

Tourism as a driver of economic growth and development in the EU-27 and ASEAN regions

Anna Athanasopoulou

Associate Fellow of the European Union Centre in Singapore



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Table of contents

Introduction	3
Tourism performance in the EU-27 and ASEAN regions – Key facts for 2012	4
An overview of the tourism value chain	5
Part One: Tourism performance in the EU-27 and ASEAN regions	
1. International tourist arrivals	7
2. International tourism receipts	9
3. Expenditure on international travel	11
4. Trade in travel services	12
5. Travel and tourism industry's total contribution to GDP	14
6. Travel and tourism industry's total contribution to employment	15
7. Travel and tourism industry's contribution to capital investment	16
Part Two: Plans for tourism development in the EU-27 and ASEAN regions	
1. ASEAN plans for tourism development	17
2. The EU-27 plans for tourism development	19
3. The EU-27 – ASEAN joint plans for tourism development	20
Part Three: Challenges for tourism development and the way forward	
1. Challenges for tourism development	22
2. The way forward: making tourism more sustainable	23
References	25

Introduction

Tourism is a significant driver of economic and social development. It stimulates economic growth by generating income, employment, investment and exports. It also generates valuable spin-off benefits, including preservation of cultural heritage, improved infrastructure and local community facilities (World Travel and Tourism Council, 2013). But, tourism can have positive or negative impacts depending on planning, development and management.

The purpose of this research brief is to demonstrate the economic importance of tourism, its challenges and plans for tourism development in the EU-27¹ and ASEAN² regions. It brings together data from several sources including the United Nations World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTC).

This brief is divided into three parts:

Part One describes performance of tourism sector in the EU-27 and ASEAN regions in terms of international tourist arrivals and receipts, contribution of tourism to GDP, employment, exports and investment.

Part Two outlines the EU-27 and ASEAN plans for supporting tourism development while highlighting relevant initiatives.

Part three discusses some of the key challenges that accompany tourism development. It also outlines goals that policy makers should follow in making tourism more sustainable.

¹ Here and in the rest of this report EU-27 refers to the 27 Member States of the European Union as of December 31, 2012: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

² Here and in the rest of this report ASEAN refers to the Association of South East Asian Nations as of December 2012: Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam.

Tourism performance in the EU-27 and ASEAN – Key facts for 2012

EU-27

First most visited region in the world

400 million international tourist arrivals

US\$ 368 billion receipts generated by international tourism

US\$ 1,391 billion contributed by travel and tourism industry to the EU-27 GDP (8% of whole economy GDP)

20 million people employed by travel and tourism industry in the EU-27 (9% of whole economy employment)

US\$ 144 billion invested in the travel and tourism sector (5% of whole economy capital investment)

ASEAN

Fifth most visited region in the world

85 million international tourist arrivals

US\$ 92 billion receipts generated by international tourism

US\$ 256 billion contributed by travel and tourism to ASEAN GDP (11% of whole economy GDP)

26 million people employed by travel and tourism sector in ASEAN (9% of whole economy employment)

US\$ 48 billion invested in the travel and tourism sector (7% of whole economy capital investment)

An overview of the tourism value chain

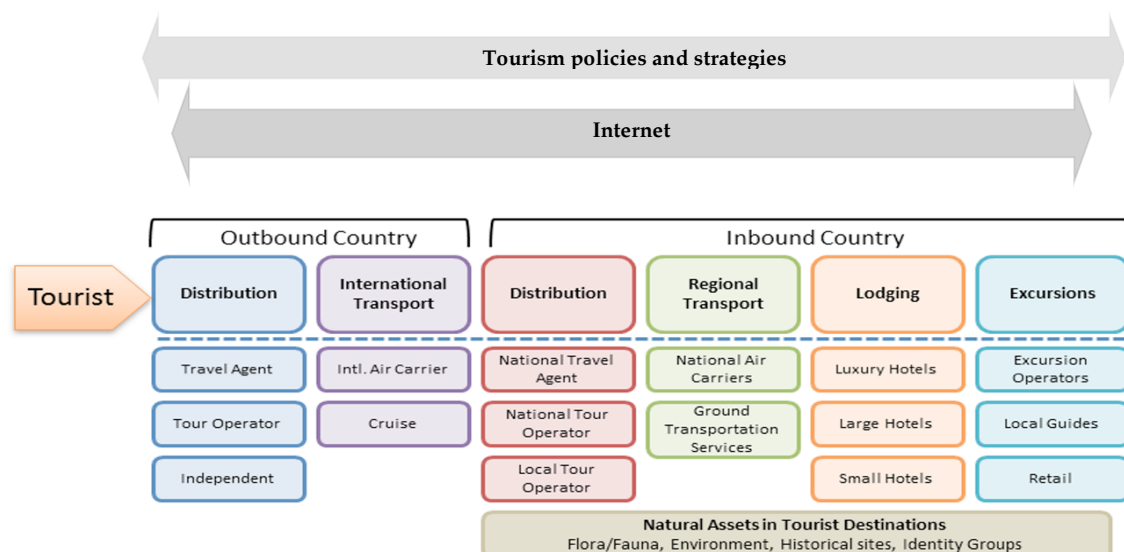
Tourism stimulates economic growth by generating income, employment, investment and exports. But it also generates valuable spin-off benefits, including preservation of cultural heritage, improved infrastructure and local community facilities (World Travel and Tourism Council, 2013).

According to the United Nations World Tourism Organization (UNWTO), tourism is a social, cultural and economic phenomenon, which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure.

Tourism value chain consists of complex relations between different stakeholders, activities and policy measures at national and international level (figure 1). These include services and activities which take place in the tourists' country of residence (outbound country) e.g. demand for tourism products and services, international flights. There are also services and activities taking place in tourists' destination country (inbound country) e.g. supply of tourism products and services, excursions, ground transportation services.

Internet has also revolutionized the provision of tourism services and products (TOURIMlink, 2012). It has enabled the direct communication between suppliers and consumers, and it introduced greater flexibility and instant access to real time information. It also allowed the customization and globalization of tourism products and it decreased distribution costs (Buhalis, 2007). Tourism policies and strategies regulate the industry, set standards and coordinate the activities of people and businesses in the industry at national and international level.

