

Study in support of policy measures for maritime and coastal tourism at EU level

Specific contract under FWC MARE/2012/06 -
SC D1/2013/01-SI2.648530

Final Report

Client: DG Maritime Affairs & Fisheries

Rotterdam/Brussels, 15 September 2013



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Executive summary

The **general purpose** of this study is to support the preparation of policy measures for maritime and coastal tourism at EU level.

Specific purposes of the study are:

- A. To develop a precise definition of maritime and coastal tourism.
- B. To identify, verify and substantiate the problems.
- C. To analyse the existing regulatory framework.
- D. To complement and complete – where possible- data gaps that are important in light of the development of policy packages.
- E. To suggest policy objectives and support the operationalisation of policy actions.
- F. To analyse economic, social and environmental impacts.
- G. Provide policy recommendations.
- H. Outline possible monitoring and evaluation arrangements.

Below the main findings of the report are presented.

A. How to define maritime and coastal tourism as an economic activity?

Tourism as such is usually not defined as an economic sector in statistics. Rather, use is made of different services sectors identified under the NACE code system such as hotels and accommodation, restaurants, transport services, tour operators, etc. We define maritime and coastal tourism as follows:

- **Maritime tourism** covers tourism that is largely water-based rather than land-based (e.g. boating, yachting, cruising, nautical sports), but includes the operation of landside facilities, manufacturing of equipment, and services necessary for this segment of tourism.
- **Coastal tourism** covers beach-based recreation and tourism (e.g. swimming, surfing, sun bathing), and non-beach related land-based 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), as well as the supplies and manufacturing industries associated to these activities.

As much as possible we aim to follow the Eurostat delineation - NUTS-3 regions as the level of analysis.

B. Identify, verify and substantiate the problems

The **general problems** emerging from the analysis so far can be summarised as follows:

- Whilst coastal and maritime tourism are vital economic activities for a wide range of coastal regions in the EU, its performance – and particularly that of the coastal tourism segment – is under increasing pressure: if we consider the available official statistics the average expenditure by night has been decreasing over time, and so has been the average length of stay. It is expected that this trend will continue, and possibly even become stronger once competing destinations outside the EU gain or regain competitiveness.
- The business model of '(sun-and-beach) mass-tourism'¹ appears to be increasingly problematic and less sustainable, as the EU's competitiveness in this segment is challenged: it creates volatility as the business model is constantly replicated in low-cost countries outside the EU. Therefore, mass-tourism as a business model limits potential for adding value, and to capture

¹ A model based on relatively standard sun, sand and sea leisure products and based on seasonal visits, often marketed as 'low-cost tourism' and developing an economy dependent on international tour operators and a small number of tourist-generating countries – therefore based on limited competition. (<http://travel4.org/the-analysis-of-tourist-demand-as-a-criteria-in-destination-e1387.pdf>; http://www.eib.org/attachments/general/events/11th_femip_sahli_tunisia_en.pdf).

this value at the level of coastal communities. This model also creates extensive environmental burdens, including congestion, nature conservation, and problems in processing solid waste and water.

- Whilst cruise tourism follows a more successful trajectory in terms of economic performance, coastal regions (including cruise destinations themselves as well as their surrounding regions) struggle to create and capture economic benefits, whilst pressures to invest in port infrastructure go up.
- Finally, although good practices has emerged in the past decades, mainstream business models in maritime and coastal tourism still seem to pose increasingly unsustainable challenges – although to different extents – due to persisting negative externalities in relation to social and environmental consequences for local communities, skills and qualifications of workers, consumption and exploitation of local natural resources.

Many of the above general problems are driven by **specific problems** that have been addressed in this chapter: a) Volatility of demand through years and seasons poses sustainability challenges; b) Response capacity is limited by a fragmented and uncoordinated sector; c) Enduring problems in sustainability and visibility; d) Environmental issues challenging the development potentials; e) A structural lack of skills is limiting innovation and access to resources. Although a number of the above problems apply to tourism overall, there is clear evidence that a number of aspects (e.g. the mass tourism business model and the volatility of demand, but also the limited value created locally) apply more so to maritime and coastal tourism. These problems are expected to be structural in nature, and likely to continue or sharpen in the future.

