

Blue Growth

Scenarios and Drivers for Sustainable Growth from the Oceans, Seas and Coasts

Marine Subfunction Profile Report
Coastal tourism and yachting (4.1)

Call for tenders No. MARE/2010/01

Client: European Commission, DG MARE

Rotterdam/Brussels, 13th August 2012



The research for this profile report was carried out in the period April – August 2011. This report has served as an input to the main study findings and these have been validated by an Expert meeting held on 9/10th November 2011 in Brussels. The current report serves as a background to the Final Report on Blue Growth.

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Summary description

Coastal tourism plays a significant role within the EU tourism sector and the economy of coastal regions in particular. Coastal destinations have been, and still are, the most popular destinations to visit and live in Europe and the rest of the world. Amongst the various types of tourist activities particularly relevant and promising are cultural, recreational and sport activities. This report will look at the development of coastal tourism in general with a particular focus on key areas for EU policy intervention.

Several internal and external factors are challenging coastal tourism, such as growing request for customised experiences, increasing call for sustainability and environmental quality, more urgent need for mitigation and adaptation measures in areas increasingly exposed to erosion and water infiltration, and a general pressure stemming from increased global competition of coastline tourist destinations.

Furthermore, the fragmentation of the sector has provided disincentives for innovative tourism solutions, and put an impediment to knowledge sharing across the sector. In fact, only few leading large companies (i.e. tour operators) develop innovative and dynamic strategies. Due to their almost complete control of the entire value chain there is little room for spill-over effects across the sector. In addition, a large majority of small- and micro-enterprises has no incentives and capacity for change and innovation, as they rather struggle for surviving in the current (slow) post-crisis recovery.

This report aims at providing a comprehensive overview on the subfunction coastal tourism and yachting. To do so we will present the main results of the desk research complemented with interviews held with relevant stakeholders. On the basis of the presented trends and patterns we will suggest some areas for future EU policy intervention and highlight interesting aspects as a basis for further reflections.

1 State of Play

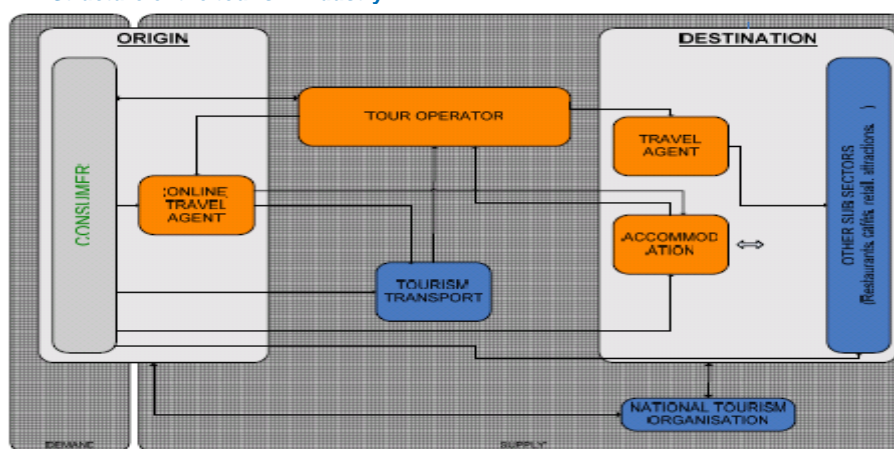
1.1 Description of the nature of the subfunction and value chain

Tourism is one of the pillars of the economy of the coastal regions. In the latter, however, not all tourism can be categorised as coastal tourism as many touristic and recreational activities are not sea-related. In fact many recreational and tourist activities that take place in the coastal area are not dependent to the sea proximity.

Coastal tourism and yachting, includes beach-based recreation and tourism (e.g. swimming, surfing, sun bathing), non-beach related tourism in the coastal area (all other tourism and recreation activities that take place in the coastal area for which the proximity of the sea is a condition), and nautical boating (including marinas).

The value chain in the leisure (or tourism) sub-function is comparatively simple (see Figure 1-1), albeit the real value added behind such chain consists of a rather complex ecosystem involving many different actors. The economic activities that are part of the tourism industry vary considerably. Tourism is an activity involving a wide variety of stakeholders, but also policy measures at various levels. It is a broad industry as it contains attractions and transport, travel organisers and local tourist offices. Moreover, different groups (e.g. business travellers, leisure tourists) are targeted.

Figure .1-1 Structure of the tourism industry



Source: Ecorys (2009a)

To date, the value chain for coastal tourism is not entirely investigated by tourism operators. The broader impact of tourism on local economies beyond direct returns from hotels and restaurants should be taken more into account as a potential leverage to trigger sustainable development. Moreover, the whole approach to tourism has changed in the past 10/20 years (i.e. low cost companies, internet, etc.), moving from a sector usually driven by tour operators to a more dynamic, interactive and demand-centred one (consumers are individuals with the means to directly 'assemble' a 'customised' offer).

As stated earlier, the tourism sector suffers of a paradox that often inhibits structural change and innovation potentials in terms of benefits for local economies:

- On the one hand, large volumes are moved by few large operators that are very innovative in their product and marketing strategies, but often not embedded in local economies. Due to a mostly “closed” business model, the innovation potentials within such operator prevent valuable spill-over effects outside the restricted areas where they typically operate. This model is particularly disadvantageous in less affluent regions that are not in a position to fully benefit from the exploitation of their touristic assets.
- On the other hand, a dispersed plethora of small-scale business entities are involved, a large group of small companies, mainly micro-enterprises, which deliver tourism services at the destinations. More than 90% of all enterprises in the tourism sector, in fact, employ less than 10 persons (Ecorys, 2009a). The fragmentation of the market and the small scale of the involved enterprises, renders innovation an expensive activity (both in financial and capacity terms) with other activities easily prioritised over that. Innovation is hence often too small in terms of scope and scale to generate any spill-over effects to the wider local economy.

Tourism industry is also characterised by a fragmented and geographically dispersed value chain:

- On the one hand, suppliers of tourism products and services – often (small) SMEs – are mainly located in the tourist destination itself
- On the other hand, the demand side consists of a very heterogeneous group of consumers; The main factors that influence the demand for tourism products and services are: i) a trend towards more numerous but shorter holidays; ii) rise of new forms of tourism and structural demographic changes
- In between we find intermediary companies who bundle, pack and promote the tourism product and make it available to tourists. The intermediaries are usually located in the tourists’ country of origin. Due to their ownership structure, these companies can either offer their services in a national setting or as part of a larger multinational company.

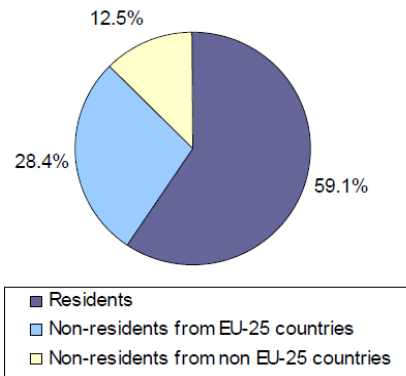
1.2 Description of current structures

Coastal tourism has a significant place within the EU tourism sector and the economy of coastal regions in particular. At present about 2.36 million people are employed in the coastal tourism sector, representing 1.1% of total EU employment (Policy Research Corporation, 2008).¹

Around 51% of the total hotels bed capacity in Europe is concentrated in regions with a coastline (Collet, 2010, p.8). This data illustrates the high degree of attraction of the sea on both national and foreign visitors. Although no official evidence is available for tourism in coastal regions, we can assume that the patterns of demand are similar to those of general tourism, therefore resident/EU demand is much greater than non-resident/non-EU, although the latter is increasingly growing.

¹ Policy Research Corporation, 2008: The role of Maritime Clusters to enhance the strengths and development of maritime sectors: Slide 28. Presentation given on 1st May 2008 in Rome based on the study commissioned by DG MARE to Policy Research Corporation. Available at http://www.european-network-of-maritime-clusters.eu/downloads/4_56.pdf

Figure 1.2 Nights spent in collective accommodations in the EU25



Source: Eurostat, 2007²

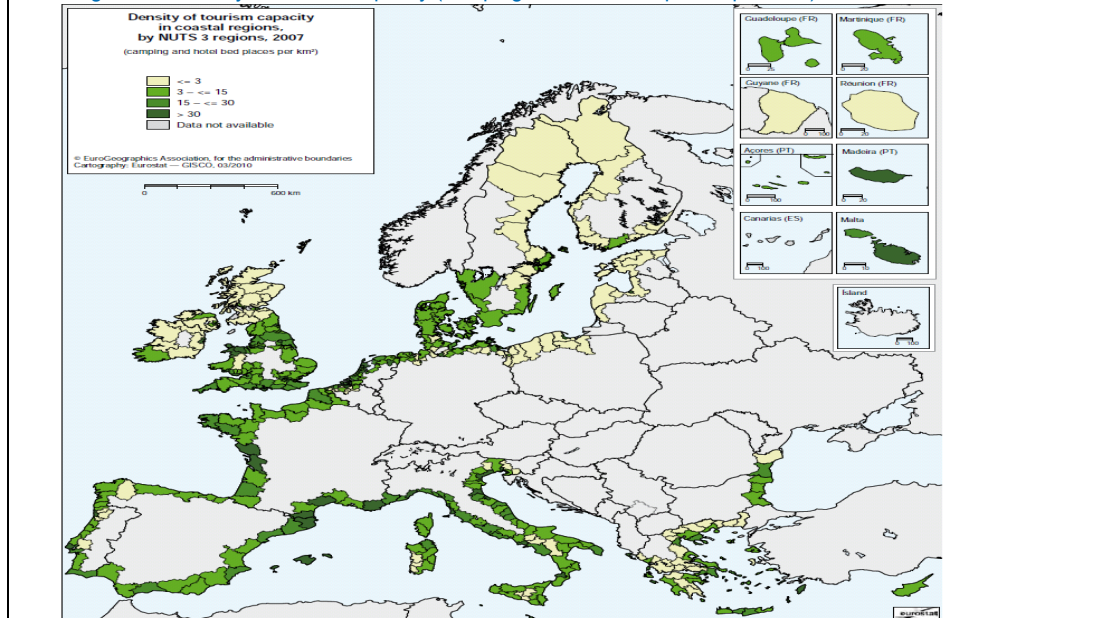
To date, coastal destinations have been the most popular destinations in Europe and the rest of the world. According to an EU study of Europeans' holiday and travel patterns, the coast is still the favourite destination of 63% of holidaymakers (EC, 2000). The density of tourism capacity is generally greater in the southern coastal regions, particularly around the Mediterranean Sea basin with mass market tourism destinations. Climate conditions are an important explanation for this pattern.

Box 1.1 Density of coastal tourism capacity

Dispersion of coastal tourism across Europe

The density of tourism capacity is generally greater in the southern coastal regions, particularly around the Mediterranean Sea basin. Climate conditions are an important explanation for this pattern. The tourism density along the coasts of the Baltic Sea is on average (much) lower than in the regions situated along other coasts (Collet, 2010).

