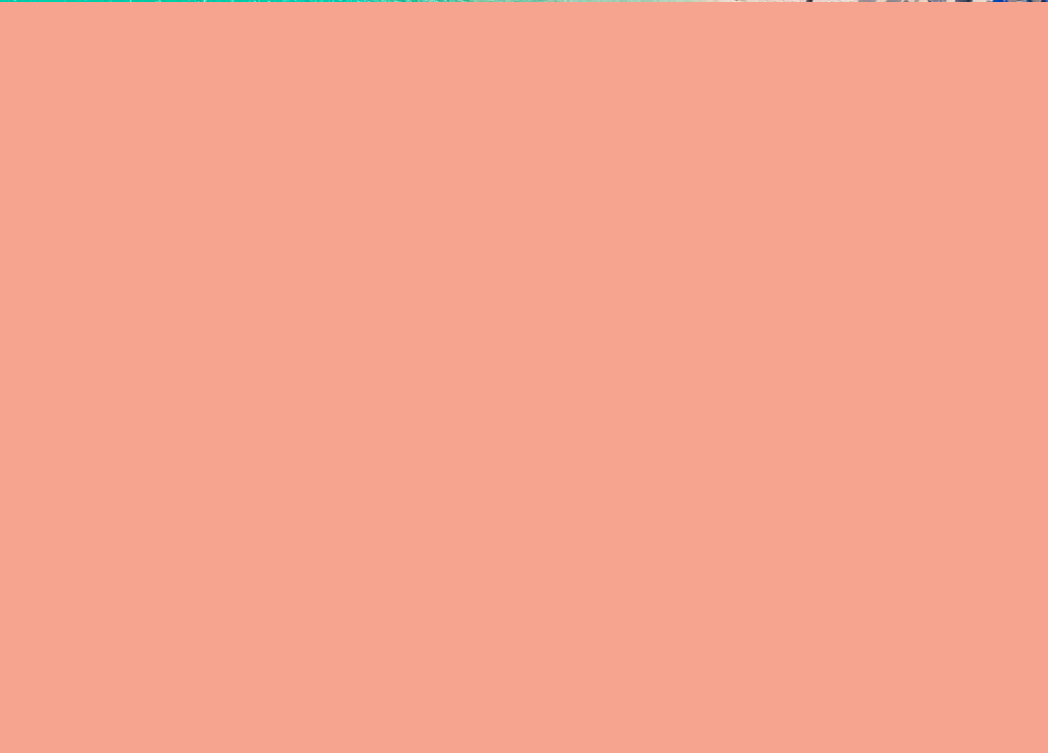


HOTREC position paper on
Coastal tourism:
Challenges & Opportunities
May 2020



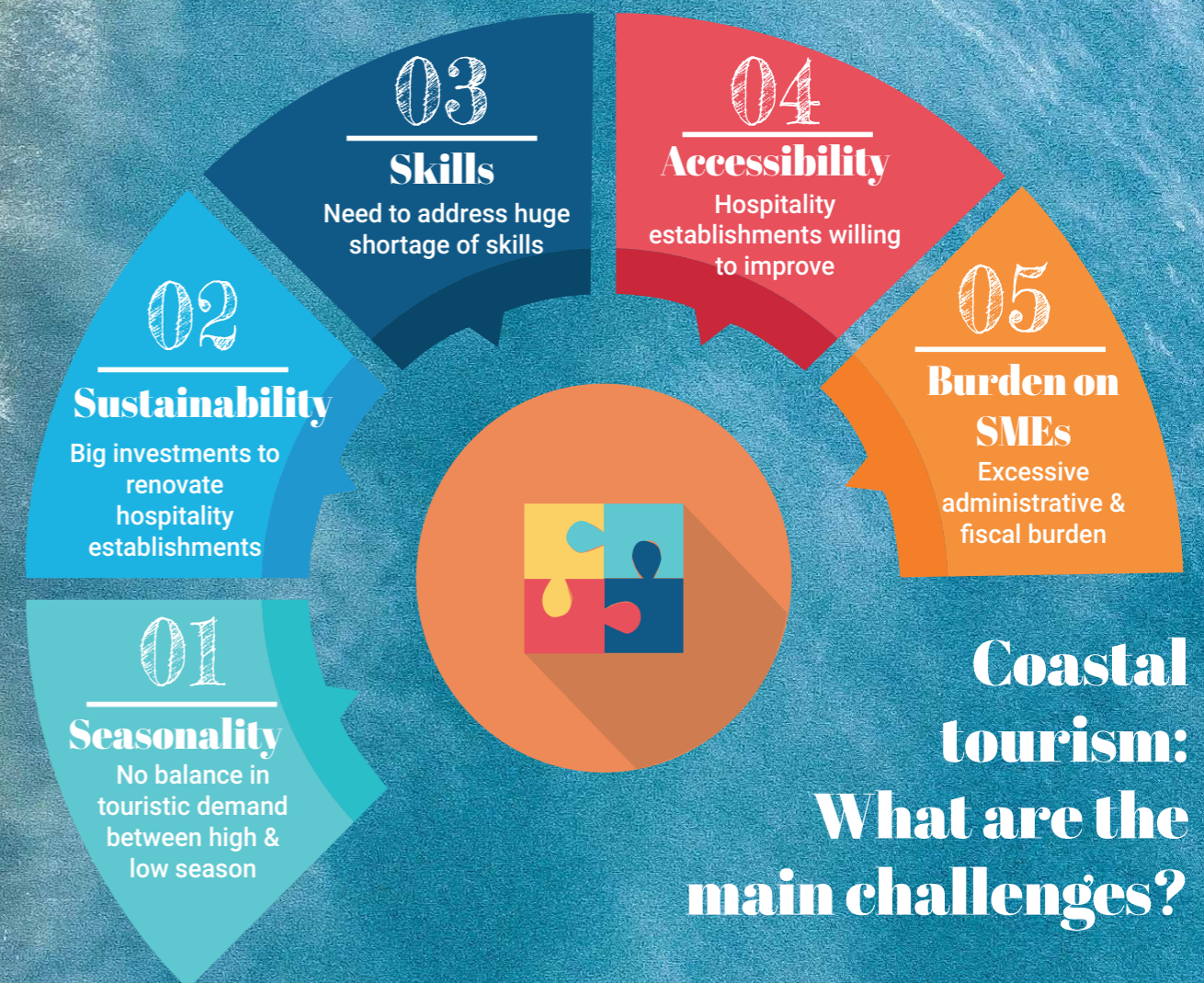
Impact of the hospitality sector on the EU economy

- The hospitality sector is made of **2 million businesses**
- **90%** of hospitality businesses are **micro-enterprises**
- The hospitality sector directly employs **12,5 million** people in Europe
- **2 million new jobs** were created between 2013 and 2017
- With 20,2% of workers under 25 years, the sectors **fight youth unemployment**
- The sector **facilitates social inclusion**, with 30,2% of workers relatively unskilled
- Hospitality and tourism represent the **3rd socio-economic activity** in Europe
- Nevertheless, COVID-19 hit the industry hard. Estimates point out a loss of turn-over between 80-90% during Q1 2020. More than **6 million jobs** are at stake

I Coastal Tourism & the hospitality sector

When it comes to coastal tourism, it is important to stress that more than **four out of nine nights** spent in accommodation establishments in the EU, are spent in coastal areas. Half of European coastal tourism's jobs and value added are located in the Mediterranean, but the Atlantic, Baltic and Black sea regions have significant rates too. Coastal areas are important for growth and jobs, in particular for young people, since **45% of tourism workers** are between 16 and 35 years old.

Accommodation in coastal tourism generated almost 1 million jobs, 45% of coastal tourism direct employment in 2017. Moreover, it generated **67,2 billion EUR in turnover**, an increase of 25,7% compared to 2009. Still during 2017, there were 1/3 of all hotels and similar establishments located in coastal areas and 2/3 located in non-coastal areas¹.



¹ EU Blue economy report 2019 (figures 2017).



II Stimulate performance & competitiveness

HOTREC supports the **creation of networks, clusters and smart specialisation strategies aiming at developing relations amongst the maritime and coastal tourism value chain**² (involving Member States, regions and other tourism stakeholders) – if more stakeholders working together are able to develop synergies in order to create a more diversified offer, then this will help the customer experience to be more unique. Moreover, **national tourism boards and regional authorities, might as well develop a significant role in promoting / communicating and developing the different activities at regional level**. In this sense, campaigns developed by the European Commission are also very welcome.