C. Analyse the existing regulatory framework

Maritime and coastal tourism is essentially a cross-cutting theme and because the inclusion of tourism as EU competence is relatively recent, there is no specific regulatory framework for it. We have examined a number of regulations related to small-scale commercial navigation/recreational boating, the cruise sector, cross-cutting issues and competitiveness, and environment/spatial planning issues. The review concludes that a range of issues are covered by international organisations (e.g. UNECE, IMO) and existing regulations at EU level already (e.g. Visa regime, Bathing Waters Directive, Water Framework Directive, Port Reception Facilities Directive, Marine Strategy Framework Directive, ICZM and several others). Under the ICZM protocol, binding to Mediterranean states, tourism policy must be part of the ICZM strategies. No need for additional EU regulation has been encountered, while the review of the regulatory framework has not led to clear conclusions regarding areas for burden reduction or where scope exists for simplification.

D. Complement and complete – where possible- data gaps that are important in light of the development of policy packages

The measurement of maritime and coastal tourism is seriously hampered by the available data. Data tend to be throughout inconsistent in their definitions and incomplete on substance. The basis of our work is the Eurostat database to provide the highest level of comparability, where possible. We have used other data sources to complement these, including national, regional and local data, and supported these with concrete evidence from practice across the Sea-basins.

E. Suggest policy objectives and support the operationalisation of policy actions

Out of the above problem analysis, three general objectives with regard to maritime and coastal tourism are emerging:

- a. Strengthen the key performance and overall competitiveness of the EU's maritime and coastal tourism sector. Coastal and maritime tourism are vital economic activities for a wide range of coastal regions in the EU, and it is essential to address pressures the sector is facing. A

challenge is to increase – or at least stabilise – the average expenditure by night as well as the average length of stay.

- b. Redefine and refocus the business model of ‘mass-tourism’ where appropriate – and foster other business models, notably those focusing on ‘high-profile’ tourism and ‘niche tourism’, able to attract increasing numbers also of non-EU tourists. After all, these are models which are built on unique propositions that allow to create value – thus generating potential for higher profitability and investment capacity of actors. Other models are also to address performance in terms of curbing negative environmental externalities, including congestion and problems in processing solid waste and water. This does not mean that all mass tourism destinations need to be converted. After all, a strong demand for ‘low cost’ beach tourism will remain and it is to be prevented that all such demand would shift away to non-EU destinations. A strong need is felt for tailor-made local and regional strategies which make best use of the strengths, weaknesses, opportunities and threats.
- c. A need to not only create but also locally capture value of maritime and coastal tourism. Both mass-tourism and cruise tourism are characterised by the presence of larger companies and operators with sophisticated models – often leaving limited room for local actors to benefit from these activities. At the same time, local actors need to recognise that such major players have the potential to generate and direct large amounts of tourists and potential spending power to their regions and localities. There is an urgent need for increased cooperation between large tourism companies, operators and local actors to come to joint offers and propositions which create sustainable value– and that recognise the need to share economic benefits and investments amongst all actors.
- d. Better collect, analyse and spread existing good practices in more sustainable business models in maritime and coastal tourism, when it comes to greater inclusion and benefit for local communities, empowerment of workers and continuing innovation, as well as of preservation local natural resources and the environment.

Priority Axes

As a consequence, the following priority axes have been identified:

- I. Enhance competitiveness and strengthen response capacity;
- II. Address seasonality, including volatility of demand and improve accessibility and visibility;
- III. Strengthen sustainability of maritime and coastal tourism;
- IV. Promote skills, innovation and access to resources.

