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From:	Permanent Representatives Committee (Part 1)
To:	Council
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Subject:	Conclusions on the competitiveness of the tourism sector as a driver for sustainable growth, jobs and social cohesion in the EU for the next decade - <i>Adoption</i>

1. Tourism is one of the key sectors of the European economy, with an increasingly positive impact on economic growth, regional development and employment in Europe. It faces challenges and opportunities which will impact its development for the next years.
2. In order to give due consideration to these challenges and opportunities, and to provide guidance to Member States and the Commission within their respective spheres of competence, the Presidency prepared draft Council conclusions on the competitiveness of the tourism sector as a driver for sustainable growth, jobs and social cohesion in the EU for the next decade.

3. The Working Party on Competitiveness and Growth (Tourism) discussed the draft Council conclusions at meetings on 6 March, 25 March and 8 April 2019. A broad consensus on the text in the Annex was reached.
 4. The Permanent Representatives Committee, at its meeting on 8 May 2019, confirmed the text set out in the Annex and agreed to forward the draft conclusions to the Council (Competitiveness) on 27 May 2019 for their adoption.
 5. The Council (Competitiveness) is therefore called upon to adopt the conclusions set out in the Annex.
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**DRAFT COUNCIL CONCLUSIONS ON THE COMPETITIVENESS OF THE
TOURISM SECTOR AS A DRIVER FOR SUSTAINABLE GROWTH, JOBS AND
SOCIAL COHESION IN THE EU FOR THE NEXT DECADE**

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the communication from the Commission on "Europe, the world's No 1 tourist destination - a new political framework for tourism in Europe" of June 2010¹ and the Council conclusions of October 2010 on this communication²;
- the communication from the Commission on "A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism" of February 2014³ and the Opinion from the Committee of the Regions of October 2014⁴;
- the communication from the Commission entitled "Towards an integrated approach to cultural heritage for Europe" of July 2014⁵ and the European Framework for Action on Cultural Heritage of December 2018⁶;
- the Council conclusions of December 2014 on "Strengthening tourism by leveraging Europe's cultural, natural and maritime heritage"⁷;
- the communication from the Commission on "Investing in a smart, innovative and sustainable Industry - A renewed EU Industrial Policy Strategy" of September 2017⁸ and the Council conclusions of May 2017, November 2017, March 2018 and November 2018 on EU industrial policy strategy⁹;

¹ Doc. 11883/10.

² Doc. 14944/10.

³ Doc. 6875/14.

⁴ Doc. CDR 2645/2014.

⁵ Doc. 12150/14.

⁶ Doc. 15343/18.

⁷ Doc. 16535/14.

⁸ Doc. 12202/17.

⁹ Docs. 9760/17, 15223/17, 7037/18 and 14832/18.

- the Opinion from the Committee of the Regions of December 2016¹⁰;
- the 2030 Agenda for Sustainable Development Goals adopted by the United Nations General Assembly and the UNFCCC 10 Paris Agreement within the United Nations Framework Convention on Climate Change,

WITH DUE REGARD TO the respective spheres of competence of Member States and the Commission, as well as the principles of subsidiarity and proportionality,

1. STRESSES that tourism is one of the key sectors of the European economy, with an increasingly positive impact on economic growth, regional development and employment in Europe, accounting for more than 10% of EU GDP and almost 12% of the total labour force¹¹; ACKNOWLEDGES the strong resilience of the tourism sector which has significantly contributed to the EU's recovery from the last economic crisis;
2. UNDERLINES that the European Union is the world's number one tourist destination, with a global market share in 2018 of more than 40%¹² and international arrivals amounting to 562 million after the ninth consecutive year of sustained growth; HIGHLIGHTS that the largest market for tourism in Europe consists of intraregional and interregional tourism¹³;
3. EMPHASISES that, as part of smart specialisation strategies, cross-sectoral innovation, including in the tourism sector, contributes to the revitalisation of local economies and to regional cohesion across the EU, and that tourism is a key strategic sector with further potential for economic growth;

¹⁰ Doc. NAT-VI/009.

¹¹ Model based estimates of tourism direct and indirect contribution, World Travel & Tourism Council, 2018.

¹² UNWTO World Tourism Barometer - January 2019.

¹³ European Union Tourism Trends - UNWTO, 2018.

4. ACKNOWLEDGES that tourism contributes to strengthening our shared European values and REAFFIRMS that tourism has to be developed through close interaction between the competent authorities in a sustainable way to preserve the EU's cultural, industrial and natural heritage for future generations while respecting local communities; UNDERLINES the importance of synergies between tourism and culture and their contribution to economic growth and employment;
5. STRESSES the importance of a well-functioning Single Market, including its digital dimension, as a cornerstone of the Union's growth providing the necessary framework conditions which are essential for European tourism to reap its benefits and maximise its opportunities; UNDERLINES its importance for ensuring competitive services for the further development of the tourism sector, especially for micro, small and medium-sized enterprises (SMEs); UNDERLINES the key role of SMEs which constitute the vast majority of enterprises in the tourism sector and RECOGNISES their specific needs for a favourable business environment and a predictable legislative framework;
6. HIGHLIGHTS the emergence of new business models in the tourism sector and UNDERLINES in this context that it is important to enable businesses, consumers and citizens to make use of the opportunities offered, while addressing justified concerns in an appropriate manner; EMPHASISES the need for favourable business conditions for all tourism services and providers along the tourism value chain for achieving a balanced and sustainable tourism development in the Single Market; ENCOURAGES the Commission and Member States to provide more clarity regarding the rules applicable to new business models, including with respect to short-term accommodation rental services in the EU, and therefore INVITES the Commission to pursue the follow-up of its communication of June 2016 on "A European agenda for the collaborative economy"¹⁴;

¹⁴ Doc. 9911/16.

