

## TOURISM POSTCOVID IN EUROPE

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May 2020

### Key messages

- ≡ There is an **opportunity** for an **European Tourism policy** to arise and a **specific tourism programme** to be setup.
- ≡ It is essential to **develop sustainable tourism that preserves the identity of Europe and its Natural and Cultural Heritage**
- ≡ **It is time to launch a true European Integrated Tourism Policy, which transforms Europe into a world reference** in terms of responsible, sustainable and innovative tourism in response to excess of tourism of masses, the reality of the ecological transition and the appearance of new business models.
- ≡ Europe must transform COVID 19 and its effects into an **opportunity for tourism**: to change towards a more sustainable model, to **support cross-border tourism as a "generator of confidence" to relaunch tourism in Europe**, to sell the EU borders (areas) as safe destinations.
- ≡ The **Cross-border Cooperation Programmes**, strategic objectives and priorities to be financed should be reinforced to become effective tools to **support tourism recovery in border areas**
- ≡ It is essential **distribute the incentives to the sector from the regions and municipalities to local sectors** to ensure that they reach to the basis of the tourism sector
- ≡ At **local level**, tourism should contribute to:
  - ≡ Reactivate the local economy based on local resources
  - ≡ Generate new jobs and social capital
  - ≡ Exercise a "carryover effect" in other sectors
  - ≡ Contribute to territorial development and, therefore, to fix population (facing the demographic challenge)
  - ≡ More individual and small group/family tours, services

## I. CONTEXT AND SITUATION

In the recent history of tourism, it was never faced such a big international crisis like the one caused due to the Covid-19 outbreak affecting at the same time the biggest tourism destinations. Maybe, the term “crisis” is not the right one, but for sure at the moment, tourism is in a great risk, since after almost two months of territorial and social distancing, the limitation of transnational and cross-border transports (cancellation of international flights, limitation of the domestic ones, closure of airports and borders), the temporary closure of hotels and other accommodation facilities, restaurants, cafes, bars, museums, cancellation of big events, the limitation of citizens’ mobility in their own cities etc. imposed by many governments all over the world, return to “normality” seems a “great expectation” for the tourism sector all over the world...

Tourism is one of the sectors that has ensured the greatest growth, at global level, over the last 30 years and has been able to successfully cope with even very difficult passages, as happened during the financial crisis of recent years. The strengths of this development lie in the great progress of connections, air, rail, road; in the exponential growth of the digitalization of commercial relations; in the growing search for experiences and emotions on the part of people, who in recent years have profoundly changed the way they live, move and consume. The ease with which it is possible to move around, the economic convenience of many offers and the countless opportunities to make exciting experiences and share them with their acquaintances, are the mainstays of this development, which affects all segments of the population of developed countries in the world.

At the beginning of this year, the World Tourism Organization (UNWTO) estimated an increase on global travel between 3% and 4% in 2020. Currently, due to the COVID19 crisis, UNWTO estimates that, in 2020, the International tourist mobilization would fall between 20% and 30%.

As the European Commissioner for the Internal Market pointed out in his speech on April 21st<sup>1</sup>, in Europe, the tourism sector is very important:

- ≡ Contributes between 10 and 11% of the GDP of the European Union;
- ≡ Represents 12% of employment in the Union, that percentage means, 27 million direct and indirect jobs;
- ≡ It is made up of almost 3 million companies, 90% of which are SMEs, sometimes very small

And it will be one of the most affected sectors, if not the most affected, by the restrictions imposed to control the pandemic and its consequences. As the Commissioner's said, the Commission estimates that revenue losses at European level are 50% for hotels/restaurants, 70% for "tour operators" and travel agencies, and 90% for cruises and airlines. They expect this year 10.1 million persons will lose their job in Europe, only in the travel and tourism sector. And we cannot forgot that behind these figures, there is a social and territorial reality.

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<sup>1</sup> [https://ec.europa.eu/commission/commissioners/2019-2024/breton/announcements/speech-commissioner-breton-marshall-plan-european-tourism\\_en](https://ec.europa.eu/commission/commissioners/2019-2024/breton/announcements/speech-commissioner-breton-marshall-plan-european-tourism_en)

Covid-19 outbreak highlighted the vulnerability of the tourism sector affecting strongly tourism entrepreneurship and employment, while if we do not act fast, there will be an important impact in the related sectors (transportations, constructions, agri-food business etc.). However, a recovery strategy is not enough this time, a strong and **sustainable strategic plan for the protection of the tourism sector** from future crisis should be developed, in order people to feel once again safe for their jobs, as well as for their mobility.

