

**'Tourism and Competitiveness:  
Delivering results for growth, sustainable development and  
European citizens'**

**SPEECH**

**by**

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*Seul le texte prononcé fait foi*

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*Check Against Delivery*

Dear Permanent Secretary,  
Ladies and Gentlemen,  
Dear friends and colleagues,

Mr Moiseos, let me firstly thank you for your kind words and hospitality in allowing us to use this impressive building of the Cyprus Workers' Confederation. And of course, it is with great pleasure that I am here with you today in Lefkosia to discuss the topic of 'Tourism and competitiveness', focussing in particular on how tourism can deliver results for growth, sustainable development and for European citizens. For above all, we are all 'European citizens' and we share a common interest in the economic, social and political well being of our continent. And of course, Cyprus which is currently holding the Presidency of the EU Council is playing a central role navigating through the sometimes difficult negotiations to make Europe stronger and more effective. And I would like to publicly pay tribute to the Cypriot authorities for taking on with determination the very difficult role of presiding the rotating Presidency of the EU Council. It is a task which is already challenging for the larger European countries with their considerable resources, so I most definitely commend the work of the Cypriot authorities and its staff over the last few months.

But let us now return to the subject of tourism, a topic which by discussing it here in Cyprus seems to literally 'come to life'! For this sun-bathed island of the Mediterranean straddles between three continents and is the living proof of the long and rich history and culture of Europe. There are quite literally 'layers' of history surrounding us on this island, as the Mycenaean Greeks of 3,500 years ago were followed by the Phoenicians, Assyrians, Franks, Venetians, Ottomans and finally, the British. Cyprus has indeed been a 'cultural bridge' between people of different religions and nations, even though those relations have not been without conflict or even outright violence. But today, Cyprus is at the helm of the EU and it is able to do so with philoxenia, with philosophia, with philomathia and most importantly, with philotimo!

Over a much shorter timeframe, the European Economic and Social Committee has also played the role of a 'bridge' between European policy-makers and organised civil society, between the European institutions and its citizens. And we, at the Various Interests Group of the EESC have members who represent European consumers, farmers, small businesses, the crafts sector, the professions, the social economy, environmental organisations, persons with disabilities, the voluntary sector, to name but a few. And in its capacity as a consultative body to the European Institutions, the EESC has adopted two Opinions directly relating to tourism, which are available today on display. One of these Opinions will be presented to you this morning by the rapporteur, our Greek member Mr Gofas.

After these introductory remarks and without wanting to pre-empt the discussions today, I would nonetheless like to make a few comments on the topic of our conference. The first point that I would like to make is to remind us of the scale and importance of the European tourism sector. For tourism is the third largest socio-economic activity in the EU and it directly generates more than 5% of the EU's GDP, involving some 1.8 million enterprises and employing approximately 9.7 million persons, or over 5% of the European labour force. If we also take into account related economic sectors, then it is

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estimated that tourism generates more than *10% of the EU's GDP* and provides employment to *12% of the labour force*. So clearly, this is a very important economic sector, something which was acknowledged by the Lisbon Treaty and for which specific EU competences were agreed upon with the Member States. Namely: the EU will promote the competitiveness of the sector and create an environment conducive to its development. Secondly, the EU will encourage cooperation between Member States, particularly through the exchange of good practice – and we had a good example of this only last month, with the organisation of the annual European Tourism Forum here in Cyprus. Thirdly, the Lisbon Treaty mandates the EU to develop an integrated approach to tourism, ensuring that the sector is taken into account in other policies.