Figure 1.3 Density of tourism capacity (camping and hotel bed places per km²)



Source: Eurostat (2008)

² Eurostat, Inbound and outbound tourism in Europe, 2007

Economic performance

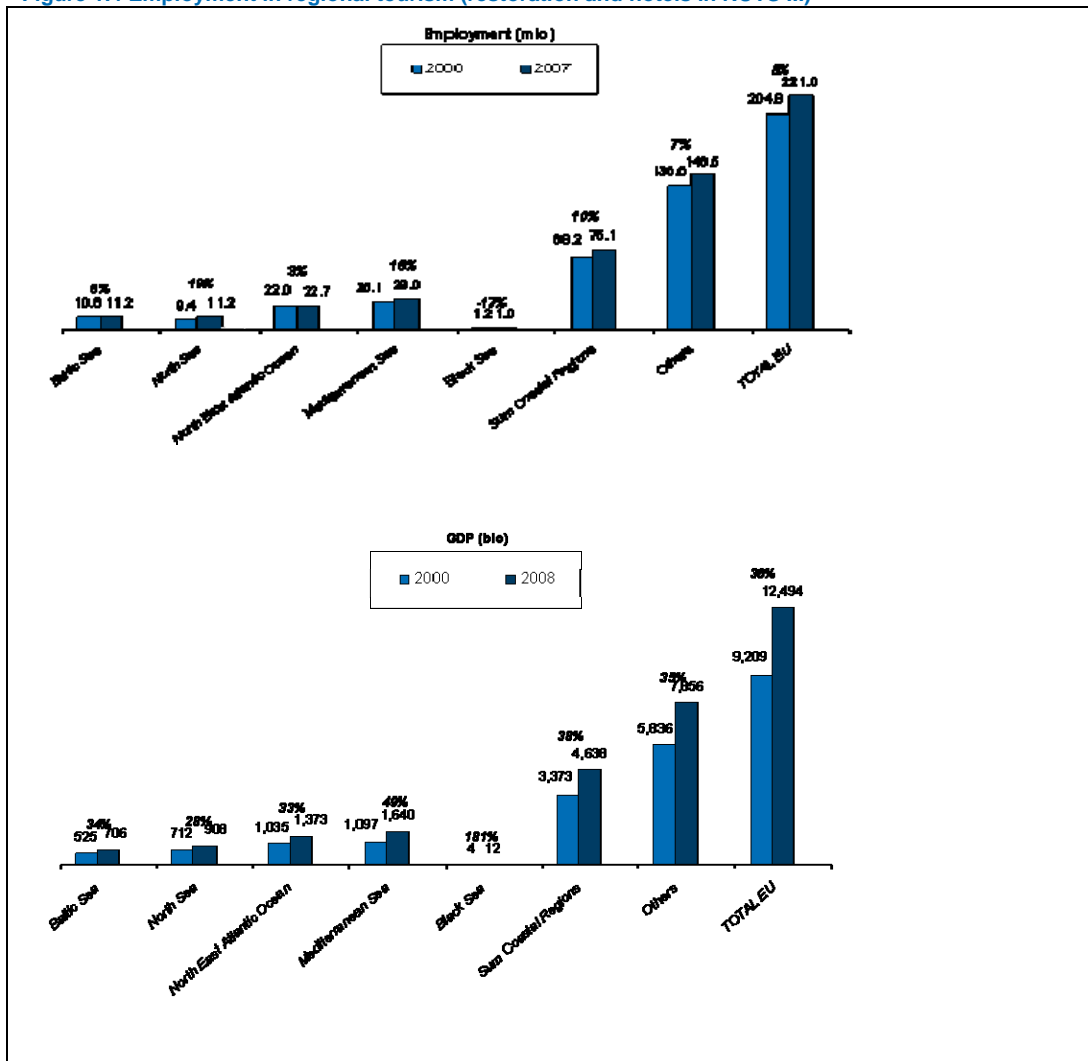
About 2.36 million people are employed in the coastal tourism sector, representing 1.1% total EU employment (Policy Research Corporation, 2008)³. According to the report of the Task Force on Maritime Employment and Competitiveness and Policy, in the sector performs an annual average GDP growth of 4%(in the last five available years)⁴. In terms of GVA this figure may be higher due to increase spending as a consequence of welfare rise, although comparable public data on GVA are not available. However, if we assume a similar share of the EU's GVA, the figure would approximately be € 121 bn (based on ECB). A substantial part of employment in coastal tourism is concentrated in the Mediterranean sea basin, i.e. Spain, Italy, France and Greece and in countries near the Atlantic Ocean, i.e. the United Kingdom and Portugal.

In many coastal regions tourism is one of the main sources of income and employment. As emerging from our qualitative interviews (e.g. Excerptur, Spain), there are regions, e.g. in the Mediterranean sea-basin in which 1 out of every 4 jobs is in tourism, similarly to some areas of Netherlands (Ecorys, 2010). Supported by the graphical illustration beneath, employment as well as GDP has on average grown more rapidly in the last decade than in non-coastal EU regions (Eurostat, 2011).

³ Coastal tourism: Tourism within 10 km from the coast (NACE 55 Hotels and restaurants).

⁴ Report of the Task Force on Maritime Employment and Competitiveness and Policy: Recommendations to the European Commission, 09.06.2012.

Figure 1.4 Employment in regional tourism (restoration and hotels in NUTS III)



Source: Ecorys on Eurostat (2011)

Amongst the various types of tourist activities, the most relevant and promising are cultural activities, coastal recreation and sport activities (yachting, recreational fishing, surfing, diving).

Table 1.-1 Development of top five Mediterranean countries in nautical tourism (2008)

Mediterranean Countries	Total pop. in millions	GNI per capita (€)	Coastal, involved Islands (km)	Number of categorized commercial marina	The number of commercial moorings	Number of berths at 1 km from coast	Kilometres of coastal at 1 marina
SPAIN	40	22.000	5.200	245	80.061	15,4	21,2
FRANCE	60	27.500	550	99	64.710	117,7	5,6
ITALY	60	26.800	8.500	478	167.875	19,8	17,8
GREECE	11	19.900	13.676	63	12.797	0,9	217,1
CROATIA	4,5	10.700	5.835	83	15.407	2,6	70,3

Source: Dubrovnik University Interview

Nonetheless, there is a lack of reliable consolidated EU27-wide data in relation to such segments of the sector. Data are certainly available at the local (NUTS II) level but it is difficult to provide a European assessment of trends and performances.

Box 1.2 Main features of coastal tourism related to nautical sports

Coastal tourism: nautical sports

Nautical tourism is a very profitable and expanding business, although still not enough evaluated. The main basins ranked by potential profitability are Mediterranean, Atlantic and Baltic Seas.

Marinas

Marinas are a very promising catalyst for coastal development and in the past ten years have flourished throughout Europe. Particularly, marinas have proven to be an effective way to trigger private investments for coastal tourism development. Obviously, in the absence of proper regulation and effective intervention of public institutions (i.e. better and less regulation), there is a danger of over-exploitation of social and natural resources for marinas development which might become unsustainable in the long run.

Europe currently has 1,670 marinas, spread out amongst the various sea basins, and mostly concentrated in the Mediterranean. Nonetheless there are relevant differences - in terms of marketing approach and profitability - amongst Member States. Marina models are very diverse depending on sea basins, countries and types of locations, although two main types can be identified:

- o Established location (i.e. old town by the sea) where demand is already in place and no infrastructure investment is needed, but just features of services
- o Location with no existing demand but great potentials, where marinas are established and trigger local development (i.e. by providing private investment to revitalize infrastructures and local services).

Yachting

Yachting remains a popular activity for residents as well as visitors coming to several European countries. Over the past half century the industry has grown, and today a large number of marinas exist in the European coastline. These provide supplies, easy access to the shore at major resorts and safe harbours, as well as often becoming local entertainment venues in themselves. Demand for professional marina services is growing, ushering in significant investment opportunities.

Furthermore, due to the boost in demand the yacht building industry has developed into an economic sector of importance. From 1998 till 2008 the industry has grown of the 228%. Europe is market leader in the luxury yacht industry, with a market share of more than 65% in 2008. Yacht builders in Europe are concentrated in Italy, the Netherlands, Germany, and the United Kingdom.

Diving

SCUBA diving and snorkelling in coastal and marine waters generate value for participants and the local businesses that support these activities. Diving tourism can present great potential as divers travel regularly and generally have a high purchasing power. 800.000 Europeans divers each year make one trip with 10 night-out spending more than 1.4 billion Euros annually. In many destinations, diving has allowed to extend the touristic season, like in the Medes islands (Spain) where the 20.000 scuba divers represent 9.3% of the total of the tourists.

There are about 3.500.000 scuba divers in Europe; 70% of them choose the Mediterranean region. Main diving destinations in Europe are: Spain, Malta, Cyprus and new ones such as Turkey and Croatia. As divers expect variety of underwater landscapes (ex: shipwreck), several European countries have taken advantage of their natural and cultural wealth setting up underwater archaeological parks like Italy, Finland, or Greece.

Recreational fishing

The term recreational fishing covers various segments. In most countries recreational angling (rod and line fishing) is the biggest of these segments measured in numbers of participants and/or economic benefits and jobs. In Europe there are some 8-10 million recreational sea anglers. The annual socio-economic value is estimated € 8-10 billion; tens of thousands jobs depend on anglers' expenditure. Recreational angling (rod and line) is done for leisure and sport. In some countries angling tourism is a well developed and growing business segment, while others have an unused potential.

The angling sector has shown a remarkable resistance against pressure from the present global economic crises. When the economy weakens people tend to seek nearby and cheap outdoor pleasures like recreational angling.

Surfing

Surfing as sport is closely related to the development of adventure tourism. 10 million people in the world travel each year to surfing destinations and the trend is growing. 500 thousand more people every year practice this sport. Surfers are of average purchasing power and are people who usually have time to travel. In Europe, main destinations are Portugal, Spain, France and England.

Sources: Ecorys 2009b, European Environment Agency, European Underwater Federation (EUF), Recreational Scuba Training Council (RSTC), Global Surfers Surf Atlas, Expert Interviews.

Environmental performance

Finally, due to its dispersion and fragmentation, tourism and similarly coastal tourism varies largely in terms of the environmental sustainability and the energy-intensity of the adopted models. It is difficult to draw a consistent and detail scenario amongst EU sea basins, although some of the main sources of carbon emissions related to tourism are presented by the World Economic Forum in the figure below.

Figure 1.5 Direct and indirect carbon emission sources for tourism

Clusters (Direct Emitters)	Direct Emissions ¹ (in scope)	Indirect Emissions ² (out of scope)
Land Transport	• Passenger rail, use of cars and bus for travel & tourism	• Use of rail, cars and bus for commuting, rental car offices, and railway stations
Air Transport	• Emissions from commercial airlines	• Airports, Maintenance centres, Offices of passenger airline companies
Water Transport	• Cruise lines, River cruises, Recreational boats	• Transportation of food and other consumables to cruise lines
Accommodation	• Emissions due to energy consumption in Hotels, Lodges and Resorts	• Transportation & production of hotel consumables (e.g. food, toiletries)
Tourism Activities	• Amusement parks, Ski areas, etc	• Transportation & production of activity equipments (e.g. skis)

Source: World Economic Forum (2009)⁵

As reported in the World Economic Forum in 2009 the "Travel and Tourism (T&T) sector's current contribution to global greenhouse gas (GHG) emissions is 5% of global anthropogenic emissions" (WEF, 2009). If we exclude aviation, 'Travel and Tourism' is in fact considered accountable for approximately 3% of GHG emissions, a figure forecasted to grow at 2.5% per year until 2035

⁵ World Economic Forum, Towards a Low Carbon Travel & Tourism Sector Report, May 2009.

(UNWTO 2007)⁶. To give an idea of the dimension and the relevance of the problem, aviation alone contributes 2% of total manmade CO₂ emissions (IPCC, 2007)⁷.

Again, as emerging from the World Economic Forum in 2009, the “T&T sector is committed to emissions reduction targets to lower its impact on climate change. However, while these and other efforts will keep emissions low, they will not be sufficient to achieve a CO₂ neutral sector, a long-term goal of the industry. Although recognizing that mobility is a fundamental need of society, T&T companies are committed to collaborate with government and international institutions to develop appropriate measures that deliver significant emissions reductions, bringing the sector closer to that goal” (WEF, 2009).