Europe must transform **COVID 19 and its effects into an opportunity for tourism**: to change towards a more sustainable model, to support cross-border tourism as a "generator of confidence" to relaunch tourism in Europe, to sell the EU borders (areas) as safe destinations. This is an opportunity to maintain Europe as the first tourist destination in the world in terms of value, quality and innovation. **More than ever, it is time to launch a true European Integrated Tourism Policy, which – as the Commissioner's said - transforms Europe into a world reference** in terms of responsible, sustainable and innovative tourism in response to excess of tourism of masses, the reality of the ecological transition and the appearance of new business models.

Covid-19 outbreak in a very short period enhanced and strengthen international cooperation in health sector and especially cross-border cooperation among EU regions and health institutions, highlighting important good practices. The same has to happen in the tourism sector. People and institutions working in the field of tourism has to cooperate at cross-border and transnational level in order to develop initiatives and actions to support the recovery of tourism sector as well as its future protection through the development of immediate and sustainable mechanisms and tools. Europe was the epicenter of this out-break for the past two months, so European cross-border and transnational cooperation is more than necessary.

## II. INITIAL CONSIDERATIONS (international scope)

Tourism is the sector with the biggest multiplier effect on employment and wealth (that is, that is, carryover effect on other sectors). But it is also a sector in which storage is not possible; sales lost today are fixed cost not covered. It is also a sector in which many businesses are based on significant real-estate investments. Therefore this sector needs a decisive support. Because of its great link with the territory and its development, the support should reach to the base of the sector and does not remain exclusively in hands of large operators.

At local level, tourism should contribute to:

- ≡ Reactivate the local economy based on local resources
- ≡ Generate new jobs and social capital
- ≡ Exercise a "carryover effect" in other sectors
- ≡ Contribute to territorial development and, therefore, to fix population (facing the demographic challenge)
- ≡ More individual and small group/family tours, services

Despite the unpredictability, there are some trends that are being consolidated, especially in the short term. Most of them are relevant for border regions as inland, natural and non-massive destinations:

- ≡ Internal market and proximity market will be the first tourists travelling
- ≡ Tourists will travel by car
- ≡ Tourist will choose secure destinations and destinations they know
- ≡ Tourists will prefer natural environments where they can stay with their family and/or close friends. In this context, Ecotourism becomes more relevant, due to its characteristics.
- ≡ Tourists will "use" health tourism to strengthen their health and healthy and active tourism as a way to be ready physically and psychologically.
- ≡ Tourists will have more digital skills and needs.

Destinations and suppliers must also provide confidence in their hygiene and sanitary procedures when offering distinctive and unique tourism products.

On the other hand, communication and digital communication are key factors for positioning and notoriety of destinations and destination brands, as well as tools to overcome the damage that the pandemic has generated in some European regions in which tourism contributes significantly to GDP (Italy and Spain as examples).

And, what about cross-border tourism? Will this big crisis change affect people's preferences on tourism destinations towards the less massive ones? Could this crisis bring people closer to cross-border destinations? How can we turn this to an opportunity for cross-border tourism, that first of all could be supported by the mobility of the border communities themselves? Do the cross-border regions and destinations have the necessary infrastructures and facilities to guarantee safe tourism? Are they prepared to receive the "new tourism"?

### III. PROPOSALS

In the line with in the previous sections, we consider that more than ever, the European Union needs an Integrated Tourism Policy, as indicated at the inter-parliamentary forum held in Brussels on November 5.

As Commissioner Thierry Breton pointed out, **tourism must become strategic**: due to its economic and social weight, and because it is based on a rich European history and a European cultural diversity that is priceless. Europe should protect this sector, in particular, from aggressive investment strategies of third countries that could see the current crisis as a speculative opportunity.

Therefore, it is essential to **develop sustainable tourism that preserves the identity of Europe and its Natural and Cultural Heritage**, its diversity and authenticity, **protecting** local values and involving local stakeholders; those closest to the territory.

