



OPINION

European Economic and Social Committee

Tourism and transport/Follow-up

Tourism and transport/Follow-up
(Own-initiative opinion)

Dossier INT/949

Rapporteur: **Panagiotis GKOFAS**

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EN

Plenary Assembly decision	25/03/2021
Legal basis	Rule 32(2) of the Rules of Procedure Own-initiative opinion
Section responsible	Single Market, Production and Consumption
Adopted in section	03/02/2022
Adopted at plenary	23/02/2022
Plenary session No	567
Outcome of vote (for/against/abstentions)	185/2/7

1. Conclusions and recommendations

- 1.1 The European Economic and Social Committee (EESC) praises the EU institutions' extraordinary joint efforts in 2021, with their policy proposals and measures geared towards helping businesses recover and securing jobs in the European tourism, transport and travel sectors, which are the ecosystems that have been most affected by the COVID-19 pandemic¹. However, the impact of the pandemic and the consequences for the economy and society are not yet fully apparent. Significant efforts must be made to ensure that a coordinated EU approach continues to be taken in the coming months, with clear support for SMEs in terms of credit and finance, as well as information on vaccination, and safety measures to ensure safe tourism, travel and transport and gradually restore tourist flows (by implementing the European Tourism Indicator System (ETIS) and safety for tourism²).
- 1.2 Tourism will not return to its pre-pandemic level: global interdependency, and greener and more digital tendencies in consumer behaviour will determine new business models. The EESC considers that the short, medium and long-term measures needed at EU and Member State/regional level are:

1.2.1 Short term:

- Ensuring that the EU's and the Member States' Recovery Plans properly consider the hotel, restaurant and catering (HORECA) sector and micro SMEs, across the tourism spectrum, especially restaurants, in order to ensure their survival. The EU and national governments need to fully support urgent financial support measures, direct-finance initiatives and the State Aid Temporary Framework beyond 2022.
- Safeguarding financial support measures for micro SMEs, in particular those in the HORECA sector, extending EU and national funding for as long as necessary and beyond December 2022 and not underestimating the impact that the current staffing crisis will have on the pace of the recovery.
- Extending the SURE programme for 2022 and postponing all tax liabilities towards authorities, including those generated during the pandemic, especially for HORECA micro SMEs.
- Establishing a specific tourism budget in the multiannual financial framework (MFF) and improving conditions and harmonised procedures for accessing funds under National Recovery and Resilience Plans (NRRPs): e.g. digitalising and transforming infrastructure in a more sustainable way, applying the "think small first" and "once-only" principles,

¹ The Commission Communication *Europe's moment: Repair and Prepare for the Next Generation* COM(2020) 456 final, cohesion policy support for 2021-2027, and a package of health and safety measures such as the vaccination policy, the EU Digital COVID Certificate, the European Tourism COVID-19 Safety Seal minimum standard and others.

² https://s3platform.jrc.ec.europa.eu/digitalisation-and-safety-for-tourism?p_1_back_url=%2Fsearch%3Fq%3Dtourism.

including in practice micro businesses with low bureaucracy procedures, and introducing transparent calls for tenders for tourism businesses and local tourist authorities³.

- Implementing prerequisites for the integration of tourism and transport micro SMEs into the banking system and financing sector through EU guarantee schemes from the EU and the ECB.
- Improving coordination throughout Europe, better harmonising (SME-friendly) health and safety protocols, facilitating travel for the public and EU businesses in non-EU countries, keeping borders open, minimising restrictions for travellers and increasing the number of coordination strategies and plans among EU and national governments, to restore international tourism flows and foreign direct investments.
- Encouraging all EU institutions, social partners, civil society organisations, and research and academic bodies to contribute to holding a "Year of Sustainable Tourism" in 2022 and to promoting a network of EU exhibitions and fairs on sustainable tourism and transport in international markets.
- Introducing a "tourism" line in all TEN-T projects – European transport corridors.
- Introducing a harmonised reduced VAT rate system for the entire hospitality and tourism sector, which must be SME-friendly and have transparent procedures, funding access tools and procedures (one-stop shop, online tools, twinning programmes with representative SME organisations) and a specific budget line for micro SMEs in particular.
- Setting up an ombudsman/authority to supervise the implementation of the EU recovery measures, and access to liquidity, in particular for micro and small businesses in the tourism and transportation sector, and other specific duties.⁴
- Developing an EU mechanism to monitor the provision of support to micro enterprises and SMEs under the current Multiannual Financial Framework (2021-2027).