Box 1.3 Most promising mitigation measures related to T&T

Most promising emissions mitigation measures

- Accelerated deployment of renewable energy in the accommodation cluster as a joint initiative among destination governments, hotel chains, and energy and utility companies
- Improvements in cruise ship fuel efficiency through increased collaboration with engine manufacturers and ship builders, building on the decarbonisation strategy of the logistics and cargo shipping industry
- Removal of mass-transit inefficiencies by linking major airports to city-centres by dedicated railway lines and by locating airports on national/regional railway networks, especially those with high speed trains; in addition, railways and air-transport services must be better integrated (e.g. shared ticketing and scheduling, and secure and seamless transfer of luggage from one mode to another)
- Generate consensus on global and regional sustainability standards and metrics for measuring and reporting carbon emissions in the T&T sector, and establish green benchmarks for tourism destinations and travel products, enabling travellers to make carbon-conscious choices; ensure that new initiatives are measured against life-cycle emissions and their overall sustainability
- Pro-active leverage of various funding mechanisms to finance the massive infrastructure “upgrade” needed to achieve long-term T&T sustainability (e.g. attracting existing commercial private sector funds, establishment of a not-for-profit T&T Green Foundation and allocation of the financial stimulus package for T&T infrastructure).

Source: World Economic Forum (2009)

1.3 Regulatory environment

This paragraph highlights the relevant regulatory framework for coastal tourism, yachting and marinas. A distinction is made here between policy to stimulate future growth of the industry and relevant European legislation. It can be concluded that a general regulatory framework encouraging more sustainable and competitive European tourism is already in place, however without focus on coastal regions.

⁶ Climate Change and Tourism: Responding to Global Challenges, UNWTO/UNEP/WMO, October 2007.

⁷ IPCC, Special Report on Aviation and the Global Atmosphere, Fourth Assessment Report, 2007.

1.4 Main EU Framework – Relevant Communications

The most important tourism policies concerning coastal tourism and yachting in the EU are:

“Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe”, 2010 Action 16: Propose a strategy for sustainable coastal and marine tourism (EC, 2010).

- Aims at encouraging a coordinated approach in the field of tourism, and setting out an action plan comprising two major components: competitiveness – as the objective is that Europe remains the first tourist destination – and sustainable development – as the EC acknowledges the potential deterioration caused by massive tourism;
- Highlights the necessity to promote landscapes and cultural heritage including maritime and sub-aquatic cultural heritage;
- Encourages (Action 2) the integration into tourism strategies of 'natural' heritage, which will also benefit from labelling initiatives;
- Considering the link between tourism and climate change, underlines the danger of rising sea levels for coastal tourism;
- Recognises the economic importance of coastal tourism, and its role as a catalyst for economic development, especially in regions economic activities linked to fisheries and shipbuilding have declined;
- Encourages the development of coastal and maritime tourism, as part of the EU's integrated maritime policy, and will consider actions for the development of the nautical and pleasure boat industry (EFF underlined as the major funding source for regional diversification strategies).

EU strategy for the Baltic Sea region – tourism, 2009 (EC, 2009)

- The Communication on a Strategy for the Baltic Sea Region and the Action Plan of the strategy presented in June 2009, sets out very large objectives for the development of the regions: turning the region into an environmentally sustainable, prosperous, accessible, attractive, safe and secure place. Tourism is part of the strategy, as a component of the strategy to enhance the region's attractiveness;
- Two main cooperative actions have been set out: a) "Highlight and optimise the sustainable tourism potential" and b) "Network and cluster stakeholders of the tourism industry and tourism education bodies";
- In addition, four flagship projects are implemented; one of them “Attract tourists to rural areas especially the coastal ones”, aims at fostering closer cooperation between the Baltic Sea Region tourism actors, creating a network of the Baltic Sea Region actors, improving the accessibility of coastal tourism clusters.

“A renewed EU Tourism Policy: Towards a stronger partnership for European Tourism” (EC, 2006)

- Sets out objectives for better regulation and better policy coordination in the field of tourism, to build a coherent action aiming at “improving the competitiveness of the European tourism industry and creating more and better jobs through the sustainable growth of tourism in Europe and globally”;
- Underlines the new role of the EFF, including a new priority, “the sustainable development of fisheries areas”, to support the economic reconversion of fisheries-dependent regions, and the diversification of fishermen activities (in eco tourism for instance);
- Sets out the objective to study employment trends in coastal and sea-related tourism sectors.

“Agenda for a sustainable and competitive European tourism” (EC, 2007)

- Built on the recommendations of the Tourism sustainability group and defines future steps to increase the sustainability of European tourism, in correlation with the objectives of the Lisbon Strategy;
- Outlines the role of each tourism stakeholders (industry, public authorities, and tourists) to achieve these main objectives: the sustainable management of destinations, the integration of sustainability concerns by businesses and the sustainability awareness by tourists.

1.5 European legislation

The most relevant European regulations regarding coastal tourism are listed below:

- General regulations of relevance to coastal tourism development:
 - Services directive (2006/123/EC) on services in the internal market;
 - Working time directive (2003/88/EC) on the conditions of entry and residence of third-country nationals for the purposes of seasonal employment;
 - Council Directive 91/271/EEC concerning urban waste water treatment;
 - Water Framework Directive 2000/60/EC The directive establishes a framework for the protection of all surface waters and groundwater at EU level, with the aim of achieving a good ecological status and a good chemical status of waters by 2015;
 - Bathing Water Directive (2006/7/EC updating 76/160/EEC) The directive covers coastal waters and inland waters and sets quality standards (limits for physical, chemical and microbiological parameters) for bathing water;
 - Strategic Environmental Assessment directive (SEA) (Directive 2001/42/EC) and Environmental Impact Assessments (EIA) (Directive 85/337/EEC) on the assessment of the effects of certain public and private programmes and projects on the environment;
 - In addition to European directives and national legislation the EU member states have signed International Conventions aiming to preserve the rich diversity of nature and limiting their effects on climate change: The Convention on Biological Diversity and the Kyoto Protocol.
- Regulations focussing specifically on coastal and marine areas:
 - EU Integrated Coastal Zone Management (ICZM) Recommendation which defines the principles of sound coastal planning and management.
 - Many marine and coastal areas are protected under Directive 92/43/EEC on the conservation of natural habitats and wild flora and fauna (habitat directive), as well as under Directive 2009/147/EC on the conservation of birds (birds directive).
 - Marine Strategy Framework Directive (MSFD, 2008/56/EC): the framework establishes a framework for the protection and restoration of marine ecosystems: Member States must take the necessary measures to achieve or maintain a good environmental status (GES) in the marine environment by the year 2020. It applies to coastal areas for aspects not covered by the water framework: litter, noise, etc.
- In addition, relevant European legislation regarding specific coastal tourist activity:
 - Recreational craft directive 94/25/EC on the approximation of the laws, regulations and administrative provisions of the Member States relating to recreational craft: classifies recreational craft and lays down safety requirements for their design and construction, as well as environment requirements regarding their exhaust and noise emissions.
 - Furthermore, EU Directive 2003/44/EG has come into force on 1 January 2005, supplementing EU Directive 94/25/EC. EU Directive 2003/44/EG defines exhaust fumes and sound limits for sport boat motors.

- Regulation (EC) No 725/2004 on enhancing ship and port facility security and Directive 2005/65/EC which complements the security measures introduced by Regulation (EC) No 725/2004.

1.6 Strengths and weaknesses for the sub-function

From the interviews and desk research we can arrive at a number of strengths and weaknesses that are typical to EU coastal tourism.

- Strengths of this sub-function in a global perspective
 - Diversity of destinations is one of Europe's competitive strengths
 - Strong domestic market, based on a diverse mix of visitor profiles with relatively high spending power potentials
 - Acknowledged, safe and stable tourist destinations
 - Dense supply of cultural and historical heritage, coupled with quality of landscapes
 - Several renowned touristic locations established as global leaders.
- Weaknesses of this sub-function in a global perspective
 - Strong dependence in several coastal regions on seasonality in combination with high concentration of lower-skilled human activity, lack of product diversification and innovation.
 - Often energy- and resource-intensive models, with consequent pressure on natural resources and deterioration of environment (e.g. declining fish stocks, polluted waters)
 - Uneven distribution amongst coastal regions of quality of the services provided relatively to price, and increasing lack of competitiveness on a global scale
 - Jeopardised (tourism) infrastructures amongst regions and uneven convenience for travel
 - Insufficient and inefficient understanding of the market in Europe, to be used as a basis for knowledgeable EU sectoral policy.
- Constraints
 - Lack of a coherent and agile EU common regulatory framework and permitting processes that could prompt smart and sustainable use of private resources to trigger innovation (particularly in poorest regions most in need of financial support)
 - Lack of availability of good market data, such as competing regions, and market intelligence
 - Mismatch between skills demanded from the industry and supply due to lack of skilled labour force, particularly in the poorest coastal regions where tourism could be an asset
 - Geographical constraints on tourist activity (cold water coast, tidal currents, weather, etc.).

2 Research and technology

2.1 Research & technology mining

No research & technology mining has been conducted for coastal tourism.

2.2 Research and innovation

In the past decades both ICT and the “Internet revolution” had a great impact on the restructuring of the sector and the value chain (notably by providing direct links amongst supply and demand, somehow bypassing intermediation of tour operators, as well as providing accessible quick global transports through low-cost air transports). The current evolution of real-time access to data, the increasing accessibility of smart-phones and GPS⁸ services are potentially triggering further innovations and could dramatically change the way we intend “tourism experiences”.

Surely some related innovation might have dramatic impact on future development of maritime tourism, particularly those related to smart and sustainable transports, building and energy. Nonetheless, due to the very broad and general nature of such innovations, we do not provide further assessment of such areas in this context.

Nonetheless, the main innovations required for more performing tourism sector are product/process innovation, rather than purely technological.

⁸ Global Positioning Systems, space-based global navigation satellite system (GNSS) that provides location-based information

3 Future developments

3.1 External drivers affecting the performance of the cluster

In this paragraph a short description is given of the relevant issues for the mid-term and long-term development of EU coastal tourism and yachting. As stated in the introduction it has not been possible to develop a fully comprehensive picture. However, based on the desk research and interviews with key stakeholders, the following key external drivers emerge:

Key external driver 1: Mature globalisation of the sector implying greater competition

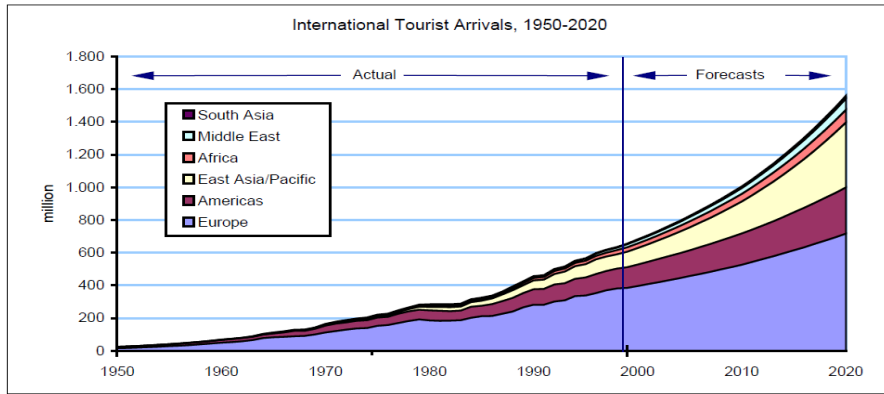
Globalisation means that different societies, cultures and economies are becoming increasingly interconnected. This process has been underway for years, if not decades. It has been reinforced by political changes and decisions, such as the formation of the EU single market and the lowering of visa restrictions (e.g. for Chinese visitors). Technological changes such as the deployment of computers, internet and mobile phones have made communication much cheaper and have reduced barriers resulting from physical distances. Furthermore the liberalisation of air transport and the increased mobility of people have brought the whole world within reach.

For many European visitors the world is calling to be discovered. Moreover, in many emerging markets, a growing middle class is ready to discover the world. In a first stage, this group is likely to focus mostly on domestic and short haul travelling, but when they become more experienced travellers, they are likely to start discovering more remote tourism destinations. It is difficult to have available data and statistics on these aspects, but we know from our interviews that number one destination for Indian tourist is Tuscany and this might have a consequence for maritime tourism potentials in the region.