In this framework, we consider believe now it is moment to launch the following proposals:

- ≡ **Value the common resources of the territory and address their promotion and reorganization of them in an integrated way**, promoting sustainability and with the central argument of communicating the territory.
- ≡ **Promote proximity and border tourism**. They must be seen as products that can not only be "sold" in the short term, but as products that represent values and can ensure the experiences that the post-COVID tourist will search.

It is an accessible tourism that, in addition, is usually based on elements associated to cultural and/or natural heritage of the territory and which enjoys of a strong commitment from local communities. In this sense, we should bet on **Endotourism** (tourism based on experiences and promotion of endogenous products), as it has in the region an important area of development and add value to the tourism of proximity and to our territories.

In this context, we consider of great importance to design and conduct **a paneuropean campaign to promote cross-border tourism** as a safer, rich thematic and environmentally friendly choice, and each of us to further specialize it at regional level.

It is essential, in this area, to take into account the guidelines set by the Green Deal and promote sustainable tourism instead of mass tourism, looking for a balance between the preservation of tourist ecosystems and economic realities.

It is also necessary to integrate information and management systems for neighbouring and cross-border destinations and areas, with the aim of making it easier to plan trips and book visits remotely, while also reducing excessive concentrations of people. In this context, collaboration between the various public administrations is equally important to ensure the correct, transparent and impartial management of the data needed by businesses to better organize their offerings and by the PA itself to organize services and manage public infrastructures.

- ≡ **Give priority to quality over quantity.** Bet for quantity over quality is often a mechanism to cover up the lack of tourism strategies and the lack of a clear model of tourism development in public authorities. On the other hand, the quality of the tourist offer is inevitably linked to professionalism. It is necessary to give back the management of the tourism sector to professionals, to focus on the qualification of local operators, to intervene in the abuse. It is a clear example is Venice, where in these last weeks we could see fauna and flora in its canals. This gives the city a new image and a new attraction.
  
- ≡ **Reinforce complementary incentives.** Tourism is not just the visit. It is to know the culture, traditions, enjoying another reality. Tourism requires complementary actions to give added value to the experience: cultural programming, natural spaces, traditions, gastronomy, ... diversity. So, in this sense it is needed a bet in an innovative way on traditional arts and crafts, gastronomy, wines, nature, history, regional products as arguments of personal and family experiences:
  - Cities should improve their cultural spaces and cultural and natural sites services and facilities, in order to attract and host an important number of visitors with international tourist experiences. They have to bet on good **museums linked to territory** that mobilize tourism. Big cities have clear references such as the Louvre or the Prado, but promoting small regional or local museums **and heritage sites** will be important to preserve the identity of the territory and strengthen its cultural offer.
  - It is important to **complement the offer of cities with their natural and historical surroundings**. Valorize them and make them accessible could give an additional touristic offer for their cities of reference, creating short break packages in the region to make more dynamic the internal tourism. In this context it would be important to focus on the creation of integrated and intersectoral tourist packages, to build itineraries and thematic routes (for example: links between UNESCO heritage sites), also open air and naturalistic, guided, interregional, in contact with the population of the areas visited, to diversify the tourist offer also from the point of view of prices.

This can be an opportunity to:

- Recover **Tourism in the Rural Area of the Region**.
  - Contribute for **Nature and Active Tourism** as a differentiating factor.
  - Rethink **Urban Tourism and City Break** in the main cities, promoting networks that structure a new form of enjoyment with links to nearby territories.
- It is essential **to generate new industries that benefit from and benefit tourism**.

**It is essential to promote traditional or innovative gastronomy based on the traditional one**, since it is an element of cultural transmission that reinforces the satisfaction of the visit. Gastronomy linked to traditions and culture of a country. This promotion must be done in two areas: gastronomy of direct consumption and gastronomy of acquisition, as a way to extend the trip and share the experience. An example is the case of Extremadura, in Spain, which has managed to develop a strong brand around its gastronomy and traditional products that generates a “call” effect on the territory.

In this sense, it is of the utmost importance, as we have been demanding, to eliminate obstacles at airports to local products that are not purchased at the airport itself, especially liquids, jams, etc. through the negotiation of a European policy of common airport strategy of the protocols for the safety of people and goods and the transport of regional / local products.