Figure 1: Value chain of tourism

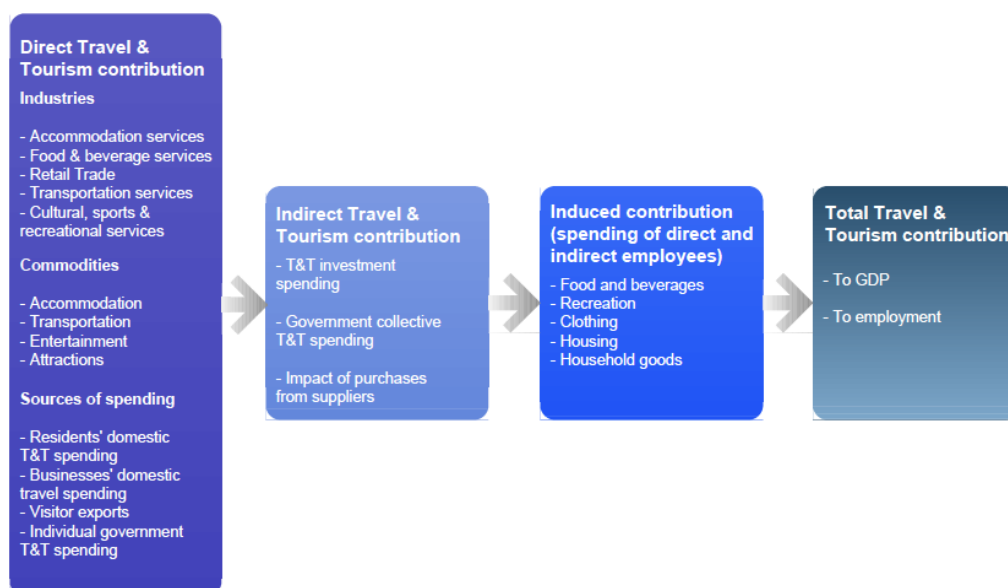


Source: Based on Christian et al (2011)

The World Travel and Tourism Council together with Oxford Economics have developed an approach for measuring the direct, indirect as well as induced contribution of travel and tourism to GDP and employment (figure 2):

- the **direct** contributions of travel and tourism cover the total spending within a particular country on travel and tourism by residents and non-residents for business and leisure. It also includes government spending on travel and tourism services related to visitors (e.g. museums, national parks etc);
- the **indirect** contributions of travel and tourism refer to investment, purchase of goods and services by the sectors dealing directly with tourists (e.g. purchases of cleaning services by hotels) and government spending on travel and tourism development.; and
- the **induced** contributions cover the spending by those directly or indirectly employed in travel and tourism sector.

Figure 2: The economic contributions of travel and tourism



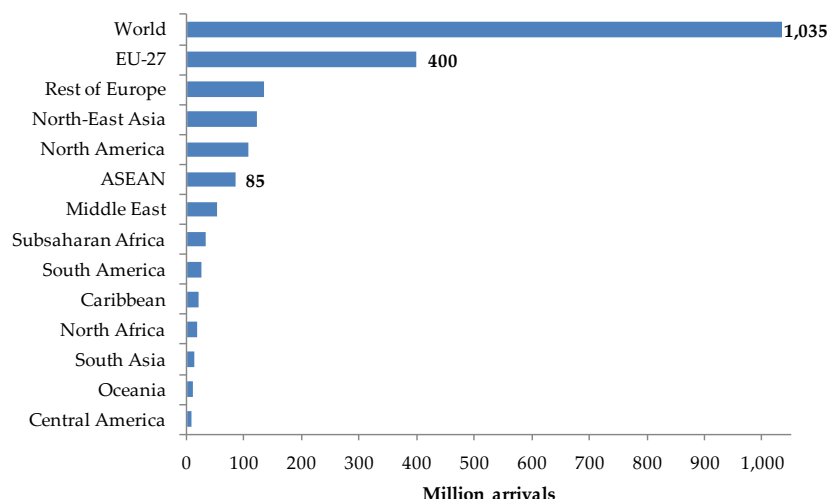
Source: World Travel and Tourism Council and Oxford Economics (2013)

Part One: Tourism performance in the EU-27 and ASEAN regions

1. International tourist arrivals

In 2012, international tourist arrivals reached 1,035 million worldwide, 40 million more than 2011 (figure 3). The EU-27 remained the number one tourist destination in the world with 400 million international tourist arrivals. ASEAN was the 5th most visited region in the world recording 85 million international arrivals.

Figure 3: International tourist arrivals by region (2012*)

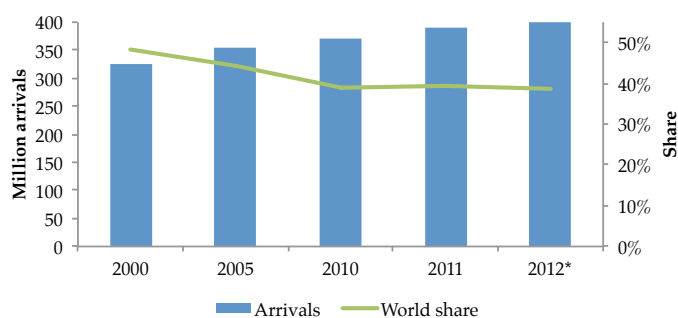


Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data

Between 2000 and 2012, the number of international tourist arrivals in the EU-27 increased by 73 million and in ASEAN by 48 million (figures 4 and 5). In 2000, the EU-27 share of the international tourist arrivals worldwide amounted to 48%, but in 2012 dropped to 39%. The ASEAN share of the world's international tourist arrivals increased from 5% in 2000 to 8% in 2012.

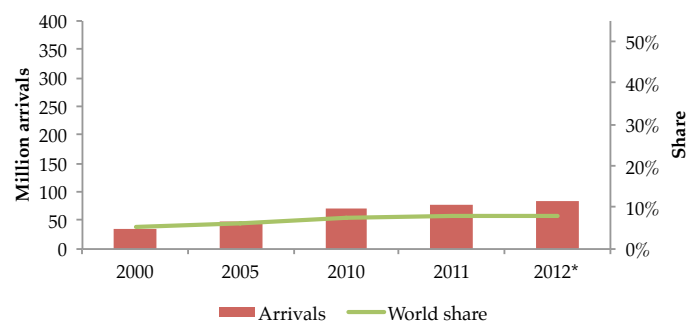
Figure 4: World share and number of international tourist arrivals in the EU-27 (2000-2012*)



Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data

Figure 5: World share and number of international tourist arrivals in ASEAN (2000-2012*)



Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data

In 2012, France was the most visited country in the world with 83 million international arrivals followed by the United States (67 million) and China (58 million) (table 1). The world's ten most visited destinations also included four countries located in the EU-27 and one country located in ASEAN: Spain (58 million), Italy (46 million), Germany (30 million), the United Kingdom (29 million) and Malaysia (25 million).

Table 1: World's top ten tourist destinations by number of international tourist arrivals (2012*)

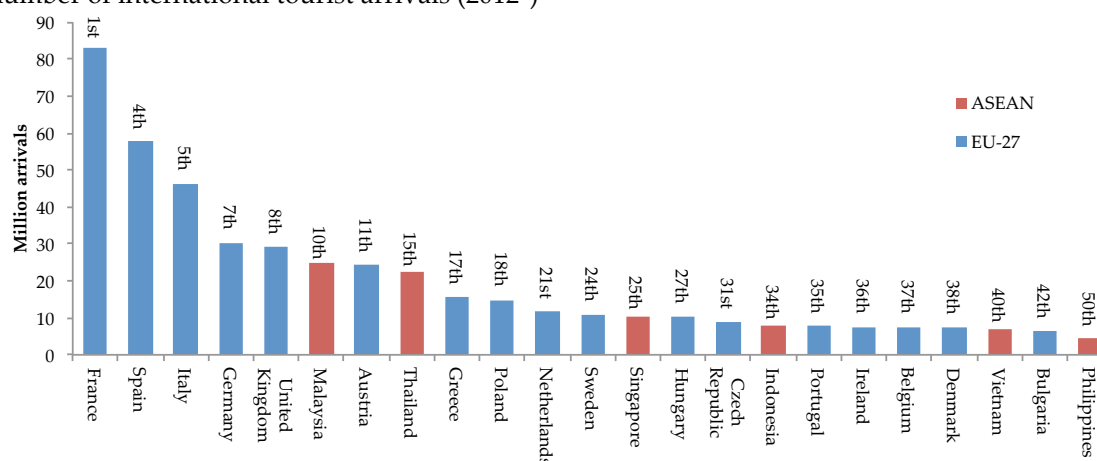
Rank	Country	Sub-region	Arrivals (million)
1	France	EU-27	83
2	United States	North America	67
3	China	North-East Asia	58
4	Spain	EU-27	58
5	Italy	EU-27	46
6	Turkey	Southern Europe	36
7	Germany	EU-27	30
8	United Kingdom	EU-27	29
9	Russian Federation	Eastern Europe	26
10	Malaysia	ASEAN	25