1.2.2 Medium term:

- Avoiding over-indebtedness and the loss of businesses' creditworthiness⁵.
- Authorising a task force to supervise the implementation and impact of the recovery measures, in particular those directed at micro and small businesses in the tourism and transportation sector.
- Monitoring Member States' NRRPs, making sure tourism-related reforms have been included.

³ The main areas of interest in the "tourism transition" for micro SME organisations and wider stakeholders are: greener tourism (circular tourism, accessible tourism for all, carbon-neutral mobility, sustainability knowledge, sustainable consumption), digitalisation (data analytics and real-time experience management, digital never-ending tourism and virtual experiences, technology-empowered destinations, the transformation of value co-creation, digital empowerment and knowledge of tourism providers and consumers) and resilience (adaptive capacity of the changing world of tourism, upskilling and the safeguarding of high-quality work in tourism, destination governance to support well-being for all, equity support, accessibility and the social impact of tourism on climate change, ageing and the digital divide).

⁴ Further duties to be performed by the ombudsman/authority: to monitor Member States' activities in relation to their NRRPs to assess whether tourism-related reforms have been coherently implemented, to monitor "second chance" and "early warning schemes" for tourism and small transportation businesses and a new easy-to-use solvency programme for SMEs and to create the conditions for a specific budget line for tourism, reflecting both the importance of this ecosystem and its needs in the aftermath of the COVID-19 crisis.

⁵ Actions: restructuring debt capital, strengthening micro businesses' aggregation and cluster capacities, promoting equity capital and providing tax incentives for private investors, and supporting early warning mechanisms for small businesses at risk of insolvency.

- Creating an EU mechanism to monitor the provision of support to micro enterprises and SMEs under the current Multiannual Financial Framework (2021-2027).
- Establishing a specific EU budget line for tourism, reflecting both the importance of this ecosystem and its needs in the aftermath of the COVID-19 crisis.
- Creating a strong "European Tourism Alliance" to pool initiatives and optimise funding. The EESC must be meaningfully involved in this alliance.

1.2.3 Long term:

- Developing a long-term EU tourism strategic plan: accelerating the transition towards a resilient and more sustainable tourism business model, e.g. SME inclusion in public/private partnerships.
- Prioritising vocational and educational training for SMEs at national/regional level while enhancing apprenticeship mobility programmes in the tourism and transportation sectors, focusing on digital and sustainability skills⁶, in particular in new destinations and remote areas.
- Formulating "Next Generation" EU tourism and transport policies that can ensure predictability and generate confidence for a sustainable recovery.
- Developing new forms of financing for micro businesses, in particular HORECA and women-led businesses, addressing contemporary challenges⁷ and recovering from the impact of the COVID-19 pandemic, and examining how best to support these businesses, as proposed by HM Queen Máxima of the Netherlands and by the GPFI⁸.

1.3 The EESC considers that most of the recommendations set out in its opinion of 18 September 2020 on *Tourism and transport in 2020 and beyond*⁹ are still coherent and relevant and that they were not sufficiently taken into consideration by the European Commission in its plans and consultations.

1.4 The EESC asks EU/Member State/regional institutions, social partners and wider civil society organisations if they are committed to relaunching investments in the long term by taking a comprehensive approach in order to support the construction of a blue economy framework and a joint tourist agenda for 2030/2050, identify appropriate funding pathways and extend credit, since there will be no cash flow for tourism SMEs after the pandemic. Under these conditions, it is impossible for SMEs to invest in the blue economy until they have recovered and can pay their liabilities.

1.5 It is critical that new policies be introduced, allocating sufficient financial resources to save the sector, and that a long-term sustainable, smart and responsible European tourism policy be developed. Moreover, the EESC stresses the importance of having a specific EU budget line for

⁶ Council Recommendation of 15 March 2018 on a European Framework for Quality and Effective Apprenticeships, [OJ C 153, 2.5.2018, p. 1](#).

