffic congestion.

Promoting group tourism remains key for a competitive and sustainable European tourism policy, offering a safe, affordable, accessible, flexible and comfortable door-to-door way to travel to European citizens with buses, coaches and taxis being the most dynamic element of a competitive door-to-door mobility chain.

NET encourages, therefore, policy decision-makers to recognise the specificity of group tourism and create the needed framework and infrastructure for it to thrive and realise its full potential.

Improvements to the connections between ports and hinterland is central to improving tourist's experiences of a city and beyond, encouraging return business promoting local cultural heritage, and resulting in a positive impact on the economy of the region as a whole.

In this context, improving access to infrastructure, including to infrastructure of other modes, is an important precondition in order to achieve genuine seamlessness and customer satisfaction.

Some NET Members are engaged in projects that support the development of inter- and multi-modal transport. There is, for example, the industry initiative FSM which aims to develop an interoperability standard for rail products to provide customers with an easier and faster access to end-to-end single or multi-carrier journey information. Eventually this will be extended to cover multi-modal transport. There is also the EU funded project All Ways Travelling, the aim of which is to develop and validate a model for a multimodal pan-European passenger transport information and booking system.

Joint promotion of Europe as a tourist destination, mainly in third countries' markets

In order for Europe to keep its position as the world's number one tourist destination, it is important that it continues being heavily promoted in third countries' markets. For this reason, NET welcomes Commission support that would help the sector to become even more visible and that would help increase its global market share. NET also supports the organisation of events and communication campaigns that promote Europe as a tourism destination.

Tourism safety

As highlighted in the 2014 and 2015 Eurobarometer survey on the preferences of Europeans towards Tourism, tourists feel safe when using legitimate accommodation services in Europe. Nevertheless, as explained above, the exponential growth of private tourism services offered on peer-to-peer platforms (e.g. AirBnB, Campinmygarden.com and similar) raises a growing safety issue, as these new types of services largely escape existing tourism safety regulations and enforcement mechanisms. The European Commission should therefore encourage national authorities to tackle the issue and ensure that tourism safety legislation provide for an effective level playing field for all tourism service providers.

Moreover, in order to raise the global understanding about tourism safety, and given the proliferation of existing safety legislation at various level (European, National, local), NET would recommend that the European Commission establish a web-portal where all safety legislation applicable to the tourism sector in each country would be listed. Such a portal could also serve as a hub for the sharing of good practices.

Final comments

NET notes that the Tourism Unit of DG Growth will merge with the Unit of Textiles, Fashion, Design and Creative industries and, therefore, calls on the Commission to keep tourism at the top of its agenda and allow sufficient resources to ensure the development of a sustainable and competitive European tourism industry.