Source: United Nations World Tourism Organization (2013)

Notes: * Provisional data, figures rounded to the nearest million

The performance of individual EU-27 and ASEAN countries is not uniform. In 2012, France was the world's number one destination (83 million arrivals), while Czech Republic ranked 31st with nine million international tourist arrivals. Nevertheless, the list with the world's top 50 destinations included several ASEAN and EU-27 countries (figure 6).

Figure 6: The EU-27 and ASEAN countries included in the world's top 50 international destinations by number of international tourist arrivals (2012*)



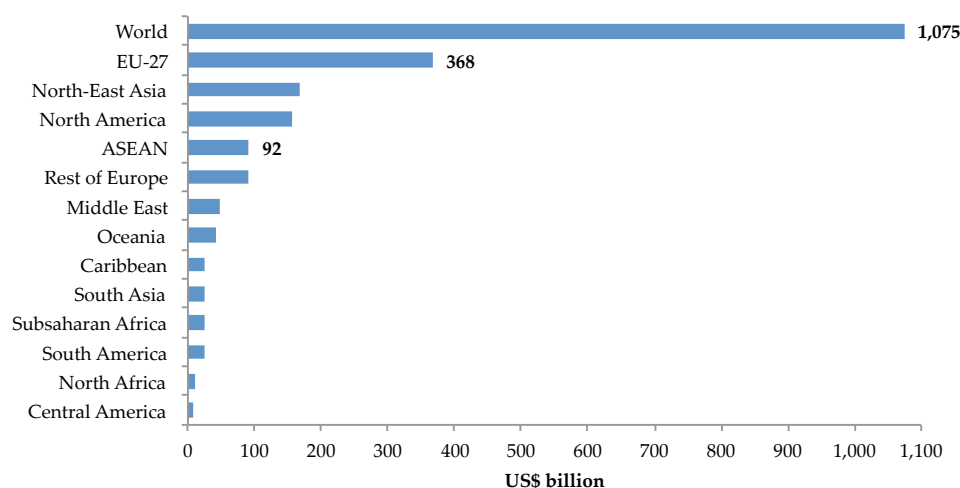
Source: United Nations World Tourism Organization (2013)

Notes: International tourist arrivals for Singapore, Ireland, Denmark and Bulgaria based on 2011 data, *provisional data

2. International tourism receipts

Visitor expenditure on accommodation, food and drink, local transport, entertainment and shopping is an important contributor to the economy of many destinations, creating employment and opportunities for development. In 2012, international tourism generated US\$ 1,075 billion worldwide, up from US\$ 1,042 billion in 2011 (figure 7). In 2012, the EU-27 earned US\$ 368 billion from international tourism and ASEAN US\$ 92 billion.

Figure 7: International tourism receipts (at current prices) by sub-region (2012*)

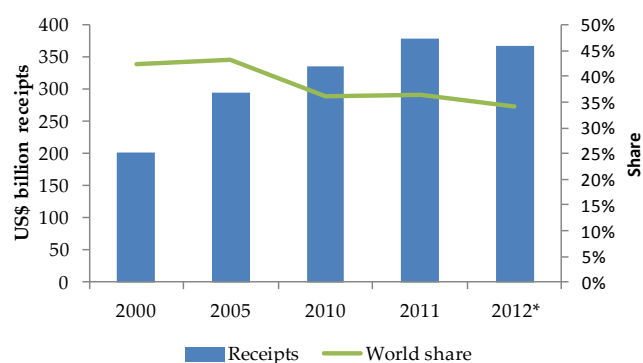


Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data, figures rounded to the nearest billion.

Between 2000 and 2012, international tourist receipts in the EU-27 increased by US\$ 166 (figure 8) and by US\$ 65 billion in ASEAN (figures 9). The EU-27 share of the world's international tourist receipts dropped from 42% in 2000 to 34% in 2012. In 2000, ASEAN attracted 6% of the world's international tourism receipts and 9% in 2012.

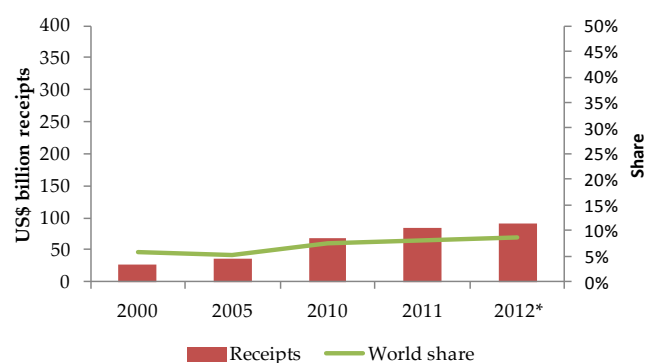
Figure 8: World share and level of international tourist receipts (at current prices) in the EU-27 (2000-2012*)



Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data

Figure 9: World share and level of international tourist receipts (at current prices) in ASEAN (2000-2012*)



Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data

In 2012, the United States recorded the highest level of international tourist receipts (US\$ 126 billion) followed by Spain (US\$ 56 billion) and France (US\$ 54 billion) (table 2). The list with the world's top ten destinations by international tourist receipts included five members of the EU27.