In addition, HOTREC would support the strengthening of the European Neighbourhood Policy dialogue, namely in terms of competition. The existence of effective rules to ensure that companies compete fairly and effectively contributes to economic development and encourages innovation. For the moment, European hospitality businesses are not very competitive when compared with countries that are not equally regulated (tax, health and safety, food hygiene, consumer's rights, employee's rights).

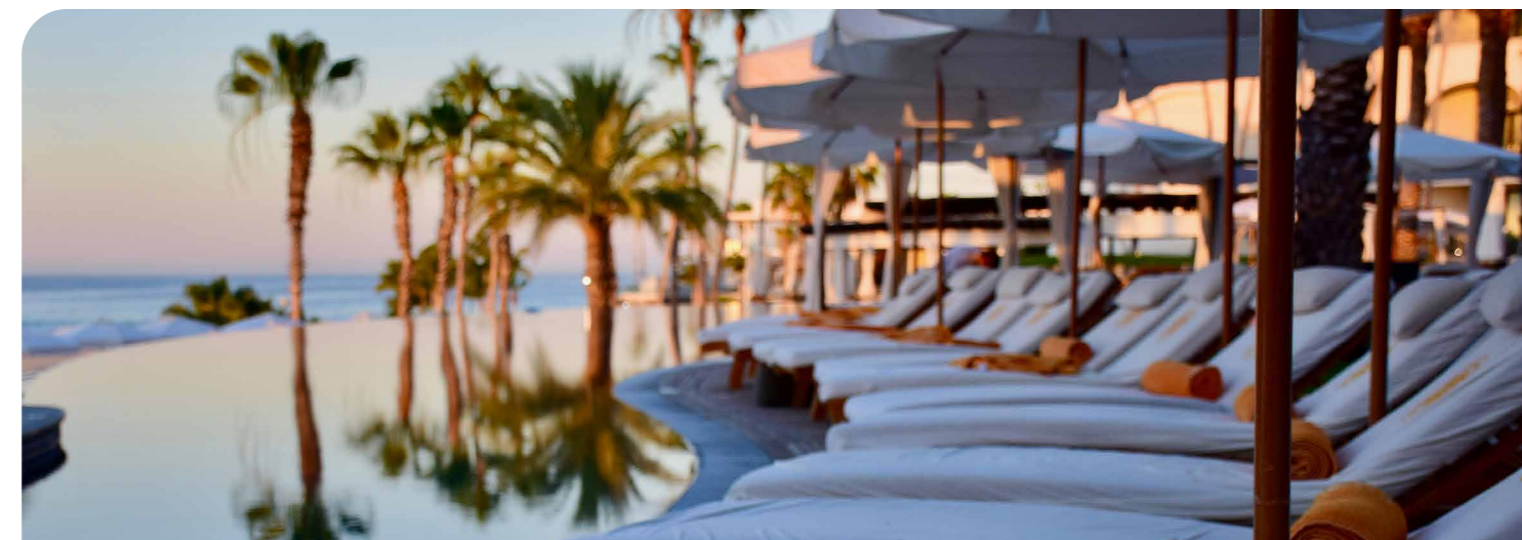
Moreover, HOTREC supports addressing demand volatility, as a key aspect to handle seasonality. Therefore, the promotion of targeted packages for specific markets, the organisation of different activities (e.g. conferences; events) to extend the season all year long, have the full support of the hospitality sector. Nevertheless, despite the willingness of offering lower prices in order to motivate tourists (e.g.: seniors) to come to coastal destinations during the medium and low season, there is also a need for tourists to be willing to travel to the coast during this time of the year. If there is no demand, hospitality establishments cannot afford to be open during this period.

² Communication of the European Commission on "A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism" (COM (2014) 86 final) – page 4.