Policy packages

The measures and policy actions proposed under the above Axes can now be grouped into three different policy packages:

- Policy package A: Knowledge building and increased visibility, with an emphasis on measures with a short-term horizon.
- Policy package B: Mainstreaming and networking: includes more structural measures with an emphasis on trans-regional and trans-national cooperation and on the medium-term horizon.
- Policy package C: Regulatory package, with emphasis on measures with a longer term horizon, including ‘soft’ regulation measures (e.g. those of a voluntary nature).

F. Analyse economic, social and environmental impacts

Economic impacts

Since policy package A aims at knowledge building and an increase of the visibility of the tourism sector, it is expected that the economic impacts will be relatively low. The economic impacts of policy package B are expected to be higher because this policy package comprises a relatively high number of measures, which are also more directly linked to potential impacts. Economic impacts

are expected to comprise impacts for public authorities, SMEs and innovation/research. Direct contributions to SMEs could be beneficial in supporting innovations and improvement in the currently provided services. For the (local) public authorities the possibility to use EU funding could have positive budgetary effects. The average economic impact per measure in policy package C is expected to be lower compared to policy packages A and B. The biggest economic impact is expected to arise if a common system for European boating licenses can be established. All other measures in policy package C are expected to have only minor economic impacts.

Social impacts

The social impacts are expected to comprise for the greatest part impacts on employment and labour (new jobs) and governance/participation (involvement of stakeholders), while indirectly accessibility and inclusion is supported, as well as the management of tourists' flows and the carrying capacity of destinations. The largest overall social impacts are expected to arise in policy package B. In theory, the regulatory measures in policy package C could have relatively substantial social impacts, but these are not expected to materialise in the short term.

Environmental impacts

The main environmental impacts of the measures in each of the policy packages comprise impacts on the water and soil quality, water quantity (scarcity/competition with other industries particularly in southern Europe), biodiversity and Natura sites, soil sealing and related consequences, pressures coming from waste and indirect environmental impacts such as air (GHG) emissions. Most of the measures under the three packages address these elements indirectly. Even the measures specifically focused on environmental impacts take a wider approach (e.g. environmental protection, education, etc.). The biggest overall environmental impacts are expected to arise in policy package B. Compared to the economic impacts, the overall environmental impacts are estimated to be lower, due to the fact that a relatively large share of the measures is expected to have either indirect (packages A/B) or limited if any (package C) environmental impacts at all.

G. Provide policy recommendations

This study has demonstrated the importance of maritime and coastal tourism for the EU as a whole. Even more so, it is an economic activity which is of crucial importance to certain Member States, coastal regions and localities, in particular islands. The economic, financial and budgetary crisis has rather increased the importance of coastal and maritime tourism compared to other economic activities. Nevertheless, the problem analysis has led to a range of challenges which are largely specific to maritime and coastal tourism: a sustainable maritime and coastal tourism sector respects the natural resources on which it is built and calls for a long-term approach. It requires local strategies which focus not only on tourists but also on value, both in terms of turnover as well as in terms of environmental and social values. It also requires investments needed to increase the attractiveness of the tourism offer, and a strong need exists for creating and capturing value locally.

Firstly, we strongly recommend maritime and coastal tourism actors to review their business models and to make the necessary efforts to consider moving to 'higher value' models – which respect natural resources as well as social values. One strategy is to upgrade 'low-profile' tourism to 'niche' tourism. Another strategy is to upgrade specific 'mass tourism' destinations, and make better use of the (cultural and natural) values available.

Due to their fragmented nature, maritime and coastal tourism actors are not expected to achieve such transformations fully on their own, and policy support is to be considered. Therefore, we strongly recommend local, regional and national actors to take the interests and needs of maritime and coastal tourism into account when drawing up policies and plans. Furthermore, integration of maritime and coastal tourism into overall tourism policies is quintessential. Integrated maritime

policy, coastal management plans as well as macro-regional strategies provide unique vehicles to take the interests of maritime and coastal tourism into account.