The BRICs (Brazil, Russia, India and China) share of the market, or the increasing portion of tourist visiting Europe from non-EU global growing economies (World Social Forum, 2010), is a growing factor of interest for European tourism. Nonetheless, this segment of tourism demand might be relevant only for some specific segments of tourism such as exclusive locations (i.e. Cote d'Azur in France) or culture-intense destinations (i.e. Venice in Italy). In this sense large part of the European coasts might not be directly affected by such emerging trend.

Moreover, fierce global competition is an increase challenge for those regions that have not enough capacity or skills to compete in terms of prices and products with other locations in the EU or worldwide. The growing competition from international locations is clearly shown in the most recent global forecasts and, although Europe remains the main provider of touristic services in the world, less competitive regions might progressively loose their appeal vis-à-vis cheapest and/or more innovative global competitors.

Figure 3-1 Forecast of international tourist arrivals in global regions

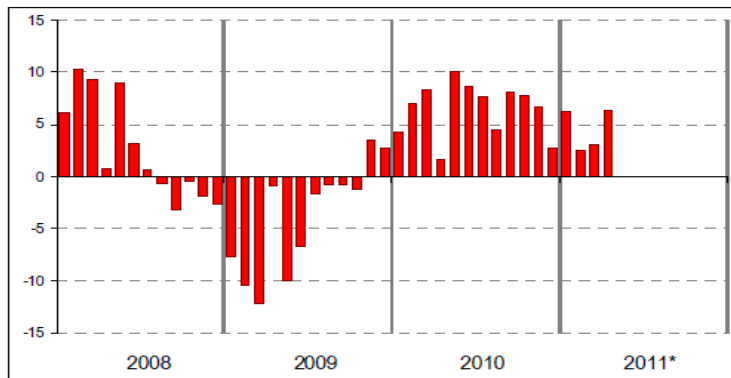


Source: World Tourism Organisation (2001)⁹

Key external driver 2: Economic crisis challenging previous models and patterns of demand

With the EU economy recovering gradually, the crisis has eroded the income potentials of middle-class individuals across the EU and abroad, therefore severely challenging some previous models based on seasonal tourism across EU Member States, and construction of second houses for mid-income EU citizens. The impact of the crisis on the holiday behaviour varies by country. Rising income is the most powerful generator of tourism flows. The level of global economic growth highly correlates with the level of tourist activity and the level of turnover and employment in the tourism industry. Although most recent data suggest a partial recovery of the global sector from the crisis, a two-fold scenario is likely for the post-crisis patterns: On the one hand, we can expect a negative impact on those regions, notably in the Mediterranean countries, where the model based on second houses and seasonal tourism from Northern Europe has been largely challenged due to its high volatility and dependence to external factors. On the other hand, due to the favourable climate conditions in Southern Europe and the natural predisposition, Mediterranean countries are still likely to remain highly competitive destinations within Europe.

Figure 3-2 International tourist arrivals, global monthly evolution (% change)



Source: World Tourism Organisation (2011)¹⁰

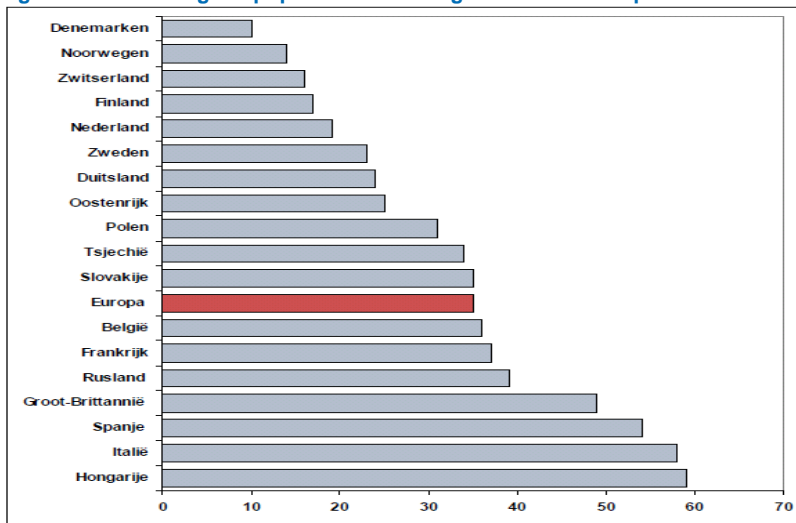
A recent report by IPK (IPK, 2010) on the impact of the crisis on the travel behaviour of Europeans in 2010 indicates that 35% of the EU population has changed their travel behaviour because of the crisis. There are considerable differences per country. In countries such as Hungary, Italy, Spain and the UK travellers are most influenced by the crisis. The impact of the negative economic

⁹ World Tourism Organisation, Tourism 2020 Vision, 2001

¹⁰ World Tourism Organisation, World Tourism Barometer, Volume 9, June 2011

situation on the travelling behaviour is lowest in the more prosperous countries such as the Netherlands, Switzerland and the Scandinavian countries.

Figure 3-3 Percentage of population travelling less as a consequence of the crisis



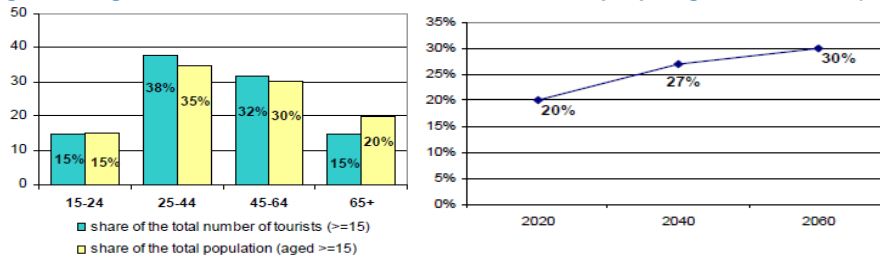
Source: IPK (2010)

All things considered, the economic development has a strong influence on international tourism. As a result, some regions will be more sensitive to economic growth than others. There are regions with good growth prospects, also because of a growing home market. On the other hand, countries that have heavily invested on seasonal tourism as a tool to trigger local economic development, possibly with a strong focus on construction of hotels and second houses, struggle most and need to re-invent their business model. This is for example the case of Spain, where tourism counts about 10% of the total economy and 75% of tourism is in the coast, and it is now common belief that the previous model, 400,000 houses created per year in the past decade (Tourism Satellite Account, 2011), has not created sustainable wealth in the mid-long term.

Key external driver 3: Ageing population and educated individuals asking “customised experiences”

In 2020 around 20% of the EU’s population will be older than 65 (EC, 2008). Although, in absolute terms other age segments of tourists will remain biggest (see figure below), in relative terms this change will have a certain impact for the business in terms of locations, services and accessibility requirements. The elderly population will often have considerable purchasing power and have more free time in which they can travel. With a growing number of older people, demand for convenience, safety, the luxury goods market (‘small indulgences’) is expected to increase. Equally so, city trips and short breaks will increase, leading to an increased role of quality and services. Also, a higher level of accessibility and support services might be required by older individuals.

Figure 3-4 Age distribution in the EU and estimated share of people aged 65 and over (% population)



Source: Eurostat (2008) 11

At the same time, the global demand in the EU and outside, will be more and more diversified with higher pressure on local supply to diversify the product and market the main features of local touristic offerings through a more sophisticated and personalised approach. In a time that supply has grown abundantly, hence imposing higher efforts for service and product differentiation of tourist operators based on quality, tourists also seek other elements to make their choice. ‘Soft’ characteristics such as design and meaning, as well as the creative combination of products and services into one ‘experience’ are gaining in importance.

With the rise of this so-called ‘experience economy’, the demand for a ‘total experience’ will increase. Customers no longer seek ‘just’ a bed in a hotel, but, for example, look for a romantic experience, including a special bedroom in a cosy hotel, candlelight dinner and a trip in the same romantic atmosphere. Delivering such a total experience requires collaboration across the value chain. In the future tourists will visit a greater number of different destinations, resulting in a lower loyalty towards one or a few destinations. Moreover, tourists will display more mixed travel behaviour. Repeated visits will therefore decrease and the marketing of destinations will become more complex.

The demand for sustainable goods is booming, running counter to the consumer society. The concern about climate change and environmental pollution is translated in an increased demand for ecologically responsible consumerism. This trend is reinforced by legislative initiatives stimulating consumers and companies to act in a more sustainable way. The tourism industry will also be confronted progressively with an increased attention to sustainability. Those actors able to offer a sustainable tourism product can gain a competitive advantage in comparison to their competitors.

Global demand increasingly calls for “customised tourist experiences” that require a greater degree of sophistication in the sector and can be a challenge for less dynamic and capable coastal regions. This external pressure already in place implies higher need for qualified and skilled workforce in coastal regions, less labour-intensive and more entrepreneurial and innovative.

Key external driver 4: Climate change requires specific mitigation and adaptation measures

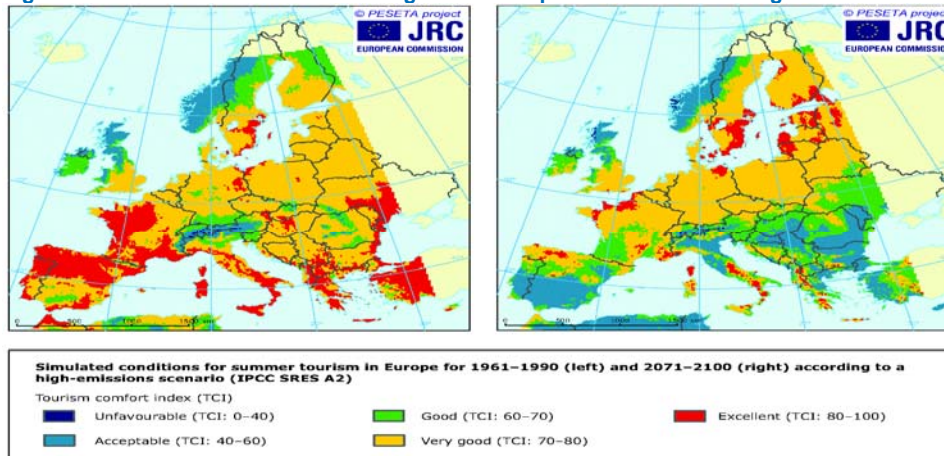
Climate change is clearly one of the main challenges for tourism in the 21st century (World Economic Forum, 2009). Coastal regions seem highly exposed to climate change since they are specifically sensitive to global warming (leading to sea-level rise), but also changing weather conditions.

Climate change might provoke dramatic shifts in tourist flows, with large economic, social and environmental implications for the coastal regions (EC, 2008). Currently, summer is the best season for most types of outdoor tourism for most if not all countries in Europe. Excellent conditions

¹¹ Eurostat, Tourism Statistics / Population Statistics, 2008; Eurostat, EUROPOP, 2008

(in particular for beach tourism) are now to be found around the Mediterranean Sea. In the future, excellent weather conditions in the summer may also be found in the northern part of continental Europe, Finland, Southern Scandinavia, Southern England and along the eastern Adriatic coast.