Under normal circumstances, coastal areas attract more than one third of all tourism businesses in Europe, many of them small-and-medium sized enterprises that face diverse challenges, amongst which:

- **Seasonality** – there is no balance of touristic demand between the high and low season. This situation leads to the phenomenon of packed destinations during the high season, while in the low season most of the tourism businesses need to close, as there is no demand from customer side;
- **Sustainability** – Bio degradation and exposure to maritime proximity mean that hospitality establishments in the coast need to be renovated, repaired and painted on a frequently basis, which means quite some big investments. This again represents a challenge to the hospitality businesses, especially SMEs;
- **Skills** – The hospitality sector is currently facing a huge shortage of skills (e.g. ICT, cooking ability) despite the high level of unemployment in Europe. At the same time, technological and societal changes have created new needs for training (e.g. for business to be more visible online). The phenomena needs to be addressed;
- **Accessibility** – hospitality establishments are willing to improve more and more in accessibility terms. Nevertheless, the entire value chain needs to move in the same direction, so that tourists are able to enjoy fully the chosen destination. It is also a fact that for the hospitality sector to become more accessible, high investments are needed, which is a challenge for the sector, especially for SMEs;
- **Burden on SMEs** – Excessive administrative and fiscal burden on SMEs in the tourism sector is an obstacle to the competitiveness of enterprises and thus to the creation of jobs. In the meantime it's indispensable to grant continuity to enterprises operating in coastal tourism in order to improve professionalism and investments in the sector.

In this context, HOTREC presents the following solutions to overcome the challenges: stimulate business performance; finding ways to respond to future overtourism; overcoming insularity; working on the development of skills and innovation; improving accessibility and by facilitating the access of EU funding to micro-enterprises and SMEs.



III

Dealing with future overtourism

The global rise in the number of travellers to and around Europe for the purpose of tourism is very positive to the tourism sector and the EU economy. Before the COVID-19 crisis, the demand tended to be concentrated in few destinations, especially cities where citizens live and work, pressure on public infrastructures and the environment, the lack of available rental houses and the rise of housing cost can become day to day challenges.

HOTREC is committed on a global and European level to continue participating in a dialogue with governmental and intergovernmental organisations and to develop sustainable tourism. Some of the solutions proposed by HOTREC include:

- Proceed in the **registration of all hosts with the local authorities**, the collection of information on nights spent and the obligation to pay all relevant taxes (e.g. income tax; city tax);
- **Spread the visitor demand throughout the year and throughout their territory**;
- Help every visitor to become a responsible visitor (by being respectful of local people, local environment and way of life);
- Promote dialogue between local residents, professional tourism organisations and authorities about the impacts and concerns related to tourism and discuss solutions
- As a last resort, consider applying a threshold on visitor capacity (by providing a fair limit to short term rentals and by better coordinating the flow of cruise passengers who may disembark in a given city, on a particular day).

HOTREC also welcomes the creation of pan European dialogue between cruise operators, ports and coastal tourism stakeholders³, which could include better regulation and control of non-EU (cruise) operators. This solution could help control overtourism and make sure that all companies comply with the same rules (e.g. environmental related rules).

Moreover, rules and protocols taking into account COVID-19 will be developed by national authorities regarding the different modalities to access the coast during 2020 summer. Companies and customers should strictly follow the orientations provided by governments at national level.

³ Communication of the European Commission on "A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism" (COM (2014) 86 final) – page 4.

IV

Responding to insularity

Islands part of the EU coast and maritime sea face particular challenges and a higher degree of vulnerability due to geographic remoteness, reduced transport connectivity, reduced accessibility, water shortages, lack of trade logistics or even migratory pressure. EU and national funding should be used to help the islands overcome these challenges, namely through:

- The **promotion of a quality touristic offer during the entire year** (e.g. cultural, health, nature, religious tourism, etc.);
- **Develop national and regional strategies to ensure the coherence of tourism offers and better accessibility of infrastructures**;
- Strengthening the dialogue between national and regional authorities, maritime and coastal tourism and other industry stakeholders to discuss possible solutions.

V

Promoting skills & innovation

Before COVID-19, the hospitality sector employed 11,9 million people providing job opportunities for all types of workers (30% of workers are relatively unskilled compared to 17,7% in the overall economy). The hospitality sector also gives young people the possibility of entering into the job market for the first time in their lives (in fact, 20% of the people employed are aged under 25 years). This helps to fight young unemployment. Nevertheless, and as mentioned before, **the sector faces a serious skills mismatch**. While the average job vacancy rate is 2,2% in the EU in 2018, it reaches the hospitality sector 5,1% in Belgium or 4,8% in Austria⁴.