The **promotion of local crafts and the enhancement of traditions** is another key element for the sustainability of a new tourism model, based on the reality of the territories and that values the cultural diversity existing in Europe as a differentiating factor.

It is essential propose to our governments special/ additional funding or rewards for people and companies investing on tourism in cross-border areas, understanding by such not only the border in strict terms but its entire area of influence in NUT 3 terms. To ensure the sustainability of the measures taken it is also desirable to educate and train people already working or interested to work in tourism sector towards quality services, use of local products, promotion of their territorial cross-border attractions, English or cross-border languages, health and safety, including their information about the actions and the measures to be taken by their businesses, according national or European guidelines.

- ≡ The **Brand**, at a European level, needs to regain confidence and improve perception. Today, traveling means, for many people, numerous inconveniences when taking a plane or insecurities regarding their rights in case of cancellations and/or delays. Big companies still have the last word. **Mobility and logistics** are, once again, crucial, as are to have specific standards and regulations to ensure adequate conditions for traveling in Europe safely and thus regain the trust of travellers. In this sense, it is of utmost importance to go through problems/inconveniences associated to travels, for instance:
  - Evolving towards a common European regulatory strategy in the areas of Low-Cost and Health and Safety
    - Security control protocols at airports. Currently the security control protocols are not the same, not even in the same country. They depend on the criteria of the security company operating at each airport. This situation generates uncertainty and insecurity in travellers. A single Europe needs common security control protocols at all its airports, eliminating uncertainty and improving traveller perception. It is also of the utmost urgency to install new scanners, such as those existing at the Porto airport – Sá Carneiro, where the passenger no longer has to remove computers or electronic devices from their luggage, which should also apply to liquids, as mentioned previously; both, those hygienic liquids and those for gastronomic consumption; and to those easily detectable (without the need to take them off) personal items, such as shoes or belts. This would eliminate the inconveniences, the altercations with the private security services and improve the perception of the travellers.
    - Regulate the sector to avoid false low-cost that, either operate with prices from a standard company or, even, adding all the concepts they charge (seat, boarding pass issuance, luggage, etc.) operate at higher prices.
    - Safety and hygiene issues in transport, such as, for example, the space between seats, should also be addressed in the new context.
  - Ensure consumer rights, especially in the case of delays and cancellations. Currently the cancellation policy is totally asymmetric. Companies have the money that the consumer pays before the trip but the refund in the case of cancellations, delays and overbookings in most cases only is recovered after long and expensive judicial processes or claims. One idea could be to establish an intermediate guarantee mechanism that only pays the ticket to the company once the flight has been operated. This would avoid demands for cancellations or returns on flight vouchers instead of money, after delays or cancellations.

Trans-national rules (at least at European level) should be clear. The Commission Recommendation<sup>2</sup> published on May 13<sup>th</sup> on vouchers offered to passengers as an alternative to reimbursement is a good document to work on.

With all European (and world) economies in recession, only a joint response and a higher level governance can address all the problems tourism sector will face in the next times as well as the impact of tourism stagnation will have upon other economic sectors making of the current time an **opportunity** for an **European Tourism policy** to arise and **a specific tourism programme** to be setup.

EU tourism development must be based on a multiannual financial framework. Post-COVID Tourism Policy “must be linked to a specific structural funds programme (ERDF) aiming at assuring the financial resources needed to the policy implementation at the regional level without compromising territorial cooperation<sup>3</sup>”.

In this context, it is essential **distribute the incentives to the sector from the regions and municipalities to local sectors** to ensure that they reach to the basis of the tourism sector and to avoid a concentration of funds in the large operators that do not generate as much activity at a local scale. We must avoid promoting the concentration of resources and the adoption of intensive models of tourism in which the local sector is nothing more than a passive actor without any benefit from the arrival of tourists.

The European tourism policy and the multiannual financial framework which should supported it must be an **“European roadmap to reactivate tourism”<sup>4</sup>** with guidelines that support member-states and European regions to reactivate tourism activities in their own territories.

Following this “roadmap”, at the **Cross-border Cooperation Programmes**, strategic objectives and priorities to be financed should be reinforced to become effective tools to **support tourism recovery in border areas**.