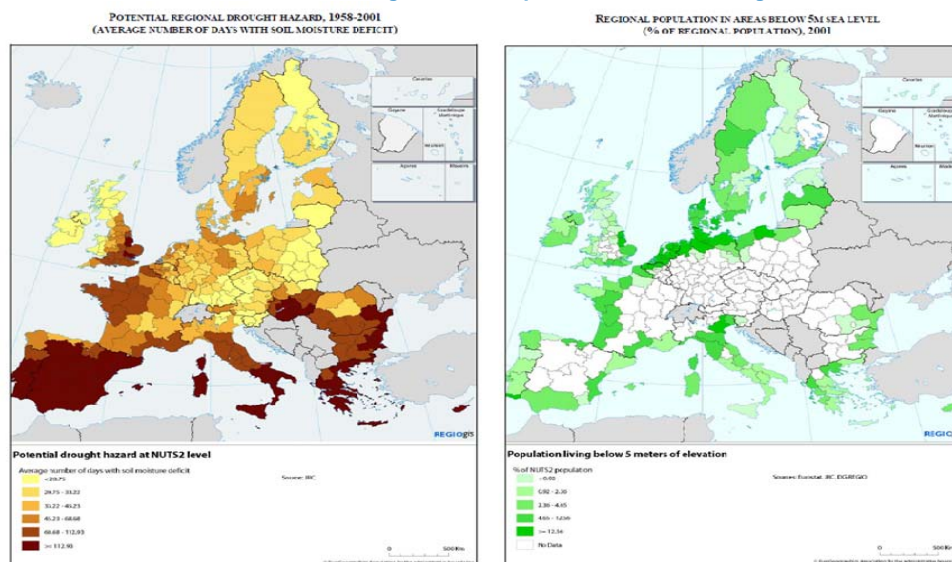
Figure 3-5 Future hazards for coastal regions in Europe due to climate change



Source: JRC (2009) 12

Furthermore, change in climate will imply a complete re-thinking of current models of tourism toward much more sustainable and less CO₂-intensive models. Sustainability in this context is pivotal to a recovery from a failed model promoted in past recent years. Different sea basins will have to reflect on possible hazards caused by climate change in the mid-long term, and put in place effective corrections aimed at both: mitigating the current approach (i.e. zero-emission local transports, less resource-intensive infrastructures and buildings, limit the use of water and energy), as well as adapt to the future climate (i.e. flood-resistant buildings, improve desalination to ensure fresh water, increase green areas to avoid heating).

Figure 3-6 Potential hazards for coastal regions in Europe due to climate change



Source: Eurostat (2008)

Increased awareness of climate change and environmental consequences of tourism, particularly although not exclusively amongst youngest segments of the demand, already call for more

¹² JRC's Peseta Project, Impact of Climate Change on Tourism, 2009

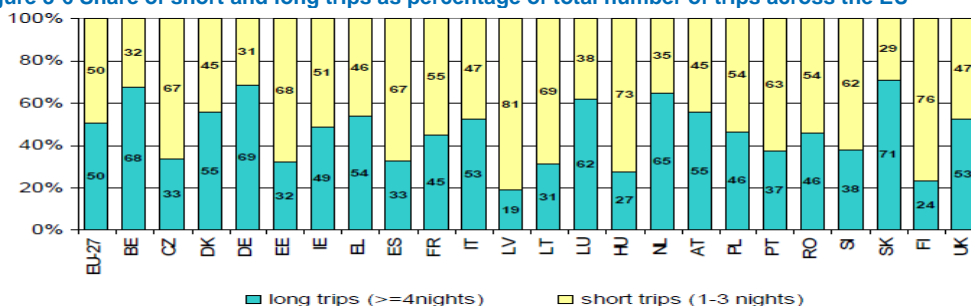
sustainable development within the sector. Coastal destinations which are developed to date and in the future will take these marketing principles certainly to heart, and opt for a sustainable approach as a preventive measure. It can be expected that more emphasis will be put on preserving natural values and environmental conditions and on achieving a balanced development of the coastline.

Key external driver 5: Increasing fuel prices are challenging current transport models

In the past two decades, one of the main drivers for tourism development throughout Europe has been undoubtedly the flourishing market of low-cost transports. Nonetheless, growing concerns on a further increase of fuel costs, as well as the high CO2 footprint of air travels, are seriously challenging such established market. A typical example is the European Commission decision to incorporate air travel into the European Union emissions trading scheme (ETS) from 2012¹³.

Increasing prices of fuel for air and car transports, coupled with previously mentioned growing concern of negative impact of such transports on climate change, will imply a complete rethinking of the current transport model behind tourism. This might a particularly issue for coastal tourism, as such regions might not be easily reachable via fast trains and in some cases, particularly the remote and poor coastal regions or islands mostly Mediterranean, are often lacking of an efficient public transport system. This becomes an issue as in most parts of the EU (not necessarily coastal regions) tourism performance is often driven by short-trips of a duration of a rather limited number of days (short and weekend trips).

Figure 3-6 Share of short and long trips as percentage of total number of trips across the EU



Source: Eurostat (2006)¹⁴

Although many EU and national programmes have focused on sustainable transports across Mediterranean (i.e. INTERREG) or northern regions (i.e. Motorway of the seas), the public infrastructures across maritime regions in Europe are currently far from being optimal and efficient. With the global and European population being on average less affluent than a decade ago due to the current economic downturn, sustainable local tourism is likely to emerge as a key driver for the sector in the close future. This new model might have large potential benefits for underdeveloped coastal regions, although they might lack of a vibrant stimulus by the public and private sector to fully exploit their potential and attract adequate financial resources to build sustainable infrastructures and boost their local economy.

3.2 Assessment of response capacity and market potentials

Lack of vision on value proposition due to large fragmentation of the sector

The response capacity of the sector to the main challenges presented varies dramatically depending on the various sea basins and the more/less advanced coastal regions. This for some

¹³ http://ec.europa.eu/environment/climat/emission/review_en.htm

¹⁴ Eurostat, Tourism Statistics, 2006

main reasons, particularly: the lack of efficient infrastructures, the lack of culture of hospitality and/or linguistic skills needed to attract and deal with international demand, the lack of professional skills linked to active local private sectors, a general lower capability of public administration particularly when it comes to provide long-terms vision and coordinate local actors in a coherent sustainable plan.

Fragmentation across sea-basins and proliferation of micro companies limit innovation

The Mediterranean, being the largest and most fragmented sea basin in Europe (due to variety of very different languages, cultures and administrative regimes), is the basin where both global excellence and the least competitive cases are placed. Some of the traditional seasonal attraction in France, Italy and Spain are in fact leading the sector through recent product innovation and increased professionalisation of the sector. Similarly, other regions in Southern Italy and Greece are currently in the midst of dramatic changes towards a diversified, sustainable and marketing orientated approach (as testified by interviewed experts). Nonetheless, some poor regions in the same countries are still struggling to find a sustainable and effective approach, as emerged from our interviews with local experts. Moreover, the large scale of the basin might induce complacency amongst leading actors and institutions and limited incentives for change.

On the contrary Northern and Baltic seas, traditionally less appealing to seasonal tourism, are becoming increasingly competitive in some niches such as aquatic sports and marinas, by promoting coherent strategies aimed at improving public services, infrastructures and adapting to the emerging climate conditions. Still the potential tourism development is somehow limited by the adverse climate condition and the consequent limited time of the year optimal for touristic activities.

A question mark is posed on the Black Sea, with surely great potentials particularly due to the increasing interest of neighbour countries, within and outside Europe. Although very few data are publically available, concerns in terms of public sector efficiency, general rule of law and pollution emerge through interviews with experts. Still the area can largely benefit from proper management.

Adjustment and mitigation capacity varies across sea-basins

A specific area of concern is then the capacity of mitigation and adaptation of the sector to face Climate Change issues. Apart from some effective strategies mainly led by the public sector in the North and Baltic seas, the issue seems not to be thoroughly considered by the private sector – particularly SMEs – and there is a lack of institutional support in less performing areas in the Mediterranean and Black Seas. As emerging from interviews, tourism enterprises are not well equipped to reflect on current and future constraints due to climate change, as they are mostly concerned about short-term dynamics and how to survive the current crisis. Some specific and very interesting initiatives are emerging in larger business though (i.e. NH hotel chain applies sustainable criteria in the design of their building, as well as energy and electricity savings). Nonetheless, the sector as a whole seems mostly reactive rather than proactive and lacks of long-term view when it comes to anticipating strategic change.

Value captured by big players with limited spill-over effects

The overall fragmentation provides disincentives for innovation and change, as well as knowledge sharing, across the sector. Few leading large companies (i.e. tour operators) are very innovative and dynamic in creating and capturing value, but often through complete control of the entire value chain and therefore with minor if any spill-over effects generated. On the other hand, a large majority of small- and micro-enterprises has no incentives and capacity for change and innovation, as they rather struggle for surviving in the current (slow) post-crisis recovery.

3.3 Most likely future developments

Increased pressure for CO2 emission cuts and sustainability will reshape the sector

Increased pressure for CO2 cuts and fuel costs will reshape the sector, as it is likely that in the long term distant short trips would decrease and local areas will become again the favourite tourism destinations, particularly for the majority of low-middle income individuals. In a scenario where economic recovering is stagnant for a long time, increasing number of people with lower income could reinforce short-distance tourism, particularly for aged persons, therefore coastal tourism across EU basins could become an asset for Europe.

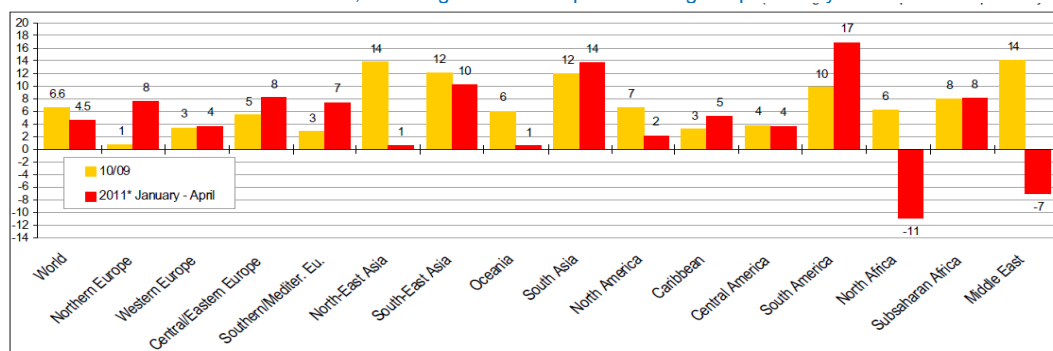
A general concern is the strategic need for sustainable means of transports that could provide an affordable means for middle-low income tourists across Europe. This scenario would imply a greater strategic thinking in terms of sustainable transports and ways to connect coastal regions throughout Europe.

Growing demand for unique experiences and value-for-money

In the near future the economic crisis determines the development of the sector and for the short term market adjustments rather than growth are expected. The outlook for the longer term is more optimistic though. Nonetheless, fierce competition amongst regions and places within and outside the EU is expected. In fact, the mix of increased air transport prices and decreased average income of EU citizens might reshape the current EU tourism demand towards higher value for money. Competition will particularly affect areas without specific unique selling point, exposed to competition with other areas in the EU and worldwide with greater quality of the local environment, infrastructures and services, and/or lower labour costs.

As shown in most recent trends (Figure below), although already loosing some share of the market Europe is still the first player in tourism, it is interesting to notice how Northern and Eastern Members states are increasing their competitiveness. This scenario is plausible if applied to coastal tourism, where actions are already in place in northern regions to mitigate and adapt the current infrastructures and models to incumbent climate change scenarios, linguistic and professional skills are generally of good level, whilst services are generally relatively not expensive in comparison to the quality offered.

Table 3-7 International tourist arrivals, % change over same period during the previous year



Source: World Tourism Organisation (2011) 15

Success of places capable of capturing value, skills and investments

A scenario is currently emerging with consumers becoming more and more demanding and tourism supply challenged by the need to diversify and innovate to maintain or improve the market share in

¹⁵ World Tourism Organisation, World Tourism Barometer, Volume 9, June 2011

a increasingly competitive global market. Against this background, delivering high quality service is becoming more important. For the medium-term this trend is expected to result in a shift from mass tourism towards niche tourism. The main challenge for Europe to maintain the current market share is therefore the resultant of relative high labour costs in the EU relative to other parts of the world in combination with increasing competition of non-EU destinations with good services and climate.