Table 2: World's top ten destinations by international tourist receipts (at current prices) (2012*)

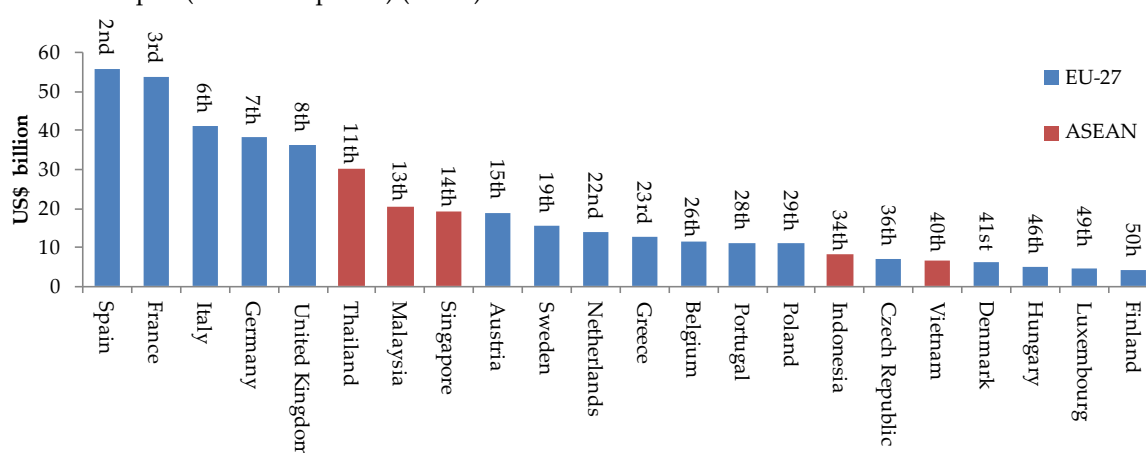
Rank	Country	Sub-region	Receipts (US\$ billion)
1	United States	North America	126
2	Spain	EU-27	56
3	France	EU-27	54
4	China	North-East Asia	50
5	Macao (China)	North-East Asia	44
6	Italy	EU-27	41
7	Germany	EU-27	38
8	United Kingdom	EU-27	37
9	Hong Kong (China)	North-East Asia	32
10	Australia	Oceania	31

Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data, figures rounded to the nearest billion

International tourist receipts for individual EU-27 and ASEAN countries vary (figure 10). For example, Thailand ranked 11th in the world with US\$ 30 billion receipts in 2012, while Vietnam ranked 40th with US\$ 7 billion receipts. However, many countries of the EU-27 and ASEAN appeared in the world's top 50 destinations by international tourist receipts.

Figure 10: The EU-27 and ASEAN countries listed in the world's top 50 destinations by international tourist receipts (at current prices) (2012*)



Source: United Nations World Tourism Organization (2013)

Notes: Singapore, Ireland involve 2011 data, *provisional data

3. Expenditure on international travel

In 2012, China recorded the highest level of expenditure on international travel (table 3). Tourists from China spent a total of US\$ 102 billion in 2012, up from US\$ 73 billion in 2011. The list with the world's top ten spenders on travel included four members of the EU-27.

Table 3: World's top spenders on international travel (at current prices) (2012*)

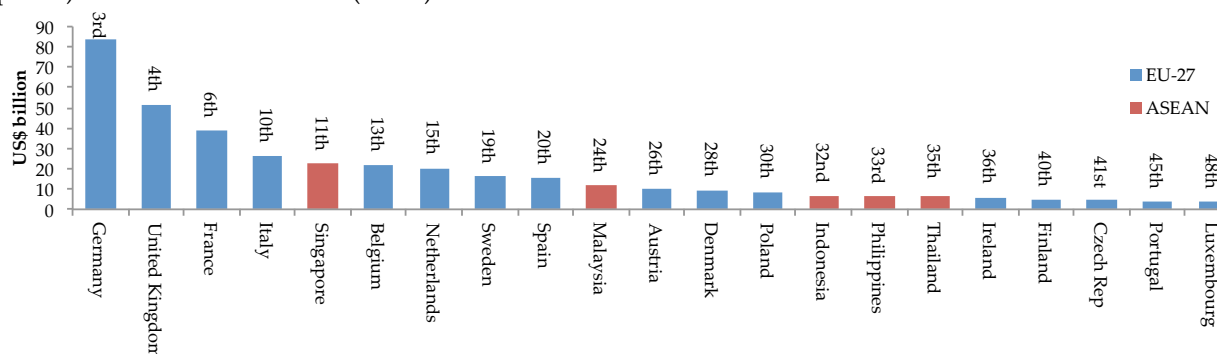
Rank	Country	Sub-region	Expenditure (US\$ billion)
1	China	North-East Asia	102
2	United States	North America	84
3	Germany	EU-27	83
4	United Kingdom	EU-27	52
5	Russian Federation	Eastern Europe	43
6	France	EU-27	39
7	Canada	North America	35
8	Japan	North-East Asia	28
9	Australia	Oceania	28
10	Italy	EU-27	26

Source: United Nations World Tourism Organization (2013)

Notes: *Provisional data, figures rounded to nearest billion

In 2012, many members of the EU-27 and ASEAN countries listed among the world's top 50 spenders on international travel (figure 11). For example, tourists from Singapore recorded the 11th highest expenditure in the world on international travel (US\$ 22 billion).

Figure 11: The EU-27 and ASEAN countries included in the world's top 50 spenders (at current prices) on international travel (2012*)



Source: United Nations World Tourism Organization (2013)

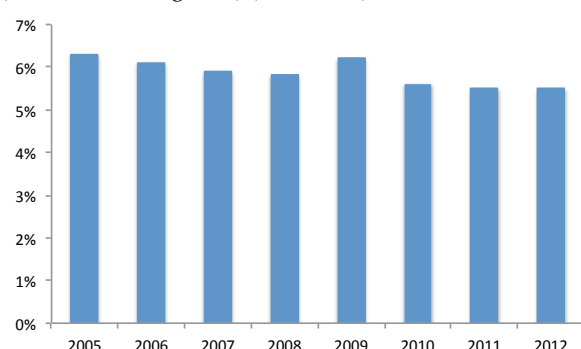
Notes: *Provisional data

4. Trade in travel services

The exchange of tourism services³ over international borders is one of the most important traded services (Europa, 2013). International tourism receipts are considered as exports of travel services and international tourism expenditure is considered as imports of travel services (World Travel and Tourism Council, 2013). The balance shows if exports of travel services are greater than imports of travel services.

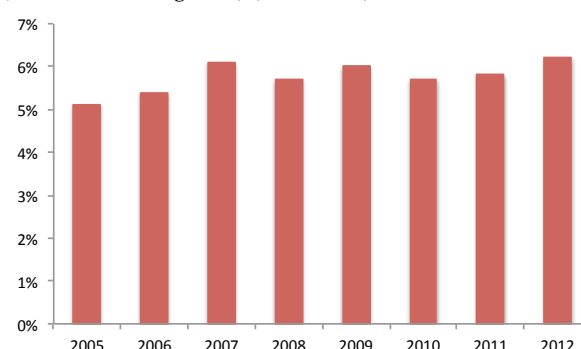
Travel and tourism's share of total EU-27 exports (of services and goods) dropped from 6.3% in 2005 to 5.5% in 2012 (figure 12), whereas the share of travel and tourism of total ASEAN exports (of services and goods) grew from 5.1% in 2005 to 6.2% in 2012 (figure 13).