⁷ HM Queen Máxima, in her capacity as the UN Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), delivered a speech at the G20 Summit in Rome on 31 October 2021, www.unsgsa.org.

⁸ The Global Partnership for Financial Inclusion is an inclusive platform for all G20 countries.

⁹ [OJ C 429, 11.12.2020, p. 219](#).

tourism and ensuring proper governance in order to implement strategic policy actions, including creating a European Tourism Agency to carry out the following activities:

- create a European common data area to make more data available for use;
- implement a European statistical programme gathering metrics to properly track tourism policies, and promote an exchange of EU good practices and curricula in sustainable tourism (e.g. an EU SME Sustainable Tourism Academy);
- relaunch EU international collaboration with the UN World Tourism Organization (UNWTO), the OECD and the G20 Tourism Working Group, with the creation of an EU tourism academy specifically for SMEs and "train the trainers" programmes, in line with the standards of the aforementioned organisations.

1.6 The EESC is in favour of taking a more comprehensive policy approach and seeking sustainable solutions to safeguard the future of tourism and transport based on the following three main requirements and opportunities:

- restore confidence and enable recovery to facilitate a gradual re-opening of travel and common transport connectivity within the EU as well as with non-EU countries;
- learn from the experience of the pandemic and the practices introduced, adopt a specific set of (SME-friendly) indicators, and harmonise data on both the pandemic's impact on the tourism and transport sector and the pandemic-related trends in this sector at EU, regional and international level;
- prioritise a sustainable development agenda to provide long-term guidance for future EU/international tourism.

1.7 The EESC proposes setting up a permanent EU or national high-level expert "Micro and Small Business Liquidity and Investment Task Force", including the tourism and transportation ecosystems, that could facilitate and support the implementation of the recovery measures and act as an EU monitoring mechanism with the necessary independent and transparent data on micro SME liquidity flows and their access to funds.

1.8 The EESC encourages the EU institutions, Member States, regions and EU/national social partners to have a major rethink, to deploy joint quality programmes and more effective rescEU and disaster risk reduction policy tools, and to exchange best practices on involving civil society in crisis management and in preventing human and economic losses¹⁰.

1.9 The EESC believes that, without consumers' trust, the tourism and travel industry will lag behind the overall economic revival trend. A key factor in regaining this trust and confidence is ensuring strong protection of consumer rights under the Directive on package travel and linked travel arrangements (PTD)¹¹, the review of which should focus on removing weaknesses in EU legislation on travellers' rights, as the pandemic demonstrated.

¹⁰ UN Sendai Framework for Disaster Risk Reduction 2015-2030; SME knowledge network and preparedness demonstrative centres, <https://www.europeansmeacademy.eu/news/improving-preparedness-response-to-eu-natural-and-man-made-disasters/>.

¹¹ Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, [OJ L 326, 11.12.2015, p. 1](#).

- 1.10 Despite EU travel laws giving travellers the right to a monetary refund, numerous Member States have implemented national emergency measures in direct contradiction of this right by forcing consumers to accept vouchers and/or by lengthening the statutory deadlines for refunds. It is essential that EU law be both observed and enforced. The pandemic, after almost two years, has had a direct and disastrous financial effect on tourism businesses too, particularly micro SMEs.
- 1.11 The EESC therefore calls on the Commission to explore the feasibility of a proposal to adapt the Directive in such a way that in future cases of force majeure/act of God situations like the pandemic, collective guarantee funds are put in place by Member States in order to take better account of tourism businesses' survival interests while fully ensuring that consumers are properly compensated.