The polarisation of performances amongst regions and places might increase, although it is difficult to provide clear trends at the sea-basin level, mainly because places with unique selling points are distributed across the EU coastal regions. The EU response can be expected through greater diversification of the touristic products and greater appealing for clear niche segments in the market. However, *this approach requires strong innovation and marketing capabilities and growth can only take place if skilled labour is available*. Coastal regions will have to reflect on adequate marketing-mixes and diversify amongst - or integrate - different segments of demand (i.e. local-nearby vs. distant/international, young/adult/old), and ensure sustainability of the demand through seasons and years, without affecting the quality of local resources (i.e. environment, people, economic structures).

Growing polarisation amongst places' economic performance

Location targeting rich and super-rich global demand (i.e. Côte d'Azur, Amalfi), including culture-based location (i.e. Barcelona), are likely to find their way to attract financial and human resources, and further improve their performance. On the contrary, access to the skilled labour and finance to promote a strategic change in the marketing of less performing areas can be in issue. The latter is particularly true in those sea-basins where large territorial dimensions, lower dynamism of public institutions and lack of clear leadership within the private sector might be an obstacle.

Some positive trends are therefore expected in the Baltic, north and Atlantic sea basins, due to both a presence of a dynamic private sector and an active public sector supporting a sustainable growth (therefore mitigating the risks of economic growth's negative impacts on environmental deterioration, energy consumption and wastes in the aquatic life). A general concern emerges instead for the large part of the Mediterranean Sea Basin¹⁶. This is due to a concomitancy of challenging climate conditions, the environmental negative impact of current unsustainable touristic models, growing competition from other areas and the consequent decrease in appealing of the region to a growing request for quality and sustainable tourism "experience". However, due to its traditional attractiveness and weather conditions, the area is likely to remain one of the major touristic poles in Europe. Furthermore, the economic and financial crisis has spurred tourism actors in the region to bounce back with low-cost offers and packages.

Great potentials for (sustainable) aquatic sports and marinas as drivers for long-term growth

Due to the broadness of the cluster and the lack of comprehensive data it is not feasible to give a quantitative estimate of the future development. This is confirmed by the majority of the interviewees. Instead a qualitative overview of the impacts expected by the future development of the industry is given.

Interviews with market experts suggest that yachting is expected to grow in the future with approximately 2 – 3% on average per year. This will particularly affect Baltic and North Seas, although the trend is also evident in the Mediterranean Sea, with a key driving role of small marinas continuing in the near future the positive trend of the past decade. Other nautical sports on the

¹⁶ Institute de Prospectives Economiques du monde Mediterranee, <http://www.ipemed.coop/en/our-projects-r16/tourism-c90/-sc87/>.

other hand, are expected to stabilize over time, also due to relative low inflow of young people into these sports (even though the sector is working on that).

Box 1.3 trends and needs identified in strategic plans for coastal tourism

Trends and needs in Scotland, the Baltic and New Zealand

Global trends identified:

- Tourism identified as one of the fastest growing industries, particularly in emerging economies
- The impact of Climate Change in travelling in the form of higher carbon taxes, environment requirements
- The effects of the increasing use of the internet in the bookings and the planning of the trips
- The rising fuel prices
- The appearance of new models of tourist “interactive travellers” and “green tourists”
- International competition and branding
- Fluctuations in the exchange rate
- Travelling in shorter breaks.

Domestic needs highlighted:

- Lack of skilled staff
- Lack of business management skills and training, together with e-commerce training
- Lack of access to the internet of some SMEs dedicated to tourism
- Need of environmental sustainability
- Need of appropriate high quality infrastructure
- Too marked seasonality resulting in losses of efficiency
- Need of updated and comprehensive data.

Solutions and actions foreseen:

- Elaboration of long-term strategies for the tourism sector (up to 10 years long) connected other strategies
- Increasing profitability through spreading arrivals across seasons
- The promotion of a quality assurance or accreditation system and rewards in the tourism and hospitality
- Investing in infrastructure
- Bridging the gap between strategic, generic destination marketing, and private sector tactical marketing
- Business assistance programmes with consistent approaches and well stream-lined
- Planning tools for local government
- Clustering of businesses to allow economies of scale and more efficient use of resources
- Encouraging hotel industry, airlines to work together.
- Improving research on tourism through more surveys, reports, initiatives
- Targeted rates and revenue collected invested into tourism destination, marketing and management
- Setting clear targets to be reached in the next years
- Promoting e-businesses through more training and access to the internet
- Green businesses tourism schemes with eco-labels
- National box offices for online booking of performances and parallel purchase of linked products.

Source: *Strategic Plans Scotland (2006)*¹⁷, *the Baltic (2007)*¹⁸ and *New Zealand (2007)*¹⁹

3.4 Constraints and framework conditions

Geographical constraints: climate and quality of the built environment

¹⁷ Scottish Plan: The Next Decade - A tourism framework for change. Scottish Executive, Edinburgh, 2006.

¹⁸ The Baltic Sea Region Programme 2007-2013.

¹⁹ The New Zealand Tourism Strategy 2015 was launched by the Prime Minister, Rt Hon Helen Clark on 7 November 2007.

The clearest constraint now and in the future will be the geographic constraints related to climate: especially northern destinations suffer from short seasons and peripheral locations with the main tourism markets. But added to this can be the built environment: recent construction and/or industrialisation and urbanisation have led to built-up environments that are no longer appealing to the demanding tourist: this constraint applies to many coastal destinations across all Sea basins, but affect North Sea, Mediterranean and Black Sea destinations in particular.

A dilemma: Lack of skills and training possibilities coincide with limited attractiveness/poor image on the labour market

With increasing competitiveness, there is a need for constant improvement of skills and for ongoing human resource training (best practises, knowledge of languages, etc.). Skilled professionals are essential and currently mostly missing, particularly in poorest maritime regions where coastal tourism might have a greater impact for local economy. There is a growing request of skilled manpower in the sector throughout Europe, although there is no appetite for professionals to join in as the model of low-cost tourism might not provide margins for adequate salaries. Skilled individuals are needed and greater support for SMEs and start-ups would be instrumental to ensure a dynamic sector.

Accessibility by sustainable transport modes

Changes in transport models will lead to a radical shift in relative competitiveness of tourism destinations. Essential for successful coastal regions will be access by sustainable transport modes, including and particularly high-speed trains (e.g. Côte d'Azur). Attractiveness of coastal areas will also depend on the levels of congestion, particularly at sunny weekend days. Peripheral locations with an overreliance on (low cost) airlines are likely to suffer.

Access to finance

A key condition for maritime tourism is the capacity of coastal regions to attract valuable financial support in order to develop their areas. Current performing regions might have competitive advantage over less performing ones due to greater capacity, skills and volume of investments they can naturally attract.

A need for good governance

A general consensus emerging amongst interviewed experts, is the fact that private funding is generally available, although often is not fully exploited due to excess of bureaucratisation (e.g. complicate procedures to start new enterprises), politicization of local economies (e.g. port authorities and other relevant institutions too much dependent on local political parties), or simply lack of the legal enforcement required to protect investments from mismanagement due to corruption and organised crime. A simpler and more coherent legislative framework across the EU would support the sector's capacity to maximise returns on investments. This is clearly not an EU competence although fragmentation of regulation has a direct strong impact on a single tourism market across the EU.

Long-term vision and collective action

Another key factor for success in maritime strategies is a clear vision of local institutions, and the capacity to gain consensus around a shared vision and strategic plan which involves local enterprises as well as potential investors and focuses on long-term, sustainable, embedded economic development. Often, a lack of political vision or an absent tradition in joint strategic planning amongst public and private sectors hinder a sustainable long term development based on local potentials. Positive cases in that sense include those regions that are recently fast growing (i.e. Baltic Sea region, Scotland, New Zealand) have developed joint strategies with a strong involvement of the private sector and particularly local SMEs. To support such long-term visions

across Europe, robust, consistent and informative datasets and reports are needed, as they can raise the awareness of the main trends and provide a basis for better understanding local potentials.

Lack of market data

A clear and grounded understanding of market dynamics is essential to monitor the state of play for coastal tourism, and project possible future trends on which to base an assessment of possible issues and needs for the sector. Nonetheless, the current absence of structured data of the tourism sector, and even more coastal tourism, makes such strategic monitoring and assessment impossible for all stakeholders, including sector-related enterprises and policy makers. A feasibility study for “tourism virtual observatory” has been recently launched by DG Enterprise & Industry, although the requirements for the study do not explicitly mentions any analysis and data gathering in relation to maritime and coastal tourism.

3.5 Impacts, synergies and tensions

Impacts

Table 3-1 Impact matrix of the medium-term and longer-term developments

Function	Indicators	Bal- tic	North Sea	Medi- terr.	Black Sea	Atlan- tic	Arc- tic	Outer most
1. Economic impacts	Market share, Coastal tourism	+	+	-	?	+	?	?
	Market share Yachting & marinas	++	++	+	?	+	?	?
	Market share Other nautical sports	+	+	0	?	+	?	?
2. Employment impacts	Employment	+	+	-	?	+	?	?
3. Environmental impacts	Natural habitats	-	0	--	?	0	?	?
	Energy consumption	-	-	--	?	-	?	?
	Aquatic life	-	0	--	?	0	?	?

Source: Ecorys on Interviews

++ = Strong positive expected trend

+ = Mild positive expected trend

0 = No relevant change

- = Mild negative expected trend

-- = Strong negative expected trend

? = No clear information/expectations

The following table gives an overview of the synergies and tensions between coastal tourism and other subfunctions. Based on the desk research and the interviews the most important synergies and tensions are:

- Maritime transport and shipbuilding: marina development and yachting may conflict with short sea shipping and inland waterway transport. Synergies with the maritime transport cluster are possible related to shipbuilding
- Food, nutrition, health and ecosystem services: relevant is tourism litter affecting ecosystem services
- Energy and raw materials:
 - Synergy relationship as sustainability and transition to self sufficient units is affecting demand for renewable energy sources and re-use of water

- Spatial conflict with offshore wind farms
- Leisure, working and living:
 - Coastal tourism is an important source of income for local communities; creates jobs
 - Pollution and negative impact from infrastructure development on natural and living environment (also tension with Natura2000)
- Coastal protection: some of the interviewees stress the importance of looking for synergies with coastal protection, e.g. marina infrastructure contributing to coastal protection of land and property from erosion by the ocean.

Table 3-2 Coastal tourism: Synergies and tensions

Subfunction	Affected	
Maritime transport and shipbuilding	-	<ul style="list-style-type: none"> • marina development and yachting might affect short sea shipping and inland waterway transport (and <i>vice versa</i>)
	++	<ul style="list-style-type: none"> • growth market positively affecting shipbuilding sector
Food, nutrition, health and ecosystem services	-	<ul style="list-style-type: none"> • tourism litter affecting eco-system services
	+	<ul style="list-style-type: none"> • contribution of angling to monitoring natural protected areas (NPA's)
Energy and raw materials	-/ +	<ul style="list-style-type: none"> • sustainability affecting demand for renewable energy sources and re-use of water (self sufficient units)
	-	<ul style="list-style-type: none"> • spatial conflict with offshore wind farms
Leisure, working and living	++	<ul style="list-style-type: none"> • source of income for local communities
	--	<ul style="list-style-type: none"> • pollution and negative impact from development on natural and living environment (tension with Natura 2000)
Coastal protection	+	<ul style="list-style-type: none"> • marina infrastructure contributing to coastal protection
Maritime monitoring and surveillance	0	

Source: Ecorys on Interviews

++ = Strong potential positive impact on other subfunctions/sea basins

+ = Considerable potential positive impact on other subfunctions

0 = Negligible impact on other subfunctions/sea basins

- = Considerable potential negative impact on other subfunctions

-- = Strong potential negative impact on other subfunctions

4 Role of policy

4.1 Policy and political relevance

In the preceding chapter we have highlighted the most important external factors and the main capacity constraints for the sector in relation to the future development of coastal tourism within the EU. Some relevant EU actions, both in terms of regulation and policy initiatives, have been taken forward (par. 1.3). Particularly a greater emphasis on and support to the role of coastal tourism in EU economy is clearly stated in the EU Communication on “Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe” (EC, 2010). Also some relevant initiatives aimed at supporting integrated planning are already in place (i.e. EU Integrated Coastal Zone Management).