Figure 12: Travel and tourism's share of whole EU-27 exports (of services and goods) (2005-2012)



Source: World Travel and Tourism Council (2013)

Figure 13: Travel and tourism's share of whole ASEAN exports (of services and goods) (2005-2012)



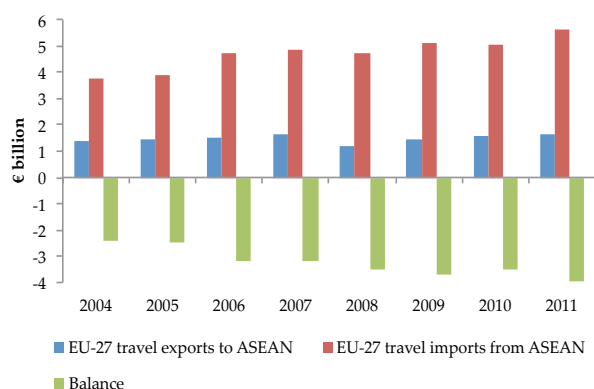
Source: World Travel and Tourism Council (2013)

³ Travel services cover primarily the goods and services acquired from an economy by travellers during visits of less than one year to that economy. The goods and services are purchased by, or on behalf of, the traveller or provided, without a quid pro quo (that is, are provided as a gift), for the traveller to use or give away. The transportation of travellers within the economies that they are visiting, where such transportation is provided by carriers not resident in the particular economy being visited, as well as the international carriage of travellers are excluded; both are covered in passenger services under transport. Also excluded are goods purchased by a traveller for resale in the traveller's own economy or in any other economy. Travel is divided in two subcomponents: business travel and personal travel (Europa, 2013)

Total trade in travel services between the EU-27 and ASEAN grew by €2 billion between 2004 and 2011 (figure 14). Based on travel services balance, the EU-27 is a net importer of tourism services from ASEAN and ASEAN is a net exporter of travel services to the EU-27. In 2011, the EU-27 and ASEAN total trade in travel services amounted to €7 billion with a surplus of €4 billion for ASEAN.

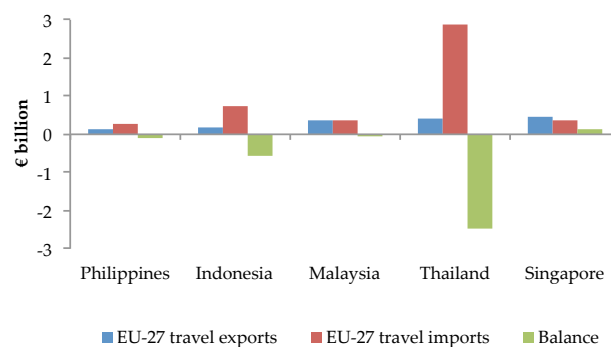
In 2011, Thailand recorded a surplus of €2.5 billion in travel services trade with the EU-27, the highest value among the ASEAN members (figure 15). In contrast, Singapore recorded a deficit of € 113 million.

Figure 14: The EU-27 – ASEAN trade in travel services (at current prices) (2004-2011)



Source: Eurostat (2013)

Figure 15: The EU-27 trade in travel services (at current prices) with selected ASEAN countries in 2011



Source: Eurostat (2013)

5. Travel and tourism industry's total contribution to GDP

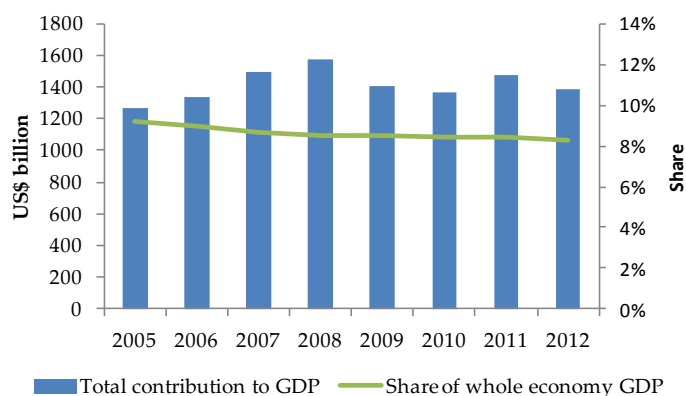
The major component of GDP is consumption, which is driven by demand for goods and services. The main effect of travel and tourism on GDP is that it boosts the demand for goods and services (Falconi, 2003). This primarily, reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation (excluding commuter services) (World Travel and Tourism Council, 2013). But it also includes:

- leisure and restaurant activities that deal directly with tourists;
- tourism and travel investment activity such as the construction of new hotels;
- government spending on tourism and travel e.g. tourism marketing and promotion; and
- domestic purchases of goods and services by sectors dealing directly with tourists e.g. purchase of fuel and catering services by airlines and IT services by travel agents (World Travel and Tourism Council, 2013).

In 2012, travel and tourism contributed US\$ 6,631 billion to global GDP. The total contribution of travel and tourism in the EU-27 was US\$ 1,391 billion, accounting for 8% of the region's total GDP (figure 16). Travel and tourism's contribution to the EU-27 GDP fluctuates over the time, but its share of whole economy GDP remains between 8% and 9%.

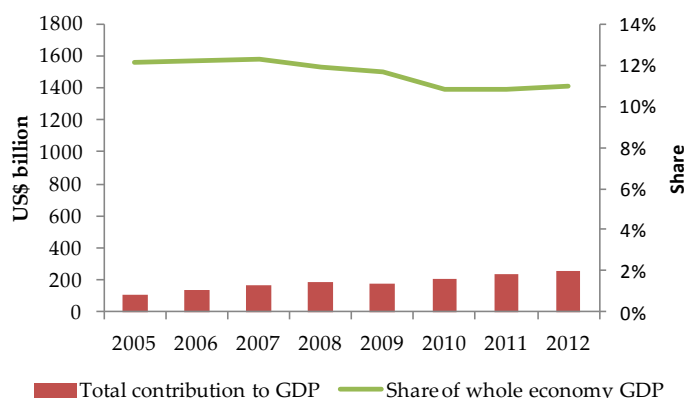
Travel and tourism industry contributed US\$ 256 billion to ASEAN GDP, claiming 11% share of the region's economy (figure 17). Travel and tourism's contribution to the ASEAN GDP follows an increasing trend over the years and the share of tourism in the regions' GDP remains between 11% and 12%.

Figure 16: Travel and tourism industry's total contribution to GDP (at current prices) and share of whole economy GDP in the EU-27 (2005-2012)



Source: World Travel and Tourism Council (2013)

Figure 17: Travel and tourism industry's total contribution to GDP (at current prices) and share of whole economy GDP in ASEAN (2005-2012)



Source: World Travel and Tourism Council (2013)

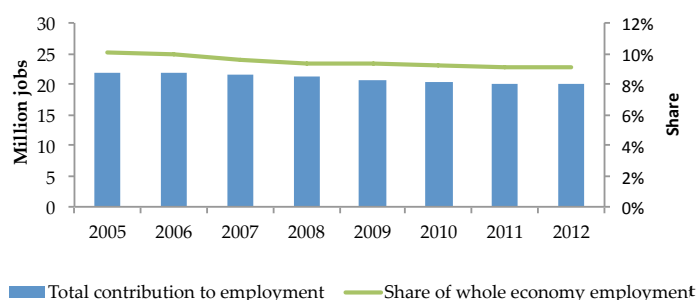
6. Travel and tourism industry's total contribution to employment

Travel and tourism industry can help in poverty elimination by generating jobs and other economic opportunities. Tourism is labor-intensive compared to other sectors, has high female and youth employment ratios, and it is not necessarily import intensive. Travel and tourism sector has low barriers to entry, and encompasses a range of enterprises that provide development opportunities to the local economy (Secretariat of the Convention on Biological Diversity, 2009).