HOTREC is very actively participating and supporting all Commission initiatives that intend to anticipate the future skill needs of the tourism sector⁵. Detecting the emerging skills is essential to train employees and employers on the industries future requirements, and thus to enhance the competitiveness of companies so that they keep on creating quality and quantity employment.

HOTREC also encourages its members to develop, at national level, quality, cost-effective and attractive apprenticeship schemes that help lead to a combination of job related skills, work based experience and learning and key competences that facilitate young people's entry into the labour market, as well as adult's career progression and transition to employment.

⁴ <https://ec.europa.eu/eurostat/data/database>.

⁵ Communication of the European Commission on "A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism" (COM (2014) 86 final) – page 5.



In this context, HOTREC signed a pledge together with its trade union counter-part EFFAT, under the umbrella of the European Alliance for Apprenticeships, with the view of enhancing the quality and attractiveness of apprenticeship schemes at national level.

In addition, HOTREC encourages its members to develop at national level instruments based on the model of the [Hospitality Skills Passport](#) (EHSP) – a tool developed to facilitate the contact between jobseekers and employers in the hospitality and tourism sector in Europe. The Skills Passport allows workers and employers to overcome language barriers and to compare hospitality workers' skills in order to facilitate recruitment in the sector, serving also to overcome skills mismatches. The EHSP aims at enhancing mobility within the tourism sector, a key aspect to facilitate a better match between supply and demand in the sector.

Seasonality in this context should again be taken into account. For these reason, short term contracts should be seen as a way to create more employment and boost growth. They should not be penalized as such.

HOTREC fully welcomes programmes such as ERASMUS +, ERASMUS PRO, which support transnational strategic partnerships among education, training and different institutions and organisations. This will help business to overcome the difficulties in matching the supply of skills with the demand of the labour market. Nevertheless, EU funding should be made easy for microenterprises and SME's to be able to benefit from it.

VI Improving accessibility

HOTREC is developing several initiatives to improve accessibility in their services, namely through the [development of manuals and checklist for hoteliers and restaurateurs, e-learning tools or exchange of best practices](#). Nevertheless, EU funding and national funding are necessary to help the sector become more accessible. A good example is the [App tour you](#) EU funded project. It was launched in 2015 and completed in 2017 and was based on the concept of fostering Tourism for all. It experimented with new models of training on accessible tourism and information targeted specially to micro enterprises, SMEs and entrepreneurs in the field of tourism. The project provided basic knowledge and some of the key skills needed to serve customers with specific access needs and, furthermore, with the knowledge to communicate the right information on the accessibility features of their establishments.

⁴<https://ec.europa.eu/eurostat/data/database>.

⁵Communication of the European Commission on "A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism (COM (2014) 86 final) – page 5.

Possible solutions

A

Stimulate performance & competitiveness



- Develop network of stakeholders to diversify the offer
- National authorities to promote regional activities

B

Dealing with overtourism

- Promote the registration of hosts with local authorities
- Spread the visitor demand throughout the year & territory



C

Responding to insularity



- Promote quality touristic offer during the year
- Develop national strategies to ensure the coherence of tourism offers & accessibility

D

Promoting skills & innovation

- Attract & retain the workforce with the help of easy-to-apply EU and national funding



E

Improving accessibility

- Develop manuals and checklists for hoteliers and restaurateurs & e-learning tools
- Favour exchange of best practices



VIII Strengthening Sustainability

HOTREC fully supports the need to promote sustainable, responsible and high quality tourism, which can only be achieved if it is based on economic growth, stability and regeneration. For this reason, HOTREC agrees with actions that promote sustainability, namely:

- To **foster the preservation of the economic sustainability** of the tourism industry and the recognition of its socio-economic importance in all EU Member States;
- To **encourage the preservation and the protection of the environment**, biodiversity and the prudent use of natural resources;
- To **promote the respect of the socio-cultural authenticity of host communities and regions , the conservation of their living cultural heritage and traditional values**, and the contribution to inter-cultural understanding and tolerance.