2. Introduction and general comments

- 2.1 EU and global tourism will not return to its pre-pandemic level. The impact of the pandemic and its consequences for societies and the economy are not yet fully apparent. Before COVID-19, tourism directly or indirectly accounted for nearly 10% of the EU's GDP, provided about 22.6 million jobs and made the EU the world's leading tourism destination, with 563 million international arrivals and 30% of global profits in 2018. With 30% of international arrivals in 2018, the EU was the most popular tourist destination in the world. There were more than 600 000 tourist establishments in the EU-27 in 2018 and bookings for overnight accommodation totalled 1 326 049 994 nights.
- 2.2 The European Commission's Joint Research Centre (JRC) estimated that tourism industries are responsible for more than 6% of total EU employment. Furthermore, tourism contributes much more to employment in some regions and is often the only form of employment for low-skilled workers. For example, in Crete (Greece), Jadranska Hrvatska (Croatia), Valle d'Aosta (Italy) and the Canary Islands (Spain), tourism accounts for more than 30% of total regional employment.
- 2.3 After various post-pandemic waves in 2020 and 2021, we can now see the magnitude of COVID-19's impact on employment and the devastating social consequences in the tourism and transport sectors: a lack of international tourism, insufficient and fragile demand for tourism-related goods/services (due to consumption models and behavioural changes in tourism in times of COVID-19), a growing number of business failures and growing indebtedness (which is not just limited to tourism companies), difficulties accessing liquidity measures and ineffective responses from public administrations. The so-called stop-and-go reopening measures, the misuse of green pass restriction measures and the inability of independent authorities to guarantee homogeneous tourist/traveller and business rights, the complexity and often lack of reliable information on the actual local health and safety situation for tourists, and the complex bureaucratic procedures for intra-mobility within the EU's internal borders are also not helping to restore cross-border mobility and stimulate economic recovery.

- 2.4 It is worth mentioning that, according to the recent European Parliamentary Research Service (EPRS) report¹², the impact of the COVID-19 pandemic on various tourism destinations in the European Union is "asymmetrical and highly localized".
- 2.5 As seen from EPRS report Figures 1 and 2, during the pandemic, tourism's contribution to employment and GDP reduced considerably. In Italy, for example, tourism's contribution to GDP halved in 2020 (compared with 2019), dropping from 13.1% to 7%, and 337 000 jobs were lost. Compared with the United States, several EU Member States (e.g. Germany, Italy and France) saw a bigger loss in terms of GDP but suffered less in terms of employment.
- 2.6 Twenty-one months after the pandemic began in Europe, global tourism and transportation ecosystems are still all facing an unprecedented crisis¹³.
- 2.7 In the EU, we have also seen "new" commuting and shopping patterns in urban areas, adapted to government-imposed travel restrictions, such as increased walking, cycling, car travel and online shopping, at the expense of travelling by public transport. In many EU countries, as a result of COVID-19 restrictions, older people in particular have not been able to feed demand for seasonal tourism and transport.
- 2.8 Travel by rail, cruise liner, passenger ship and aeroplane have suffered, in line with a 70% drop in international tourism demand, leading to revenue and job losses in both sectors and the sectors that depend on them (e.g. industrial and retail sectors). Although the impact on freight transport have thus far been modest, the sector is expected to shrink in the coming years, especially if the economy is in recession. Therefore, these sectors should receive appropriate consideration in the EU's and the Member States' recovery plans.
- 2.9 As well as these phenomena, the recent fires in southern Europe and flooding in northern Europe also showed – beyond the tragic human and economic losses – how conventional policies and the existing fragile rescEU mechanism are not delivering the expected results and have proven to be unfit for long-term sustainable development models.

3. **For "Next Generation" EU tourism and transport policies**

- 3.1 A new "Next Generation" approach is required, one that is more harmonised and based on European and national policy options for short-, medium- and long-term resilience and the full recovery of tourism and transport. Key shared principles should be at the centre of a new EU political, social and economic agenda to:
- restore confidence in the EU's tourism and transportation ecosystems (which are mainly made up of micro SMEs and self-employed people) among workers, members of the public, tourists/travellers, and EU/global private and public investors;

¹² [European Parliament Think Tank, Relaunching transport and tourism in the EU after COVID-19, February 2021.](#)

¹³ This has most severely affected small businesses and self-employed people in the respective value and supply chains, as well as workers and societies and their resilience capacities.

- help to rethink the existing EU tourism and transport industry ecosystems to promote resilience and recovery towards a "triple transition" (health, digital, green);
- get back to pre-COVID-19 levels of demand, and promote new investments that are affordable for SMEs in sustainable and long-term growth in the sectors beyond 2021-2027.