We strongly recommend the EC to support and complement this transformation process as well as the appropriate national, regional and local policies, even though we recognise that the path to follow will be a very narrow one: initiatives need to be well-tailored and fit-for-purpose, and respond to the enormous variety of maritime and coastal tourism realities on the ground. Of the measures reviewed, those grouped under policy package A are less convincing, as they are mostly of a short-term nature, whilst the underlying problems are rather structural. Furthermore, the measures proposed appear to be far from proportional to the problems at hand.

Policy package C theoretically provides a longer term perspective, and a more regulatory approach would in theory facilitate markets to be strengthened. Nevertheless, the review of regulatory measures has pointed to only few of such bottlenecks which are within the remit of the EC. Furthermore, a range of measures are already being taken forward by the EC (e.g. Visa regime, Bathing Waters Directive, Water Framework Directive, Port Reception Facilities Directive, Marine Strategy Framework Directive). Hence, the justification and feasibility of such package is questioned, while its real impacts are expected to be limited.

Policy package B appears to be the right path to EC support for maritime and coastal tourism. The strength of this package arises from the fact that many of the measures proposed have a potential leverage effect on local stakeholders. This policy package acknowledges best that EC policies regarding maritime and coastal tourism need to be aligned with those from Member States, regions and localities. This package is also most powerful in terms of mobilising funds, and can help in providing access to finance, so critical for SMEs in this sector, especially those in Member States with vulnerable macro-economic perspectives. It also acknowledges and uses existing infrastructure, institutions and initiatives, rather than developing completely new instruments. This package also fits fully with the achievements booked in Integrated Maritime Policy, as well as existing tourism initiatives rolled out by the EC. When elaborating this package, we recommend to include the more performing and feasible measures from package A and C. Furthermore, when implementing these measures, active cooperation with interested Member States, regions and localities is needed, as well as economic operators, notably cruise operators.

H. Outline possible monitoring and evaluation arrangements

Indicators are proposed in a way which can be manageable on the basis of data availability. Data for such indicators can in fact be mostly collected internally through surveys or other systematic requests to participants after each relevant meeting or relevant step of the promoted initiatives (e.g. kick-off, workshops, main deliverables/events) and on a periodical (yearly) basis, depending on the type of indicator. Still, it might be relevant to consider joint initiatives amongst the main involved DGs at the European Commission and other relevant institutions to support at least the convergence of existing datasets and data systems available across EU Institutions and EU Member States. This is particularly the case for coastal tourism data, as well as for integrated coastal and maritime trends, forecasts and analytical breakdown of demand and supply patterns.

Some of the main indicators and measures are highlighted hereafter:

- **Context** measures should be considered such as trends of global regions (US, BRICS, etc.) in coastal and maritime tourism and EU overall tourism.
- **Process** measures such as number of activated initiatives, percentage of satisfied participants, number of those stakeholders attending or indirectly involved, number of individual reached through the promoted campaign (within and outside the EU), budgets committed following initiating measures.

- **Output** measures such as number of participants willing to experiment knowledge/information promoted, number of stakeholders joining initiatives activated through the promoted measures, repartition of such initiatives by type of impact expected (economic, social, environmental).
- **Result** measures which covers the main areas of expected impacts and therefore for *Economic impact* , such as number of new SMEs created as a result of the promoted initiatives , % of increased visitors in involved locations as a result of the promoted initiatives (% non EU); *Social impact* such as number of individuals and/or organisations having access to the innovative knowledge and practices promoted, number of individuals who have increased in skills and professional qualifications in involved locations; *Environmental impact*, such as % of successfully regenerated infrastructures due to initiative and measures promoted, reduction of water and energy consumption as a result of the promoted measures.

1 Introduction and policy context

1.1 Background & objective

Tourism overall is an important economic activity, and even more so for a large number of maritime and coastal regions. Indeed, almost two out of three European tourists (63%) prefer coastal regions as their favourite holiday destination².