Travel and tourism sector is one of the leading job creators in the world employing 261 million people in 2012 (9% of world employment).

In 2012, travel and tourism sector employed 20 million people in the EU-27 accounting for 9% share of the region's total employment (figure 18). However, there is a minor decreasing trend in tourism related employment in the EU-27. In 2012, travel and tourism sector employed 26 million people in ASEAN region, up from 24 million in 2005 (figure 19).

Figure 18: Travel and tourism industry's total contribution to employment and share of whole economy employment in EU-27 (2005-2012)



Source: World Travel and Tourism Council (2013)

Figure 19: Travel and tourism industry's total contribution to employment and share of whole economy employment in ASEAN (2005-2012)



Source: World Travel and Tourism Council (2013)

7. Travel and tourism industry's contribution to capital investment⁴

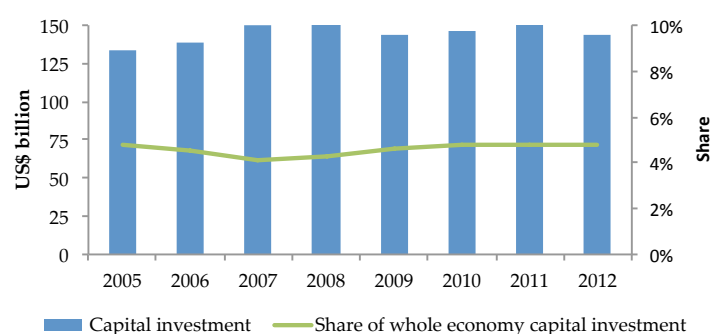
Tourism development requires several conditions such as infrastructure, the provision of drinking water, electric power and basic health coverage. Thus, investment on tourism can contribute to the improvement of infrastructure and living standards in rural and low-income countries.

Investment on travel and tourism can take many forms, such as:

- transport equipment, such as aircraft and cruise ships;
- capital projects designed to attract visitors; and
- green investments within the industry to enhance energy efficiency (World Travel and Tourism Council, 2013).

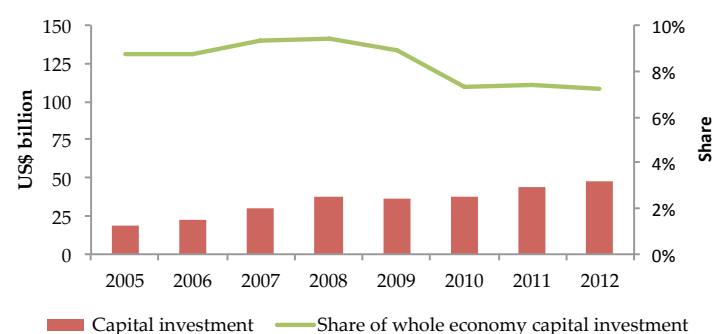
Between 2005 and 2012 capital investment in the EU-27 grew by US\$ 10 billion and by US\$ 29 billion in ASEAN (see figures below). In 2005, travel and tourism industry contributed 9% to the whole capital investment in ASEAN and 7% in 2012. Over the same period, travel and tourism's share of the whole economy capital investment in the EU-27 remained approximately constant.

Figure 20: Travel and tourism industry's contribution to capital investment (at current prices) and share of whole economy capital investment in the EU-27 (2005-2012)



Source: World Travel and Tourism Council (2013)

Figure 21: Travel and tourism industry's total contribution to capital investment (at current prices) and share of whole economy capital investment in ASEAN (2005-2012)



Source: World Travel and Tourism Council (2013)

⁴ Capital investment – includes capital investment spending by all sectors directly involved in the Travel & Tourism industry. This also constitutes investment spending by other industries on specific tourism assets such as new visitor accommodation and passenger transport equipment, as well as restaurants and leisure facilities for specific tourism use. This is consistent with total tourism gross fixed capital formation in table 8 of the TSA: RMF 2008 (World Travel and Tourism council / Oxford Economics 2013).

Part Two: Plans for tourism development in the EU-27 and ASEAN regions

ASEAN and the EU-27 have recognized the strategic importance of tourism for the socio-economic growth of their country members. They are also increasingly aware of the importance of responsible and sustainable tourism.

1. ASEAN plans for tourism development

ASEAN have identified tourism as one of their twelve priority sectors for integrating ASEAN countries by 2015 (ASEAN Secretariat, 2011). In 2011, they developed the ASEAN Tourism Strategic Plan 2011-2015 to stimulate responsible and sustainable tourism development to further integrate tourism in the ASEAN Economic Community.

This plan is organized around three sets of strategic directions that encompass a series of actions and activities (figure 22).

Figure 22: Strategic plan for tourism development in ASEAN

Vision: By 2015, ASEAN will provide an increasing number of visitors to the region with authentic and diverse products, enhanced connectivity, a safe and secure environment, increased quality of services, while at the same time ensuring an increased quality of life and opportunities for residents through responsible and sustainable tourism development by working effectively with a wide range of stakeholders.			
Mission: All strategic directions and actions in the ASEAN Tourism Strategic Plan (ASTP) are guided by responsible and sustainable tourism principles recognizing the significant role that tourism plays in poverty reduction, climate change, gender and minority issues, capacity building, cultural preservation and natural conservation.			
Strategic Directions	1. Develop experiential regional products, creative marketing and investment strategies.	2. Strategically increase the quality of services and human resources in the region.	3. Enhance and accelerate travel facilitation and ASEAN connectivity.
Strategic Actions	1.1 Develop and implement a tourism marketing strategy for the ASEAN region.	2.1 Develop a set of ASEAN tourism standards with a certification process.	3.1 Advocate for a single visa for the ASEAN region.
	1.2 Develop experiential and creative regional/sub regional circuits & packages together with investment strategies.	2.2 Implement the Mutual Recognition Arrangement (MRA) on ASEAN tourism professionals and its requirements.	3.2 Work with other ASEAN bodies to expand connectivity through air, water, rail and ground transportation.
	1.3 Enhance the external relation policies and procedures of ASEAN tourism.	2.3 Provide opportunities for knowledge and skill development.	

Source: ASEAN Secretariat (2011)

In 2012, in addition to their tourism strategic plan, ASEAN members produced a marketing strategy to set directions towards 2015 (ASEAN Secretariat, 2012). This strategy aims to enhance worldwide recognition of Southeast Asia as competitive and world-class tourism destination.

Tourism development initiatives in ASEAN include:

- **ASEAN – Korea Centre:** the Centre aims to increase ASEAN-Korea cooperation in trade, investment, culture and tourism. The Centre holds various tourism activities to promote ASEAN destinations to the Korean public and support the development of tourism skills in ASEAN (<http://www.aseankorea.org/>).
- **ASEAN-Japan Centre:** the Centre promotes trade, investment and tourism between ASEAN countries and Japan. The Centre has undertaken various activities to promote ASEAN as a single travel destination and highlight the potential of tourism in the ASEAN region (<http://www.asean.or.jp/>).
- **ASEAN members** are promoting six experiential and creative travel themes to encourage multi-country trips across the region. The themes include: "The Tastes of Southeast Asia," "ASEAN, a Tropical Paradise," "World Class Cities," "Experience Diverse Traditions," "Sport and Relaxation," and "Diverse Contemporary Creativity" (<http://www.aseantourism.travel/>).
- **ASEAN members** have developed overall ASEAN guidelines and standards aimed at improving tourism services in the region. There include: ASEAN common competency standards for tourism professionals, ASEAN ecotourism standards (<http://www.asean.org>).