3.2 The European Commission's recent Fit for 55 package enables the EU to achieve the continent's greenhouse gas emission reduction targets enshrined in the European Climate Law. The package's proposals also affect European transport and tourism ecosystems. Unless these measures are designed with the right policy in mind, the proposals will not lead to "Next Generation" EU tourism and transport policies. On the contrary, the proposed measures could lead to significant regulatory cost increases for EU businesses, both large and small, and could harm their competitiveness vis-à-vis non-EU transportation and tourism companies located around EU borders, thereby putting EU jobs in these sectors at risk. EU regions highly dependent on tourism would consequently be particularly hard hit. A new "Next Generation" approach should therefore pay attention to the cost impact of this legislative package for European transport and tourism ecosystems and ensure that their (international) competitiveness will not be harmed. Only in this way can European employment and competitiveness be safeguarded, carbon leakage be avoided and the success of the new "Next Generation" approach be guaranteed.

4. **A good start: a new EU awareness**

- 4.1 Full use of the flexibility of the State Aid Temporary Framework should be guaranteed until the end of 2022 and the important unemployment programme SURE should be operational for the same period. Nevertheless, social actors and SME organisations should be more involved so that the package meets expectations with regard to impact and effectiveness.
- 4.2 Having said that, the liquidity, financial and recapitalisation schemes available for small businesses and HORECA SMEs still urgently require a policy intervention extending these measures and programmes to the end of 2022-2023.
- 4.3 Together, the submitted NRRPs and the new Multiannual Financial Framework (2021-2027) require a reinforced and harmonised system of common methodologies and policy practice exchanges (including the European Semester) in order to guarantee the necessary symmetrical EU economic recovery, fair competition among public and private actors, in particular restaurants and HORECA SMEs, at national/regional/local level, social convergence and inclusion.
- 4.4 The NRRPs will determine how the funds will be allocated and spent within existing deadlines. Depending on the EU country, tourism is covered by either tourism-specific measures that modernise the sector or horizontal measures that are relevant to all sectors. For these reasons, we have developed a short- to medium-/long-term framework with four main policy pillars on which we will base our final conclusion and recommendations:

4.5 **PILLAR I: Liquidity, employment recovery and restoring business confidence**

4.5.1 Since there is no clear and up-to-date information about the expected impact of the financial support allocated by the European Commission's recovery programme under the European Investment Fund (EIF) on micro and SMEs, the EESC expresses its concern and proposes:

- setting up a task force to supervise the implementation of the recovery measures, in particular those directed at micro and small businesses in the tourism and transportation sector;
- monitoring the Member States' NRRPs to assess whether tourism-related reforms have been included;
- creating an EU mechanism to monitor the provision of support to micro enterprises and SMEs under the current Multiannual Financial Framework (2021-2027);
- establishing a specific budget line for tourism, reflecting both the importance of this ecosystem and its needs in the aftermath of the COVID-19 crisis;
- implementing second chance and early warning schemes for tourism and small transportation businesses and a new easy-to-use solvency programme for SMEs;
- these various initiatives and proposals should be pooled in a "European Tourism Alliance", allowing better targeting of problems, solutions and funding. The EESC will contribute by being involved in this alliance's discussions and work.

4.6 **PILLAR II: Data knowledge networks and preparedness, health and safety, risk mitigation**

4.6.1 Tourism has an impact on the economy, the natural and built environment, the local population at the places visited and on the visitors themselves. Policies to make tourism more sustainable, and to fulfil its potential to contribute to the achievement of the Sustainable Development Goals, are hampered by a lack of statistics on the sustainability of tourism. If sustainability in tourism is a priority, we must also make measuring it a priority.

4.6.2 The World Tourism Organization (UNWTO), in collaboration with the United Nations Statistics Division (UNSD), is helping leading countries and institutions to develop a Statistical Framework for Measuring the Sustainability of Tourism. International agencies underline the growing need to measure the sustainability of tourism in all its dimensions – economic, social and environmental – and the EU could contribute with its national experiences and could set harmonised standard in this regard.

4.7 **PILLAR III: Medium-/long-term transition pathways:**

4.7.1 The EU industrial strategy needs to further accelerate the green and digital transitions and increase the resilience of EU industrial ecosystems, of which micro and SMEs are an essential component, particularly in the tourism and transport sectors. The co-creation of "transition pathways" for tourism with civil society organisations, social partners, all public authorities and regulators should be accompanied by a comprehensive approach, which is required to compare

sustainable scenarios and to rethink tourism, HORECA and transport policy solutions at EU, national and regional level.

