



## HOTREC Position paper on “a European strategy for more growth and jobs in coastal and maritime tourism”

- Adopted by HOTREC General Assembly on 17 April 2015 -

HOTREC<sup>1</sup> welcomes the proposal issued by the European Commission on “A European Strategy for more Growth and Jobs in Coastal and Maritime Tourism” ([COM \(2014\) 86 final](#)). Any stimulator of growth and jobs which helps to enhance the performance of the hospitality businesses, can only be welcomed by HOTREC, the European Association representing the interests of the hospitality sector in Europe.

### IMPACT OF THE HOSPITALITY SECTOR ON THE EU ECONOMY

The European hospitality sector, together with the other tourism industries, is the 3<sup>rd</sup> largest socio-economic activity in Europe and is, for this reason, critical to Europe’s wellbeing. The hospitality sector employs more than 10 million people, and even during the difficult times of crisis it continued creating jobs (only between 2000 and 2010 it created more than 2.5 million more jobs). The hospitality sector represents 1,8 million enterprises, from which 99% are SMEs. For this reason, the hospitality sector is quite fragmented in its nature.

In general terms, tourism is an expanding business. In 2013, the number of nights spent in hotels or similar establishments in the EU 28 reached a peak of 2.6 billion<sup>2</sup>. Nevertheless, average expenditure per night has been decreasing since mid-2000s and further 9% decrease in annual expenditure is expected between 2011 and 2020.

### COASTAL TOURISM AND 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

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<sup>1</sup> HOTREC represents the hotel, restaurant and café industry at European level

<sup>2</sup> Commission Communication on “A European Strategy for more growth and Jobs in coastal and Maritime Tourism”

particular for young people, since 45% of tourism workers are between 16 and 35 years old. 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;
- **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;
- **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;
- **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.

For all these reasons, HOTREC would like to put forward its views with regard to the new Framework for Coastal and Maritime Tourism in Europe.

## STIMULATE PERFORMANCE AND COMPETITIVENESS

HOTREC supports the *creation of networks, clusters and smart specialisation strategies aiming at developing relations amongst the maritime and coastal tourism value chain* (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.

*Addressing demand volatility is a key aspect to handle seasonality.* Therefore, the promotion of targeted packages for specific markets in order to extend the season, is also an initiative that has 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.

*TOURISMLink and Calypso platforms, are useful tools to overcome seasonality problems. Both platforms enable an easier adaptation of SMEs to new ICTs by facilitating their business transitions and by fostering also their competitiveness. The Commission, tourism stakeholders and national tourism authorities should continue promotion activities of these platforms.*

*HOTREC also welcomes the creation of pan European dialogue between cruise operators, ports and coastal tourism stakeholders. Any initiative addressed to foster the development of coastal and maritime tourism is welcomed by HOTREC as long as the interests of SMEs in the hospitality sector are taken into account.*

## PROMOTING SKILLS AND INNOVATION

The hospitality sector employs more than 10 million people and is a sector that provides job opportunities for all types of workers (33% of workers are relatively unskilled compared to 20% 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 fact helps to fight young unemployment.

*HOTREC is very actively participating and supporting all Commission initiatives that intend to anticipate the future skill needs of the tourism sector. 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.*

One of these key initiatives is the Hospitality Skills Passport 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 HSP also enhances mobility within the tourism sector, a key aspect to facilitate a better match between supply and demand in the sector.

HOTREC fully welcomes programmes such as ERASMUS +, 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.

## STRENGTHENING AND SUSTAINABILITY

As highlighted on its position paper on sustainability in the hospitality sector, HOTREC can only express its agreement with 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 fully agrees with the following actions to promote sustainability:

- to foster the preservation of the economic sustainability of the tourism industry;
- 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.

In this sense, HOTREC is fully in line with the proposals of the Commission to address *environmental pressures* as long as EU funding can as well help coastal tourism businesses, especially SME's. HOTREC would especially support:

- promoting ecotourism and other sustainable tourism products, to promoting the implementation of water efficiency and motivating members to participate in projects that reduce waste, emissions, natural resource and use water and waste recovery/recycling;
- Developing a cultural heritage based tourism and nature and health tourism in coastal destinations.

In fact, a high quality and diverse offer is the goal to be achieved by the hospitality sector. HOTREC believes that the actions mentioned above would improve synergies amongst stakeholders and would help contributing to the creation of a better offer to be provided by the sector.

### 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 Commission Communication (including the European Regional and Development Fund, the European Regional Fund, Horizon 2020, COSME, ERASMUS +, LIFE+) . 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 difficulty to handle.

### 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.

Overall, HOTREC supports the Communication of the Commission and hopes that its actions will help to boost the hospitality sector in terms of Growth and Jobs.

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