- ≡ **Cities must be induced to rethink their urban models** that make compatible tourism and residents’ needs. Cities must be good for living, working, studying and visiting.
- ≡ **Boost new tourism models** (implemented from scratch) focused on communities and sustainability;

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<sup>2</sup> C (2020) 3125 final. Commission Recommendation on “*vouchers offered to passengers and travellers as an alternative to reimbursement for cancelled package travel and transport services in the context of the COVID-19 pandemic*”.

<sup>3</sup> “For a New EU Integrated Tourism Policy”. EPICAH project, 2019.

<sup>4</sup> Following the same spirit and with similar aims of the “European roadmap to lifting coronavirus containment measures”: a collaborative, coherent and cohesive strategy to face economy recovery. ([https://ec.europa.eu/info/files/communication-european-roadmap-lifting-coronavirus-containment-measures\\_en](https://ec.europa.eu/info/files/communication-european-roadmap-lifting-coronavirus-containment-measures_en))

- ≡ **Borders and their assets should be promoted as part of secure and safe destinations/territories**, paying particular attention to their cultural and natural heritage;
- ≡ In the same way, products like **nature tourism, rural tourism** (including wine tourism and gastronomy tourism), **health and healthy tourism, slow tourism** should be prioritized;
- ≡ Work on the **decentralisation of tourist flows** through the computerisation of management and distribution processes
- ≡ **Support to the creation of tourism intelligence and planning databases**, tools and models (support to informed decision making and cooperative/networking solutions);
- ≡ **Support innovative solutions** to foster and increase tourism demand for border regions.

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**ANNEX I - Specific insights on how these fields of intervention of the European tourism policy<sup>5</sup>**

<p><b>Cross-border tourism product development</b></p>	<ul style="list-style-type: none"> <li>• Tourism consumers will be more sensitive in terms of safety, health safety, unicity of the experiences,... EU can act and cross-borders territories are in conditions to satisfy this demand.</li> <li>• Internal market and proximity markets are the only ones that will be in mind, with car journeys. A big opportunity arises for border destinations (“one destination, two countries” or more).</li> <li>• No massification needed, so maybe the time for territories with dispersed population and/or unpopulated areas has come and an opportunity for the economic development of cross border regions.</li> <li>• Nature tourism, eco-tourism would be a plus. Also huge potential for more “wilderness regions”.</li> <li>• Slow tourism, that can be developed in no overcrowded destinations, which are the reality of most cross-border regions.</li> <li>• Opportunity for the active, healthy and health tourism.</li> </ul>
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<sup>5</sup> Idem

#### IV. EPICAH NETWORK

The EPICAH Network is the result of three years of development of the European project EPICAH, financed by Interreg Europe and which includes 9 partners from 7 border regions of the EU.

This project has allowed its partners to exchange knowledge and experiences and work together to enhance the natural and cultural heritage as a valuable resource for the sustainable development of the territories. Thus, in the framework of the project, in addition to reports about the current situation of each border, two joint reports have been developed, both downloadable from the project website<sup>6</sup>:



- How is being enhanced the border effect in the protection and development of natural and cultural cross-border heritage in Europe
- Recommendations for a New EU Integrated Tourism Policy
- Catalogue of Good Practices

In addition, within the framework of this project, the **First Congress of Tourism at Border Regions in Europe** was organized, in which nearly 200 stakeholders from all over Europe participated and was held on May 9, 2019 in the Portuguese city of Braga.

#### EPICAH PARTNERS

- ≡ Atlantic Axis of Peninsular Northwest (PT)
- ≡ Regional Development Agency of the Pilsen Region (CZ)
- ≡ Peipsi Center for Transboundary Cooperation (EE)
- ≡ Regional Development Fund on behalf of the Region of Western Macedonia (EL)
- ≡ Atlantic Axis of Peninsular Northwest (ES)
- ≡ Iberian Association of Riverside Municipalities of Duero River (ES)
- ≡ Tokaj Wine Region Nonprofit LLC (HU)
- ≡ Agency for the Development of the Empolese Valdelsa (IT)
- ≡ Satu Mare County Intercommunity Development Association (RO)



<sup>6</sup> <https://www.interregeurope.eu/epicah/>