In this sense, HOTREC is fully in line with the proposals of the Commission to address *environmental pressures*⁶ as long as EU institutions and national authorities provide the necessary funding/financial incentives to facilitate the transition for coastal tourism businesses, especially SMEs, towards sustainability and make it possible for related investments to be recovered on the medium term. HOTREC would especially support:

- Promoting ecotourism and other sustainable tourism products, encouraging sustainable water resource use and waste recovery/recycling; supporting the implementation of water efficiency measures, projects that reduce waste, emissions, natural resource use;
- Promoting the exchange of best practices on energy efficiency, the promotion of energy efficient products and the use of renewable energy sources to help the sector reduce its energy consumption and carbon footprint;
- Developing a cultural heritage based on tourism, nature and health and that brings together tourism, agriculture and culture;
- **EU and national funding to help to renovate older buildings, especially given the difficult access to finance for many small businesses.**

Taking these objectives into account, HOTREC has during 2017 published guidelines to reduce food waste and recommendations to manage food donations in hospitality businesses. In 2018, it has issued guidance and solutions to raise energy efficiency in the hospitality sector. HOTREC is also a signatory of the UNWTO global code of ethics, a partner of the UN 'One Planet – Travel with care' programme and a signatory of a Sustainable Energy Charter together with other stakeholders, namely the UNWTO.

HOTREC believes that such actions help create a high quality and diverse offer in the hospitality sector as well as improved synergies amongst stakeholders, which contribute to the creation of a better offer by the sector.



HOTREC fully supports Sustainable Tourism and all actions to promote it, such as:



Fostering the preservation of the economic sustainability of the tourism industry & the recognition of its socio-economic importance in all EU Member States



Encouraging the preservation & protection of the environment, biodiversity & the prudent use of natural resources



Promoting the respect of the socio-cultural authenticity of host community and regions & conserving their living cultural heritage and traditional values



Enhancing EU/national funding to invest in eco-renovation

⁶ Communication of the European Commission on "A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism" (COM (2014) 86 final) – page 5.

VIII Maximising available EU funding

In order to overcome the challenges faced by hospitality businesses in the coastal areas, HOTREC fully welcomes the suggestions of EU Funding highlighted in the European Commission Annex to the “**Guide on EU funding for the tourism sector**” on coastal and maritime tourism related projects. The document provides companies with information on projects which have been awarded EU funding in order to inspire them on possible ways to apply for financial assistance for the development of sustainable and innovative tourism projects in coastal areas. The suggested funds include the European Regional and Development Fund, the European Social Fund, COSME; ERASMUS +; Horizon 2020; Creative Europe Programme, amongst others.

Nevertheless, HOTREC would also like to encourage the Commission to **facilitate the procedures to apply for EU Funding**. Normally, SMEs, regrettably, do not know how to apply to EU funding as it is a procedure that in administrative terms is difficult to handle.

Moreover, a dedicated budget line on tourism should be introduced in the Multiannual Financial Framework. This will help the sector overcome the COVID-19 crisis and build a more sustainable and attractive coastal tourism environment.



IX Conclusions

As representative of the hospitality sector and a key actor in the coastal and maritime area, HOTREC will continue to cooperate actively with the European Commission and other tourism stakeholders in all initiatives intended to address the challenges faced by the hospitality sector in coastal areas.

In order to foster a sustainable, responsible and high quality tourism, it is essential that public authorities support existing entrepreneurship in the coastal tourism sector, so that SMEs in this area do not have to close down their businesses, lose their investments and fail to implement their projects. By supporting SMEs, public authorities help them to continuously create employment and to contribute to Europe’s competitiveness and well-being.

In this sense, HOTREC calls on the European Commission to facilitate the access of the tourism SMEs to EU financial instruments, especially taking into account COVID-19 crisis.

Overall, HOTREC supports the Communication of the Commission and hopes that its actions will continue helping the hospitality sector boost Growth and Jobs.



Coastal tourism

Accommodation in coastal tourism generated almost 1 million jobs, 45% of coastal tourism direct employment in 2017.



Challenges

Nevertheless, the sector faces several challenges: seasonality; sustainability; skills; accessibility & administrative burdens on SMEs.



Possible solutions

The sector is willing to bring solutions to those obstacles by stimulating performance; finding ways to respond to overtourism; overcoming insularity; working on skills & innovation; improving accessibility; facilitating the access to EU funding.



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