7. RECOGNISES the crucial importance of the development of an appropriate framework and infrastructures to foster the EU's internal and external connectivity; EMPHASISES the role of knowledge and smart investment models in facilitating innovation and the uptake of advanced technologies in the tourism sector; STRESSES the need to adequately support digitalisation and innovation in order to achieve a more competitive and sustainable tourism offer and to enable competent authorities to obtain timely and high-quality statistical data to support efficient and effective decision-making processes and tourism management;
8. TAKES NOTE OF the positive impact of relevant EU programmes such as the current COSME programme on the tourism sector and RECOGNISES the importance of the potential contribution provided by the EU programmes under the multiannual financial framework (MFF), without prejudice to the ongoing negotiations on the next MFF;
9. EMPHASISES the benefits of seeking and exploiting synergies between tourism and other relevant sectors, such as cultural and creative industries, crafts, food and beverages, transport, construction, spatial and urban planning, ICT/advanced technologies, maritime, agriculture, sport, recreation, education, health and well-being;
10. UNDERLINES the importance of closing skills gaps and promoting the anticipation and development of the skills required for tourism professionals at all levels, including in relation with digitalisation, as one of the key factors for the competitiveness, quality of jobs and career development opportunities in the tourism sector;
11. NOTES that the EU tourism sector is facing increasing global competition from third countries, in particular from emerging travel markets with a higher growth rate, and UNDERLINES that Member States should therefore utilise their rich and diverse cultural and natural assets combined with sustainable, innovative and high-quality tourism services, as the main competitive advantages of the EU and its Member States; further RECOGNISES that effective smart and green investment by public authorities and private actors will be required in the next years to strengthen the competitiveness and sustainable growth of the entire tourism sector in the EU;

12. ACKNOWLEDGES, in light of the above, that the EU tourism sector faces shared challenges and opportunities, which will impact its development for the next years, such as:
- sustainability, including resource efficiency, circular economy, seasonality and the management and distribution of increasing tourism flows;
 - innovation and digitalisation, including new business models;
 - skills, competences and the quality of jobs;
13. ENCOURAGES Member States to give due consideration to these challenges and opportunities when developing national, regional and local tourism strategies and to promote policies and practices in favour of competitive, sustainable, accessible and inclusive tourism policies contributing to reaching the EU climate goals and the goals of the Paris Agreement in accordance with the Sustainable Development Goals;
14. CALLS ON Member States and the Commission, within their respective spheres of competence, to:
- a. continue cooperation, in particular through the exchange of good practice in tourism, in line with Article 195 of the Treaty on the Functioning of the European Union, in particular keeping in mind the challenges and opportunities mentioned in paragraph 12 above;
 - b. encourage the inclusion of tourism in smart specialisation strategies, where this builds on a region's assets and human capital, as well as encourage cross-innovation ecosystems and synergies between tourism and other policy fields;
 - c. support networks and partnerships between private and public actors, including non-governmental organisations and social partners, and across different levels of governance, and foster cross-border and inter-regional cooperation to encourage sustainable tourism-driven development based on the EU's cultural and natural resources, including those of the urban, rural and insular areas;

- d. encourage European-wide dialogue and exchange of best practice among Member States to develop innovative approaches, including in smart tourism, for the balanced management of growing tourism flows to European destinations and to foster the transition of European tourism from a model focussed on quantitative growth to a quality-based approach leading to sustainable development and quality jobs;
- e. engage in strengthening the image of Europe as a tourism destination of excellence notably with regard to accessibility, inclusiveness, the quality of its services and the uniqueness of its regions, including by promoting sustainable tourism models for attractive destinations, protected areas and as a way to combat depopulation whilst ensuring that all Member States can benefit from such initiatives;
- f. pursue policies and actions to ensure sustainable, seamless and intermodal transport connectivity to and among tourism destinations;
- g. build on the strategic work on sectoral skills development under the Blueprint for Sectoral Cooperation on Skills¹⁵ in tourism¹⁶ aiming inter alia at encouraging the development of education and skills in the tourism sector, including digital skills, and the exchange of best practice among Member States;
- h. engage actively with the tourism sector and relevant stakeholders, in particular SMEs, to seize the opportunities offered by the digital economy;
- i. ensure that new initiatives at EU and Member State level that affect the tourism sector provide added value, by setting out a favourable environment for the competitiveness of the EU's tourism sector, while avoiding unjustified and disproportionate additional burden on businesses, especially on SMEs;

¹⁵ <https://ec.europa.eu/social/main.jsp?catId=1415&langId=en>

¹⁶ <https://nexttourismgeneration.eu/>

- j. ensure the timely information on ongoing EU legislation affecting tourism and foster a European-wide dialogue among tourism experts;
- k. consider the possibility of designating a European Year of Sustainable Tourism, which may help to promote the diversity of European tourism and raise the profile of lesser-known tourism destinations;

15. INVITES the Commission to:

- undertake an in-depth analysis of the recent developments and future trends and their effects on the tourism sector, in particular giving due consideration to the challenges and opportunities mentioned in paragraph 12 above;
- in light of this analysis, taking as a reference the communication of 2010 and any follow-up, and with the active participation and contribution of Member States and relevant stakeholders, pursue the most relevant policy on tourism with a vision for 2030 and with a view to maintaining the EU's position as a world leader in this sector;

16. ENCOURAGES the tourism sector to actively participate and contribute to these measures;

17. INVITES the Commission to regularly keep the Council informed about the results of these actions and initiatives.