4.8 **PILLAR IV: Governance and resources:** the role of civil society organisations in the "Next Generation" sustainable tourism and transport policies (NRRPs).

4.9 The European Commission has set out seven flagship initiatives, for which it encourages EU countries to put forward investments and reforms. Several of these flagships, such as those listed below, may lead to tourism investments:

- renovate: renovating tourism infrastructure to improve its energy performance (nearly zero-energy buildings), accessibility and resource management, and to develop circular business models (e.g. for food and waste management) and sustainable foreign/EU direct investments;
- reskill and upskill: providing training to tourism entrepreneurs, particularly micro SMEs, workers and destination managers, in support of the green and digital transition;
- modernise: supporting the digitalisation of the public administrations responsible for tourism policy and promoting data-sharing between public administrations, destination managers and businesses;
- recharge and refuel: investing in clean mobility and improving connectivity to tourism destinations, especially tourism hotspots (e.g. waterborne transport, buses, public transport);
- the introduction of a specific "Tourism" line in TEN-T projects (European transport corridors) will allow its specificities to be taken into account.

4.10 The Member States and the EU institutions will need a strong partnership framework with European/national/regional and social partners (social dialogue). EU/national and civil society organisations and other stakeholders will be asked to play a proactive and value-added role at all levels (beyond being fully involved in the European Semester, market surveillance etc.), with some common long-term objectives, common timeframes and a new economic convergence ensuring social inclusion. There is an urgent need to plan ahead and take action through a thorough re-evaluation, a concrete joint policy agenda and national commitments in order to develop a more sustainable, attractive and interconnected tourism and transport business model that will be suitable for the new global market demand and changed lifestyles.

Brussels, 23 February 2022.

Christa Schweng
President of the European Economic and Social Committee

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N.B.: Appendix overleaf.

APPENDIX
to the OPINION
of the European Economic and Social Committee

The following section opinion texts were adopted and the amendments rejected by the Assembly but obtained at least a quarter of the votes cast:

AMENDMENT 3

Tabled by:
VERNICOS George

INT/949

Tourism and transport/Follow-up

Point 2.1

Amend as follows:

<i>Section opinion</i>	<i>Amendment</i>
2.1 EU and global tourism will not return to its pre-pandemic level. The impact of the pandemic and its consequences for societies and the economy are not yet fully apparent. Before COVID-19, tourism directly or indirectly accounted for nearly 10% of the EU's GDP, provided about 22.6 million jobs and made the EU the world's leading tourism destination, with 563 million international arrivals and 30% of global profits in 2018. With 30% of international arrivals in 2018, the EU was the most popular tourist destination in the world. There were more than 600 000 tourist establishments in the EU-27 in 2018 and bookings for overnight accommodation totalled 1 326 049 994 nights.	2.1 EU and global tourism will not return <i>immediately</i> to its pre-pandemic level. The impact of the pandemic and its consequences for societies and the economy are not yet fully apparent. Before COVID-19, tourism directly or indirectly accounted for nearly 10% of the EU's GDP, provided about 22.6 million jobs and made the EU the world's leading tourism destination, with 563 million international arrivals and 30% of global profits in 2018. With 30% of international arrivals in 2018, the EU was the most popular tourist destination in the world. There were more than 600 000 tourist establishments in the EU-27 in 2018 and bookings for overnight accommodation totalled 1 326 049 994 nights.

Outcome of the vote:

For: 72
Against: 84
Abstentions: 21

AMENDMENT 1

Tabled by:
VERNICOS George

INT/949

Tourism and transport/Follow-up

Point 1.2

Amend as follows:

<i>Section opinion</i>	<i>Amendment</i>
Tourism <i>will</i> not return to its pre-pandemic level: global interdependency, and greener and more digital tendencies in consumer behaviour will determine new business models. The EESC considers that the short, medium and long-term measures needed at EU and Member State/regional level are:	Tourism, <i>despite the positive prospects, is not expected to</i> return to its pre-pandemic level: global interdependency, and greener and more digital tendencies in consumer behaviour will determine new business models. The EESC considers that the short, medium and long-term measures needed at EU and Member State/regional level are:

Outcome of the vote:

For: 77
Against: 91
Abstentions: 20