And I think that this last point is crucial, for in order to unleash the full competitive potential of tourism, we need to better integrate the sector into many relevant European policies, be it transport and infrastructure policy, rural development, social, regional, maritime, or environmental policy. And we need to use the opportunities of the instruments that we already have, in particular the Europe 2020 Strategy and the Internal Market, to re-launch the tourism sector, particularly in this period of economic crisis. For example, tourism would strongly benefit from an integrated Internal Market in services, notably e-services, or from a simplified European visa policy. In parallel, the innovation of the tourism sector could boost the Internal Market by creating jobs and growth. But in order to help this happen, we need to fund the European tourism sector and SMEs in particular, at *sufficient levels* and we to make access to *funding* easier. This should be done through the EU's regional and social funds, but also through the EU' Multi-Annual Financial Framework and specific SME financing, given that SMEs constitute 98% of tourism businesses.

The second point to highlight in relation to *European-level initiatives* in the tourism sector, is that more could be done at this level to support and stimulate the sector. Firstly, we need a *European-level* communication strategy, which would cultivate a positive image of the continent. Such a communication strategy could focuss on our rich history and cultural heritage, on the security of travel in Europe, the quality of accommodation and services, rights of passengers and citizens, etc. And *all stakeholders* in the tourism business should be actively involved in defining and in implementing this joint strategy, to span the local, regional, national and European level. Moreover, it is the view of the EESC that the above communication strategy would be best implemented through the creation of a specific European Tourism Agency and I hope that the EU will rapidly take steps in this direction. The European Commission has already decided to develop a new European Tourism Quality label and to create the 'Virtual Tourism Observatory', which should provide reliable data on the European tourism sector for policy makers. These two initiatives are commendable, but we need to go further, not in competition with or among Member States, but in complement to national strategies.

Having made some comments on tourism policy at the European-level, I would now like to move to the *national level* and to say a few words about the specific case of European *island countries*, like Cyprus or Malta. The first thing to mention is that island countries are under particular pressure from 'new' destinations in emerging countries like Brazil, China or India. For these new tourism destinations also come with very competitive economic conditions, notably low wages, and economies of scale. And when tourism is the main economic activity of an entire island, changes in demand can obviously

have a significant impact on the economy and even on the society of the country. For today's tourists want the best quality and innovative forms of tourism, at the *lowest price*. And this puts enormous strains on small family run business, for which innovation may be difficult. Not to mention the strain on the resources of the island, such as water. Hence, much more than elsewhere, in island countries tourism should be *harmoniously* integrated into society, so that citizens come to appreciate the positive opportunities of developing niche tourism such as agri-tourism, sustainable tourism, cultural tourism, and we will hear several examples of exactly these forms of tourism during our discussions today. What is important to note is that tourism can and should be developed in a sustainable manner. For tourism is a global phenomenon but it is shaped locally, and it should have 'people' or 'citizens' at its centre.

And this brings me to the final point that I will make, which relates to the links between tourism and quality jobs and services. For there is no doubt that a competitive tourism sector requires well qualified and well remunerated staff, who are motivated and who have access to ongoing training. Unfortunately, the seasonality of most tourism destinations can have a negative impact on jobs, on growth and the sustainability of the sector. For this reason, the EESC fully supports the European Commission's CALYPSO programme, which aims to promote tourism during low season. For if we could reduce the focus on seasonal tourism, there would be more sustainable employment and growth for regional and local economies.

Ladies and gentlemen, I apologise for having spoken at such length, but tourism is a complex subject involving many policy areas and many actors. One can even link tourism to what International Relations experts refer to as 'Soft Politics', by using cultural tourism to develop mutual understanding and to complement economic, trade and political relations with Third countries. But what is certain, is that the tourism sector is undergoing significant and constant change in terms of what tourists want and what they expect, moving away from mass tourism and more into niche tourism. Be it for the adventurers amongst us who now prefer nature holidays (18% of Europeans according to Eurostat), or be it to satisfy our elderly tourists, or be it to enable disabled Europeans to also enjoy greater travel in Europe. Of course, we are also living through a very serious global economic crisis which is having considerable negative impact on global tourism. And so we need to adapt, at the local, national, regional and European level. This should be done in collaboration, in a sustainable manner and ultimately, with the aim of increasing growth, competitiveness and employment in Europe.

Thank you for your attention.