Within this framework, further specific initiatives could be promoted at the EU level to clearly sustain and incentive competitive and sustainable coastal tourism initiative across Europe. Particularly, institutions and enterprises in poorest and less dynamic coastal regions across Europe might largely benefit from further EU support, to overcome lack of capability and market failures. Finally, clear effort can be put at the EU level to ensure coherence and coordination amongst various ongoing EU initiatives (policies and programmes) aim at sharing competences and skills with a clear focus on the creation of a single market for sustainable coastal tourism in the EU.

Demand is changing. Tourists look for new experiences. Enterprises have to continuously renew/reinvent themselves. Furthermore radical change in terms of mitigation and adaptation is urgently needed to face issues posed by climate change. Given the high share of fragmentation and dispersion of the sector across the EU, as well as the large number of small and micro Enterprises that characterise the sector, the struggle to ensure efficient access to financing, skills and knowledge, currently blocking competitiveness potentials of poorest coastal regions across Europe, provides a strong justification for further EU intervention.

4.2 Domains of EU policy

Given the justifications provided in paragraph 4.1 above, the main domains to be considered for EU policy intervention are the followings:

- Support skills and knowledge sharing
- Promote clear analysis of the market
- Provide incentives for sustainable innovation
- Coordinate strategies and long-term planning.

Skills and knowledge

As emerging from interviews with experts, there is a clear need for capacity building to support EU local institutions and enterprises to gain adequate skills and competences required for competitive coastal tourism services and strategies. Besides, a sufficient spread of networks of universities and research centers are somehow lacking across the EU, to trigger exchanges of knowledge and good practices in coastal tourism between sea basins.

The public sector, particularly in the less developed EU regions, often lack skills and knowledge required to: understand possible territorial/sectoral strategies to put in place, main features and leverages to be used in order to trigger sustainable private investments; engage with local

enterprises and local communities in order to promote joint strategies; accede to available tools, initiatives and funding for practical support and access to good practices and knowledge practical exchange. In addition, there is a general concern amongst experts about the actual lack of skilled professionals and managers amongst SMEs in the sector, to ensure access to good practices of innovation and product/service development and differentiation, as well as fully understanding the various market segments and positioning themselves in a coherent strategy.

Linkages with the European Social Fund could be useful as a way to stimulate greater skills and marketing/managerial knowledge in less competitive regions and trigger knowledge exchange. Further to that, to collectively built up human capital in the sector, particularly for economically stagnating regions and to provide local economies with the human capital needed to become more proactive, entrepreneurial and competitive. Similarly, incentives can be promoted to strengthen linkages across research institute and universities working on the matter across various sea-basins in Europe and globally.

Market analysis

A sound in-depth research is clearly needed in tourism value chains and a development of coherent views on long-term sustainable coastal tourism futures. In the absence of shared and robust data it appears difficult to have a clear understanding of the current performance of the sector in a specific region compared to other potential competitors across the EU and worldwide. In a sector where large companies have no incentive to share their intelligence and the rest of supply is composed of small and micro enterprises there is no market incentive and limited capacity to invest in shared intelligence.

Linkages with ongoing monitoring initiatives within DG Enterprise & Industry to develop vertical observatory and indicators, focusing on coastal tourism performances and/or tourism performances in coastal regions, can be a useful way to provide sectoral reports and EU/global benchmarks. The latter are a strong basis for sharing good practices and recommendations aimed at performance improvement.

Innovation incentives

Sustainability, mitigation and adaptation measures are not a priority for the large part of SMEs in the sector, currently struggling for survival in the aftermath of a global crisis that largely affected the sector. More virtuous behaviour of enterprises can be sustained through economic and other types of incentives, as a way to boost local (and EU) competitiveness.

There is a case for actively supporting and stimulating innovation of SMEs in coastal regions, particularly by supporting mitigation and adaptation measures to climate change leading to more sustainable and less energy-intensive business models. EU public incentives could therefore be introduced in a smart way to prompt innovation, and sustain SMEs in their struggling to reposition themselves and face the challenges caused by external drivers.

Linkages can be reinforced within EU Framework Programmes aimed at promoting regeneration and eco-innovation for sustainable buildings and transports, as well as INTERREG and other initiatives within Cohesion Policy supporting sustainable infrastructures and transports systems at the regional levels. Particularly basins-wide systems of sustainable interconnection could be encouraged by the EU as a way to promote a seamless single market for coastal tourism across European sea basins, and significantly reducing CO2 emissions across the EU.

Strategies and long-term planning

From best practices in the sector (par.3.2), it has emerged that the capacity of local actors to aggregate different local and global interests around a shared view for sustainable growth and consequently agree on a shared long-term plan could affect the sector's response capacity to external challenges. However, this is a capacity that, as emerged from interviews with experts, seems to be lacking in less developed coastal regions and is a serious impediment for competitiveness of the sector across the EU. Moreover local players (private and institutional) seem to lack the capacity to identify local potentials and match it with different market niches/sub-sector.

Investments in exploring potential synergies amongst ongoing initiatives of marine environmental planning and coastal protection (i.e. Integrated Coastal Zones Management, Sea-basins Strategies) serve several objectives: 1) they are a concrete option for supporting active involvement of local private sector and affected communities, 2) for helping local institutions in effectively engaging with local communities and SMEs, as well as 3) to provide external financing for a more locally embedded growth. Within such strategies clear support and advice could be provided in suggesting different potential leverage for triggering foreign sustainable investments (i.e. sustainable marinas, aquatic sports, cultural/recreational activities), which are based on local assets and can define a portfolio of competitive products beyond "seasonal" tourism offerings.

4.3 Recommendations for the study (to be further developed in a later stage)

1. Ensure a common understanding and promotion of different dimensions of "sustainable tourism" throughout the EU:
 - o Sustainable in buildings and constructions
 - o Sustainable in enduring through seasons
 - o Sustainable in preserving the environment
 - o Sustainable in focussing on key local drivers and potentials
 - o Sustainable in promoting growth, jobs and benefits for local residents
2. Directly support and sustain tourism for maritime regions/areas:
 - o Assist in the conversion towards a more sustainable model areas where tourism is already/still a growth engine
 - o Promote sustainable tourism as an engine for stagnant maritime areas/regions
 - o Sustaining those areas/regions where sustainable tourism is already a driving force and share their good practices in a way which can be beneficial for all EU regions.
3. Support greater understanding of tourism "niches" (Box 1.2) to trigger long-term investments:
 - o Marinas
 - o Aquatic sports (diving, surf, etc.)
 - o Leisure/culture (beaches, landscapes, nearby cities, etc.).
4. Immediate actions for DG Mare and the EU Commission to support sustainable tourism:
 - o Give advice and direct support for regional sea-basin plans
 - o Ensure stronger cooperation and synergies with other relevant policy areas (DG Environment, DG Enterprise, DG Employment)
 - o Provide direct schemes and incentives for sustainable coastal recreational activities which directly involves interested enterprises and local communities
 - o Ensure consistent and better regulation promoting sustainable business and SMEs
 - o Promote knowledge exchange, data collection and dissemination, support to better qualified skills throughout the EU.

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Annex 2 Stakeholder catalogue

<i>Interviewee</i>	<i>Organisation</i>	<i>City/country</i>	<i>Specific theme</i>	<i>Interviewer</i>	<i>Status</i>
Jan Kappel	European Anglers Alliance	Netherlands	Sea fishing	Manfred Wienhoven	Interview Held
PhD Tihomir Luković	University of Dubrovnik, University of Lulea, Sweden and University of Lapland, Finland	Dubrovnik, Croatia	Nautical tourism / Marinas	Matteo Bocci	Interview Held
Mirna Cieniewics	European Boating Industry	Brussels, BE	Boating Industry	Manfred Wienhoven	Interview Held
M. Tempelman	Kenniscentrum Kusttoerisme	Netherlands	Coastal Tourism / Marinas	Manfred Wienhoven	Interview Held
Mark Hampton	Kent Business Schook, Centre for Tourism in Islands & Coastal Areas	UK	Coastal Tourism	Manfred Wienhoven	Interview Held
David Mitchell	ATM	Gainesville, USA	Marina & Waterfront development	Manfred Wienhoven	Interview Held
Alex Hekman	Grontmij	Alkmaar, NL	Marina development	Manfred Wienhoven	Interview Held
Damien PÉRISSÉ (Director - Responsible for innovation and competitiveness and follow-up of the Baltic Sea Commission)	Conference of Peripheral Maritime Regions of Europe (CPMR)	Brussels, BE/Rennes, FR	Coastal Tourism	Matteo Bocci	Interview Held

<i>Interviewee</i>	<i>Organisation</i>	<i>City/country</i>	<i>Specific theme</i>	<i>Interviewer</i>	<i>Status</i>
Glenn Wastyn (Commercial Director)	BCD Travel	Mechelen, BE	Coastal Tourism/supply chain & consumers	Manfred Wienhoven	Interview Held
Óscar Perelli del Amo (Head of Research)	Exeltur	Madrid, ES	Coastal Tourism/post-economic crisis aspects	Matteo Bocci	Interview Held
Eva Aimable/Olivia Ruggles-Brise	World Travel & Tourism Council (WTTC)	London, UK	Coastal Tourism/ Future Issues & Potentials	Matteo Bocci	Interview Held
Jean Paul Chapenau (President) / Andrea Cagnotti	Jeanneau	Paris, FR / Rome, IT	Shipbuilding of yachts	Matteo Bocci	Interview Held
Flavia Maria Coccia (Operations Director)	ISNART (National Institute for Tourism Research)	Rome, IT	Coastal Tourism	Matteo Bocci	Interview Held

Annex 3 Tourism Strategies

Tourism strategies of New Zealand, Scotland and the Baltic Sea Region

Global trends identified:

- Tourism identified as one of the fastest growing industries, particularly in emerging economies
- The impact of Climate Change in travelling in the form of higher carbon taxes, environment requirements
- The effects of the increasing use of the internet in the bookings and the planning of the trips
- The rising fuel prices.
- The appearance of new models of tourist “interactive travellers”, “green tourists”
- International competition and branding
- Fluctuations in the exchange rate
- Travelling in shorter breaks.

Domestic needs highlighted:

- Lack of skilled staff
- Lack of business management skills and training, together with e-commerce training
- Lack of access to the internet of some SMEs dedicated to tourism
- Need of environmental sustainability
- Need of appropriate high quality infrastructure.
- Too marked seasonality resulting in losses of efficiency.
- Need of updated and comprehensive data.

Solutions and actions foreseen:

- Elaboration of long-term strategies for the tourism sector (up to 10 years long), updated every 5 to 6 years in partnership, cooperation and consultation with other levels of government and the private sector
- Tourist sector strategy prepared taking into account the national environmental management plan and connected with other national strategies and initiatives.
- Increasing profitability through spreading arrivals across seasons and the amount visitors spend by offering a wide range of special products and custom-packages –made up by the tourist-, promoting cultural and sport events off-season, celebrating conventions and business travel and encouraging visitors to travel off track to see the local character of the region, promoting tourism in new emerging countries whose citizens do not travel during high seasons, fostering domestic tourism, regional differentiation and providing all weather options
- The promotion of a quality assurance or accreditation system and rewards in the tourism and hospitality sector. –Qualmark is a very used independent mark of quality in tourism in New Zealand
- Investing in infrastructure
- Bridging the gap between strategic, generic destination marketing, and private sector tactical marketing
- Business assistance programmes with consistent approaches and well stream-lined
- Planning tools for local government
- Clustering of businesses to allow economies of scale and more efficient use of resources, e.g. supply chains and marketing put in common
- Encouraging hotel industry, airlines to work together
- Improving research on tourism through more surveys, organs
- Targeted rates and revenue collected invested into tourism destination, marketing and management in the region

- Setting clear targets to be reached in the next years
- Promoting e-businesses through more training and access to the internet.
- Green businesses tourism schemes with eco-labels
- National box offices for online booking of performances and parallel purchase of linked products such as travel tickets.