The Blue Growth study on scenarios and drivers for sustainable growth from the oceans, seas and coasts³ points clearly to the importance of coastal tourism within the Blue Economy overall: a total of 2.75 mln people (including yachting and marinas as well as cruise tourism) are directly employed as a result of these economic activities – about half the employment of the Blue Economy as a whole (out of an estimated 5.4 mln). Maritime and coastal tourism is of huge importance to a large number of local economies⁴. In light of the current economic, financial and public finance crisis it becomes the more important to address the challenges and opportunities of this sector.

Maritime and coastal tourism also faces large sustainability challenges. Many coastal areas are pristine and fragile, and the last few decades have demonstrated that tourism activities and in particular mass tourism can threaten local ecosystems, as well as the overall attractiveness of such areas. The future success of maritime and coastal tourism depends therefore on the ability to develop sustainable and integrated value propositions that take account of its environmental impacts. It should therefore look at challenges and opportunities in coastal tourism, yachting and marinas and cruise tourism together – while recognising the specificity of each of these activities.

Against the above background, and as announced in the Communication on Blue Growth, the EU Commission (EC) is developing policy measures for maritime and coastal tourism at EU level.

It goes without saying that any EC policy initiative needs to be well-founded and evidence-based. Therefore it requires an advancement of knowledge in terms of definitions, sector knowledge, economic and market indicators as well as insights into economic, social and environmental impacts of all policy packages to be considered.

The **general purpose** of this study is to support the preparation of policy measures for maritime and coastal tourism at EU level.

Specific purposes of the study are:

- A. To develop a precise definition of maritime and coastal tourism.
- B. To identify, verify and substantiate the problems.
- C. To analyse the existing regulatory framework.
- D. To complement and complete – where possible- data gaps that are important in light of the development of policy packages.
- E. To suggest policy objectives and support the operationalization of policy actions within each package.
- F. To analyse possible economic, social and environmental impacts.

² Facts and figures on the European on holiday: 1997-98', Eurobarometer 48, Brussels, 1998.

³ See <https://webgate.ec.europa.eu/maritimeforum/system/files/Blue%20Growth%20Final%20Report%2013082012.pdf>.

⁴ COM(2012)494 final.

- G. Provide policy recommendations.
- H. Outline possible monitoring and evaluation arrangements.

1.2 Definition of the sector

A good definition of the maritime and coastal tourism sector is needed to be able to assess the main trends and developments and to be able to assess the impacts of the proposed policy packages on these sectors. Still, main publicly available literature does not provide with a clear, consistent definition of maritime and coastal tourism exists. As a matter of fact, many studies apply a variety of definitions sometimes linked to particular sectors (e.g. cruise) and sometimes geographically based (e.g. tourism activities that take place in a coastal area within x kms from the sea).

Three major and interlinked challenges are therefore to be addressed when defining maritime and coastal tourism:

- How to define tourism as an economic activity?
- What is the geographical dimension of maritime and coastal tourism precisely?
- Is the focus to be taken on the demand or the supply side?

For this study, we propose a definition that takes account all of the above aspects.

How to define tourism as an economic activity?

It is important to understand that tourism as such is usually not defined as an economic sector in statistics. Rather, use is made of different services sectors identified under the NACE code system such as hotels and accommodation, restaurants, transport services, tour operators, etc.

As short definitions we propose the following definitions:

- Maritime tourism covers tourism that is largely water-based rather than land-based (e.g. boating, yachting, cruising, nautical sports), but includes the operation of landside facilities, manufacturing of equipment, and services necessary for this segment of tourism.
- Coastal tourism covers beach-based recreation and tourism (e.g. swimming, surfing, sun bathing), and non-beach related land-based 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), as well as the supplies and manufacturing industries associated to these activities.

What is the geographical dimension precisely?

As much as possible we aim to follow the Eurostat delineation. In publications on coastal tourism until date, NUTS-3 regions are taken as the level of analysis. In the near future, a more detailed definition of coastal areas, defined as municipalities bordering the sea or having most of their territory within 10km of the coastline will be applied for some indicators.⁵ At the time of executing this study however these were not available yet.