2. The EU-27 plans for tourism development

In June 2010, the European Commission developed a new political framework for tourism called “Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe”. The purpose of this plan has been to co-ordinate actions for increasing the EU tourism’s competitiveness and setting a framework for sustainable tourism development. The new political framework set-outs four priorities with a series of plans and actions for the Commission, the Member States and the principal operators in the tourism industry.

Figure 23: Strategic plan for tourism development in the EU-27

Vision: Europe to increase its competitiveness and capacity for sustainable growth, remain the world’s number one destination and capitalize on its territorial wealth and diversity.				
Strategic Directions	1. Stimulate competitiveness in the European tourism sector.	2. Promote the development of sustainable, responsible and high-quality tourism.	3. Consolidate the image and profile of Europe as a collection of sustainable and high quality destinations.	4. Maximize the potential of EU financial policies and instruments for developing tourism.
Strategic Actions	1.1 Promote diversification of the supply of tourist services	2.1 Develop a system of indicators for the sustainable management of destinations.	3.1 Create a true 'Europe brand' to enable European destinations to distinguish themselves from other international destinations.	4.1 Proactive monitoring of EU (non) legislative initiatives that have an impact on the tourism sector and its stakeholders.
	1.2 Develop innovation in the tourism industry.	2.2 Develop a European 'Qualité Tourisme' brand.	3.2 Promote the visiteurope.com website to increase the attractiveness of Europe as a collection of sustainable and high-quality tourist destinations, particularly among emerging countries.	4.2 Regular engagement and information sharing with tourism stakeholders to facilitate understanding of the tourism’s environmental requirements.
	1.3 Improve professional skills.	2.3 Propose a charter for sustainable and responsible tourism and establish a European prize for tourism businesses and destinations.	3.3 Encourage joint promotional actions at major international events or large-scale tourism fairs and exhibitions.	4.3 Ensure a sufficient and stable financial support for tourism support and coordination actions.
	1.4 Encourage an extension of the tourism season.	2.4 Propose a strategy for sustainable coastal and marine tourism.	3.4 Strengthen European Union participation in international bodies, particularly within the context of the World Tourism Organization, the OECD, T20 and Euro-Med.	
	1.5 Consolidate the socioeconomic knowledge base for tourism.	2.5 Establish or strengthen cooperation between the European Union and the main emerging countries (China, Russia, India, Brazil) and Mediterranean countries to promote sustainable and responsible tourism development models and the exchange of best practice.		
		2.6 Promote initiatives in the field of tourism and accessibility.		

Source: European Commission (2010)

Tourism development initiatives in the EU-27 include:

- The Commission is working with governments, the industry and airlines to develop tourist flows between the EU and the rest of the world by using spare airline and hotel capacity during low season. In its pilot phase, the initiative will encourage 25,000 Argentineans, Brazilians or Chileans to travel to the EU and 25,000 EU nationals to travel to Argentina, Brazil or Chile (<http://ec.europa.eu/>).
- The Commission is supporting the development of cycling routes through Europe by awarding grants to selected projects and initiatives. The aim is to highlight the increasing importance of cycling tourism, its benefits and regional economic impacts. (<http://www.eurovelo.org/>).
- The Social Tourism European Exchanges Platform (STEEP) aims to develop and implement a web platform linking the demand and supply for accommodation and tourism products in the low season. It mainly targets four segments: youth, families facing difficult social and/or financial circumstances, seniors and people with disabilities (<http://www.ecalypso.eu>).

3. The EU-27 – ASEAN joint plans for tourism development

Tourism has been an important item in the joint agenda for EU-ASEAN collaboration. In 2003, the EU and ASEAN launched the Trans-Regional EU-ASEAN Trade Initiative (European Commission, 2003) as a framework for dialogue and regulatory co-operation between the two regions. Tourism formed a fundamental part of the objectives of this framework, which also covered trade and investment facilitation, sanitary standards, industrial product standards and intellectual property rights.

In 2012, the EU and ASEAN adopted a Plan of Action to further strengthen the EU-ASEAN partnership for the period of 2013-2017 (The 19th ASEAN-EU Ministerial Meeting, 2012). A key objective of this plan is to encourage the information exchange and cooperation in the area of tourism between ASEAN and the EU. The plan includes various actions such as joint tourism promotion, marketing activities, conferences and workshops, cooperation on civil aviation, air travel safety and security.

A number of partnerships between ASEAN members and the EU-27 also aim to further enhance collaboration on tourism. Some examples include:

- **EU-Thailand:** Thailand has joined forces with the EU to promote sustainable tourism development and management in Thailand (<http://eeas.europa.eu>).
- **EU-Cambodia:** The European Commission has supported the training of services staff in activities related to international air safety. More recently there has been discussion regarding the signature of multilateral air safety agreements between the European Union and the Government of Cambodia to further develop air safety (<http://eeas.europa.eu>).

- **EU-Vietnam:** Through the EU-funded Environmentally and Socially Responsible Tourism Capacity Development Program (ESRT), experts from the Union have helped Vietnam build the Vietnam Tourism Occupational Skills Standard (VTOS) system, an important element for Vietnam's tourism (<http://ec.europa.eu>).
- **ASEAN- EU Regional Cooperation Program on Standards, Quality and Conformity Assessment.** The program was not exclusive to tourism, but encouraged the close cooperation between European and ASEAN universities on sustainable tourism and tourism crisis management (www.anamai.moph.go.th).

Part Three: Challenges for tourism development and the way forward

1. Challenges for tourism development

Tourism can have positive or negative impacts depending on planning, development and management. It is a significant driver of economic and social development, but it faces a number of challenges:

- **Tourism can be seasonal.** For example, in Europe tourist demand is currently concentrated very strongly around July and August. This seasonal aspect affects revenues, and results in sub-optimal use of tourism facilities and manpower (European Commission, 2010).
- **There is an increasing global competition in tourism industry.** For example, Europe is facing strong competition from emerging destinations in Asia. It should also strengthen cooperation with potential tourist sources such as Brazil, Russia, China and India (European Commission, 2010).
- **Tourism development can lead to the loss of traditional jobs.** For example, workers may move from industries such as forestry, mining, farming and fishing into service jobs in tourism (Secretariat of the Convention on Biological Diversity, 2009).
- **Tourism activity can seriously affect the environment.** For example, speedboats and divers, if careless, can damage coral reefs. In 2007, tourism sector including accommodation, transport and other activities, produced 4% to 6% of the total global emissions. This is approximately equivalent to the total emissions of Canada, Brazil and South Korea combined (World Tourism Organization, 2010).
- **Tourism infrastructure can affect the natural habitats.** Tourism often occurs in areas of high biodiversity, such as coastal zones, mountains and protected areas. Uncontrolled mass tourism is one of the main drivers behind coastal degradation (World Tourism Organization, 2010).
- **Climate change can seriously affect tourism activity.** For example, declining snow cover in Europe's mountainous regions could cause a fall in winter tourism. At the same time, rising sea levels could bring changes for tourism in coastal areas (European Commission, 2010).
- **Adaptability to change.** Small businesses in the sector, with limited financial resources, are not always in a position to follow new developments in the sector e.g. use of internet platforms (European Commission, 2010).
- **Tourism income distribution.** Tourism income may not end up benefiting the poor, reaching instead the better educated and well-off segments of society (World Tourism Organization, 2010).