For touristic regions:

- Harmonization of standards,
- Development of similar projects in different regions
- Joint marketing of the region and cooperation on projects
- Attraction of tourists to rural areas.

Sources:

<http://www.nztourismstrategy.com/>

<http://www.scotland.gov.uk/Resource/Doc/95406/0023096.pdf>

http://www.baltic-sea-strategy-tourism.eu/cms2/BSST_prod/BSST/en/start/index.jsp

Annex 4 Case studies

Case study 1 - Marina Frapa, Croatia

Marina Frapa²⁰ is a good example of a marina that had an important and positive impact on the regional economic development.

The marina, constructed in 1995, is located in the central part of the Croatian coast, between Šibenik and Split in the town of Rogoznica. It has ten jetties with capacity of docking approximately 450 vessels. There is also a transit jetty for boats staying for short period of time. The marina hosts each year approximately 240 boats and 10 000 nights of boats in transit.

Nautical tourism is on the strength of Rogoznica, as the town cannot rely on bathing tourism: beaches are small and not the most attractive. The beauty of the bay, and the picturesque aspect of the town, not yet too crowded, is another asset that has been developed by the municipality.

In the construction plan of the Marina, great attention has been paid to the general coherence and harmony of the landscape. The Marina has been built on the opposite side of the bay, not to obstruct visually the panorama of the old port and historic centre. When the Marina was modernized in 2002, a Mediterranean architecture was deliberately chosen for the main building to contribute to the overall atmosphere of the town.

The modernization of the Marina has largely contributed the prolongation of the touristic season and significantly increased the occupancy of private accommodation in the village, the revenue of shops and restaurants, and job opportunities in town .

Thanks to the construction of the Hotel Frapa, the town increased its accommodation capacity.

Development indicators	Before the marina Frapa (year 1995)	Marina Frapa in business (year 2006)
No. of population	350	over 1500
Average age of the population	over 70	about 40
No. of employed	30	500
No. of small and medium- sized companies	10	100
Price of land	10 – 20 euro	100 – 300 euro
No. of restaurants	1	8
No. of cafes	2	15
No. of shops	2	9
No. of exchange offices	0	2
Primary schools	0	2
Natural resource preservation (ecology)	Preserved	preserved

Source : Tihomir Lukovik, *Basic development models in marina – locality correlation in the Mediterranean, 2007*

²⁰ <http://marina-base.com/marina/frapa-croatia>

The main success factor is the good quality of the facilities. Marina Frapa is the only marina in the county of Šibenik in category 1; the other marinas of the region are in category 2 and 3. Besides, the Marina offers many facilities and entertainment programmes opened for the public.

The main bottleneck in the development of tourism in the town is the limited space for construction that constrains the reception capacity of the marina.

Sources:

- Sustainable Development of Croatia's War Affected Areas – Support to County Programme Management Units, Tourism Master- & Marketing plan for the County Šibenik-Knin, Part I and II, project developed within the European Union's CARDS Programme for Croatia, March 2005
- Lukovik Tihomir, Basic development models in marina – locality correlation in the Mediterranean, 2007
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Case study 2 - Diving tourism in Europe

In the past decade, diving tourism has become a promising industry in Europe with an average growth rate of 15 – 20% thanks to 6.6 million certified and 2.2 million active divers²¹. The largest markets in terms of number of divers are: Italy, Germany, UK and France. Yet, the most popular destinations among divers remain non-European countries: Egypt, Caribbean Islands, Maldives. Different travel patterns prevail amongst EU tourists: While French tourists tend to favour the Red Sea, Caribbean Islands, Indian Ocean or South Pacific²², Germans and Swedes²³ on the contrary seem to appreciate Mediterranean destinations (in particular Malta).

Diving tourism presents great potential as dive tourists generally have a high purchasing power.

- Major destinations across the EU:
 - Greece
 - Canary islands
 - Croatia
 - Balearic Island (Ibiza)
 - Malta
 - Sardinia
 - Isle of Man
 - France
- What divers expect when they choose a destination:
 - clarity of water;
 - high ecological and species diversity;
 - variety of underwater landscapes (ex: shipwreck).
- Potential for European countries:

²¹ "Diving tourism in Germany" :
<http://www.moti.gov.gh/media/photos/forms/Long%20Haul%20Tourism/Fact%20sheets/Diving%20tourism%20in%20Germany.pdf>

²² "Diving tourism in France":
<http://www.moti.gov.gh/media/photos/forms/Long%20Haul%20Tourism/Fact%20sheets/Diving%20tourism%20in%20France.pdf>

²³ ²³ "Diving tourism in Sweden":
<http://www.moti.gov.gh/media/photos/forms/Long%20Haul%20Tourism/Fact%20sheets/Diving%20tourism%20in%20Sweden.pdf>

- Croatia (Istria): has a high number of locations at which shipwrecks can be explored ; the most famous is the Baron Gautsch;
- Greece has a large maritime park that could attract divers.

Some countries try to develop diving tourism even in low season, in order to reinforce its added value to coastal tourism. For example in the Croatian Istria region: The 2008 Master Plan of Istria describes diving as an activity that can prolong the touristic season. .

Case Study 3 - NH hotels' sustainable corporate strategy

One of the key challenges the hotel sector faces in Spain, but also worldwide, is to find innovative ways of minimizing the consumption of resources, materials and waste generation while maximizing their reuse wherever possible.

NH Hotels is a good example of how the sector can contribute to a more sustainable tourism value chain by implementing good practices on environment preservation, energy consumption, innovation, social responsibility. Since 2008 the chain has launched and has been implementing a sustainable management strategy, which aims to position NH Hotels as a leading company in the field of sustainable tourism by developing it as part of its business model.

NH Hotels is a leading Spanish hotel chain that counts on 401 hotels in 24 countries in Europe, America and Africa. At the moment the company employs 17,000 persons and hosts 16 million guests per year on average.

Although the majority of NH hotels are located in urban areas an important percentage of them are placed in coastal destinations within the EU and also in developing countries. As such, the chain's Corporate Social Responsibility values and knowledge are exported worldwide and contribute to the development of the concept of low-carbon economy.

NH Hotels' sustainable management strategy is based on an integrated approach covering the economic, social and environmental aspects of growth. As such, it includes principles, quality management indicators and good practices in the following fields:

- Corporate Management responsibility;
- Environment Policy including scientific research and collaboration with public institutions on sustainable tourism policies;
- Clients;
- Shareholders;
- Suppliers;
- Employees;
- Society;

Below are reported some environment preservation commitments/practices that are being implemented:

- Introduce actions derived from their 2008-2012 Environmental Strategic Plan;
- Monitor compliance with their strategic reduction objectives in the 2008-2012 Environmental Strategic Plan;
- Hold Environmental Committee Meetings;
- Implement the Sustainability Communication Plan;
- Waste Management. Adapt the Waste Management Manual in their Business Units;
- Define the corporate environmental objectives in the MBO 2009;

- Continue with the environmental management of Sotogrande and obtain Quality Seals and Certificates;
- Introduce the Renewable Energy Plan in all Business Units;
- Obtain environmental certifications;
- Design Environmental Web providing information about the chain's commitments and actions undertaken;
- Implement measure to raise customer awareness about environmental performance;
- Pursue advanced training and awareness raising among employees in best environmental practices.

Besides these actions, NH shareholders contribute to sustainability awareness raise by actively participating in sustainable tourism forums and awards to eco-friendly enterprises.

In order to face the economic recession NH Hotels implemented a cost reduction plan including sustainable measures based on energy efficiency measures, the optimization of operating expenses, staff flexibility (30% of part-time contracts or extras), sale of nonstrategic assets, exit of non-profitable hotels or employee awareness initiatives such as the "We are all sales" programme.

This example is particularly relevant as it shows the shift towards successful economic performances on the basis of an innovative and sustainable approach.

Sources:

Annual report 2009, Corporate responsibility, NH Hoteles 2009

http://corporate-information.nh-hotels.com/wda/eng/corporate_social_responsibility.jsp

Annex 5 Table of cross-links and synergies

Function affected	Sub-function	General	Baltic	North Sea	Mediterranean	Black Sea	Atlantic	Arctic	Outermost	Remarks
Affected										
1. Maritime transport and shipbuilding	1.1 Deepsea shipping	0	0	0	0	0	0	0	0	
	1.2 Shortsea shipping (incl. RoRo)	0	0	0	0	0	0	0	0	Marina development and yachting might affect short sea shipping
	1.3 Passenger ferry services	+	0	0	0	0	0	0	0	
	1.4 Inland waterway transport	0	0	0	0	0	0	0	0	Marina development and yachting might affect inland waterway transport
2. Food, nutrition, health and eco-system services	2.1 Catching fish for human consumption	0	0	0	0	0	0	0	0	Tourism litter affecting eco-system services
	2.2 Catching fish for animal feeding	0	0	0	0	0	0	0	0	Id.
	2.3 Growing aquatic products	0	0	0	0	0	0	0	0	Id.
	2.4 High value use of marine resources (health, cosmetics, well-being, etc.)	0	0	0	0	0	0	0	0	Id.
	2.5 Agriculture on saline	0	0	0	0	0	0	0	0	

Function affected	Sub-function	General	Baltic	North Sea	Mediterranean	Black Sea	Atlantic	Arctic	Outermost	Remarks
	Affected									
	soils									
3. Energy and raw materials	3.1 Oil, gas and methane hydrates	-	-	-	-	-	-	-	-	Sustainable (self sufficient units) affecting demand for renewable energy sources and re-use of water
	3.2 Offshore wind energy	-	-	-	-	-	-	-	-	Spatial conflict with offshore wind farms
	3.3 Marine renewables (wave, tidal, OTEC, thermal, biofuels, etc.)	0	0	0	0	0	0	0	0	
	3.4 Carbon capture and storage	0	0	0	0	0	0	0	0	
	3.5 Aggregates mining (sand, gravel, etc.)	0	0	0	0	0	0	0	0	
	3.6 Mineral raw materials	0	0	0	0	0	0	0	0	
	3.7 Securing fresh water supply (desalination)	+	+	+	+	+	+	+	+	+
4. Leisure, working and living	4.1 Coastal tourism									
	4.2 Yachting and marinas									
	4.3 Cruise including port cities	0	0	0	0	0	0	0	0	
	4.4	+	+	+	+	+	+	+	+	Expected growth will offer jobs

Function affected	Sub-function	General	Baltic	North Sea	Mediterranean	Black Sea	Atlantic	Arctic	Outermost	Remarks
Affected										
	Working									
	4.5 Living	-	-	-	-	-	-	-	-	Pollution and negative impact from development on natural and living environment (tension with Natura 2000)
5. Coastal protection	5.1 Protection against flooding and erosion	+	+	+	+	+	+	+	+	Marina development infrastructure contributing to coastal protection from erosion
	5.2 Preventing salt water intrusion and water quality protection	0	0	0	0	0	0	0	0	
	5.3 Protection of habitats	-	0	0	0	0	0	0	0	
6. Maritime monitoring and surveillance	6.1 Traceability and security of goods supply chains	0	0	0	0	0	0	0	0	
	6.2 Prevent and protect against illegal movement of people and goods	0	0	0	0	0	0	0	0	
	6.3 Environmental monitoring	+	0	+	0	0	+	0	0	

Explanation:

++ = Strong positive impact on other subfunctions/sea basins expected

+ = Considerable positive impact on other subfunctions expected

0 = Negligible impact on other subfunctions/sea basins expected

- = Considerable negative impact on other subfunctions expected

-- = Strong negative impact on other subfunctions expected

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