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NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	Background note on the tourism ecosystem
	- Information from the Commission

Delegations will find attached a background note from the Commission on the "Tourism ecosystem" with a view to the AOB items at the meeting of the Competitiveness Council on 7 March 2024.

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Background note on the tourism ecosystem

Information from the European Commission

Current situation of tourism in the EU

Tourism ecosystem includes several economic sectors: passenger transportation by air, land and water; accommodation and food services, travel agency and tour operator activities; creative, arts, entertainment and cultural activities; sports, amusement and recreation activities, among others. In 2022, the estimated **Gross value added for this ecosystem was EUR 808 billion (5.6% of EU GVA)** and it accounted for **19.2 million jobs (9% of EU employment).** There are significant differences between Member States, as the GVA share ranges between 3.3% in DK to 14.9% in MT, and the employment share ranges between 5.7% in PL to over 16% in PT and EL.

These shares are expected to be higher in 2023, as the Eurostat data shows that **2023 was a record year for EU tourism accommodations**, surpassing pre-pandemic figures from 2019, with 2.9 billion nights in total. Nearly all Member States show an increase of nights compared to 2022, in 10 countries more than 10%. However, in 13 countries the accommodation sector has not yet fully recovered from the pandemic. While the first years after pandemic the tourism recovered with strong domestic tourism, in 2023 the international arrivals, including between EU countries, are almost back with 46% of all nights spent, vs. 47% in 2019. While arrivals from non-EU countries have not yet recovered to pre-pandemic levels, EU has kept its position as **number 1 destination the world, accounting for 40% of global tourism arrivals** in 2023 based on UNWTO data.

Key results from the Transition pathway for tourism stock-taking 2023

The 2023 stock-taking of the actions of the Transition pathway for tourism and EU Agenda for Tourism 2030 show that all of the 27 areas identified through the co-creation process are relevant, and have engaged stakeholders to take concrete action. By October 2023, 424 pledges were collected, and 24 Member States reported on their work through Tourism Advisory Council annual reporting.

- Most broadly supported actions related to developing tourism strategies and data for tourism monitoring and decision-making, engaging all types of actors to support common development.

- Stakeholder pledges showed most support to the green transition of tourism companies through environmental schemes and capacity building. However, the current level of tourism services with high-quality environmental labels of scheme is low and needs further action, in line with Green Claims initiative, for example considering EU Ecolabel and EMAS as safe tools to invest in.

- Actions relating to digital transition show less engagement than green transition, and further work is much needed as the current share of companies with at least basic digital intensity is 53.2%, far away from the Digital Decade target of 90% of SMEs with basic digital intensity by 2030.

- Ensuring that tourism respects the well-being of residents was the most often stated priority by 17 Member States. Commission provides platforms and tools to help destinations with Urban Agenda partnership and the STR regulation facilitates data provision to monitor tourism density.

- Several good practices were collected to promote skills for the workforce, but while 56.000 persons have been reached with training in 2022, it is only half of the Pact for Skills for Tourism objective to providing training for 10% of the tourism workforce yearly. A key priority should be to develop more Skills partnerships between public and private actors to reach this objective.

Opportunities for further action:

- **Boosting competitiveness by investing in digitalisation** (support for broadening digital intensity, systematic governance and development of Common European Data Space for Tourism, AI for innovation in industry and decision-making, platform regulations (Digital Markets Act, Digital Services Act, Platform2Business) supporting SMEs).

- **Building the business case for green and socially responsible tourism** recognising that this requires providing clear guidance and financial support for SMEs to engage in the twin transition, support from Destination Management Organisations (DMOs) to SMEs at all levels, and establishing new data sources and statistics to follow the progress.

- **Boosting skills and jobs** by establishing national and regional skills partnerships to support upskilling and reskilling, and ensuring that tourism jobs are an attractive option also as entry-level jobs with good working conditions and potential to advance in the career.

- **Promoting a holistic approach**, which relies on collaboration between ministries, between stakeholders and administrations at different levels, which is based on comprehensive tourism strategies that consider economic, environmental and social impacts of tourism with concrete follow-up mechanisms.
- **Ensuring awareness raising** about the twin transition for tourism service providers, administrations as well as the visitors is key.

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