2. The way forward: making tourism more sustainable

According to the United Nations World Tourism Organization sustainable tourism *takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.*

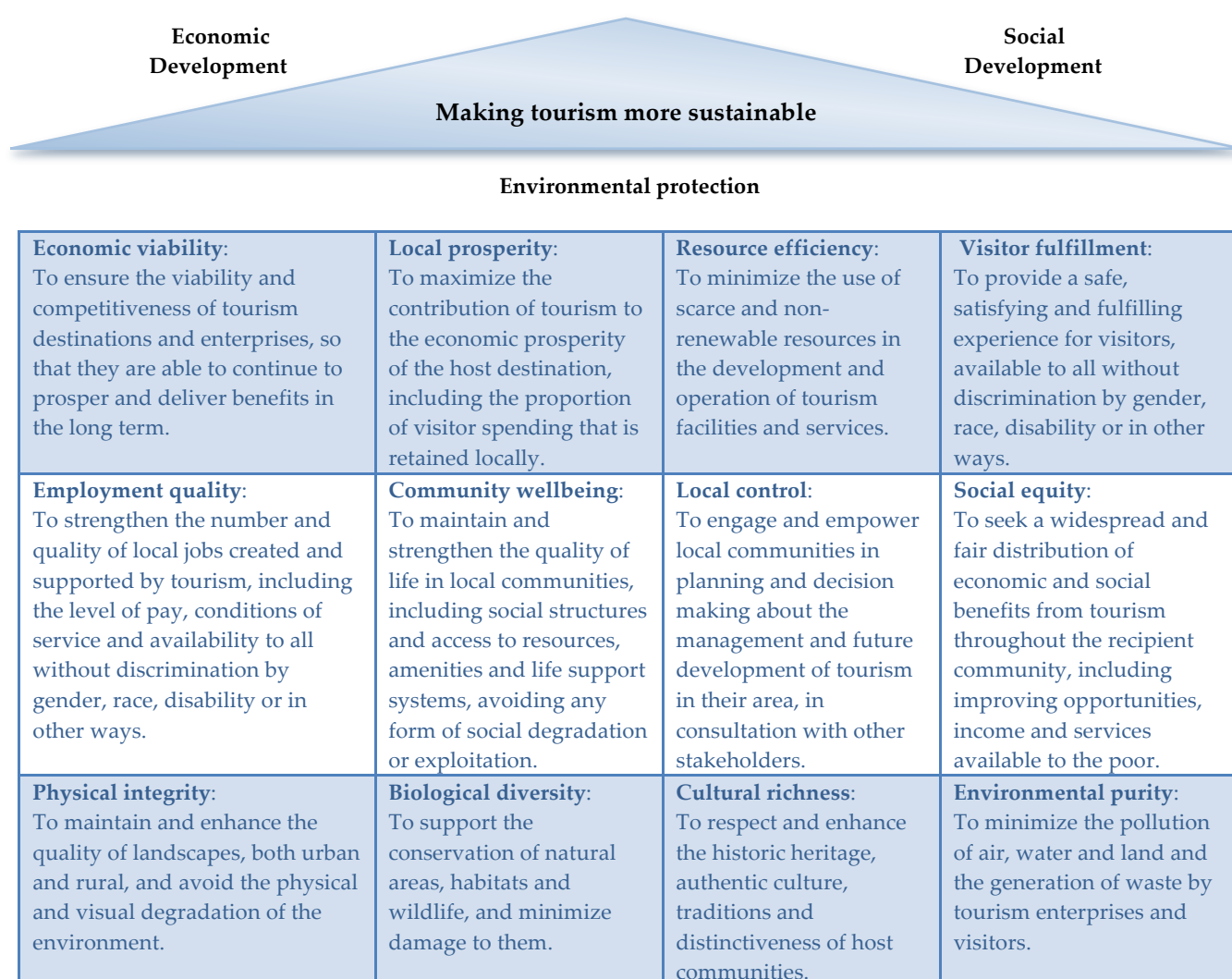
The development of sustainable tourism aims to:

- Minimize tourism's negative impacts on society and the environment; and
- maximize the positive contribution of tourism to local economies, the conservation of natural and cultural heritage, and the quality of life of local communities and visitors (United Nations World Tourism Organization and Environment Program, 2005).

Sustainable tourism development requires that all relevant stakeholders share similar values and commitment to sustainable tourism. It also requires strong political leadership to build a consensus and ensure wide and effective participation of all stakeholders.

Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts. Thus, specific objectives should provide to all parties a clear vision of what is to be accomplished and by whom. Measurable objectives should provide a clear basis for evaluating progress and guiding policy makers where to place efforts in the future.

In 2005, the United Nations World Tourism Organization together with the United Nations Environment Program developed a framework to assist policy makers in developing and implementing policies for sustainable tourism. The framework is aimed primarily at local and national governments, but it is also relevant to other public and private organizations to the extent that they are affected by, and can affect, tourism policies and their implementation. It outlines 12 goals that policy makers should pursue to address the economic, social and environmental impacts of tourism (refer to figure 24 overleaf).

Figure 24: Goals for developing sustainable tourism policies

Source: United Nations World Tourism Organization and Environment Program (2005)

In conclusion, prioritizing the travel and tourism sector and defining a strategic agenda around sustainable tourism are keys to unleashing the sector's full potential. Individual countries and the tourism industry should consider whether they are paying sufficient attention to tourism development, and whether their tourism policies and actions adequately embrace concerns about sustainability (United Nations World Tourism Organization and Environment Program, 2005).

Individual countries should not work in isolation on making tourism more sustainable. Many sustainability issues have trans-boundary, regional and global implications. Governments and tourism industry have now taken steps to improve cooperation and collaboration at national and international level. The next steps will be to continue working together to implement their priority actions for tourism development. To succeed, governments, in partnership with the tourism industry, and regional institutions should turn actions into results.

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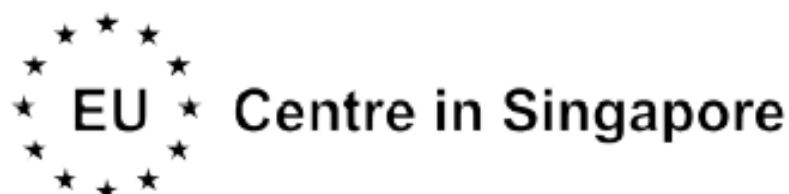
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