Is the focus on the demand or the supply side?

The analysis of maritime and coastal tourism will be conducted from the perspective of both the demand and the supply side:

⁵ Eurostat, 2012, Inter-service Impact Assessment Steering Group for the planned Communication on Maritime and coastal Tourism. Meeting 26/10/2012, Brussels EUROSTAT input: current and future tourism statistics with relevance for the Communication.

- From a demand perspective, the geographic angle that is applied through the above definitions can be used. Demand in this case refers to the demand for tourism services, as expressed by tourists. Such demand can be measured through indicators such as the number of tourists visiting a coastal region or taking a trip to sea. We include tourism that concerns nights spent at accommodation establishments (not including second residence, stays with friends/relatives);
- From a supply perspective however, the geographic angle only partially covers the services offered. Of course aspects such as accommodation capacity, boat berths in marinas or employment in tourism service sectors in coastal regions are geographically defined, but especially upstream activities providing supporting equipment and infrastructure can also be located elsewhere (e.g. ship and boat building). We will return to this dilemma by working with the concept of value chains (see Chapter 2.1).

In Annex I, further details with regard to available sector codes and geographic breakdown in statistics are elaborated.

1.3 Four models of maritime and coastal tourism

An analysis of the maritime and coastal tourism sector requires that a large number of dimensions are taken into account:

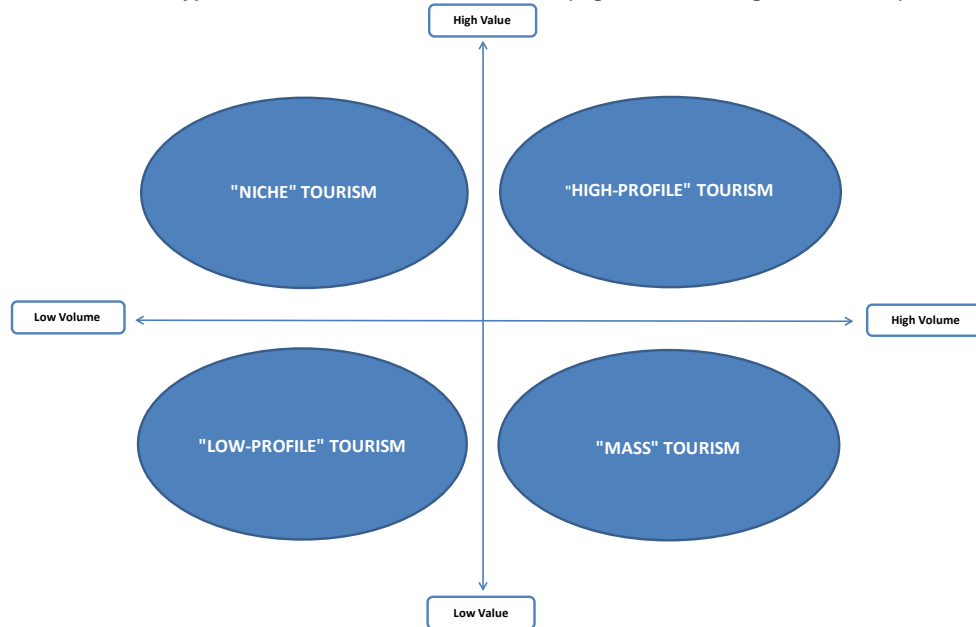
- A differentiation between a range of maritime and coastal tourism activities;
- A differentiation between highly visible and low visibility locations;
- A recognition of the importance of upstream and downstream activities (value chains);
- Need to take into account the differentiation between sea-basins;
- Need to address economic, environmental and social impacts;
- Need to focus on specific actors, notably local and regional actors as well as SMEs.

Still, due to the EU-wide scope and the limited timeframe of our study, a certain degree of generalisation is necessary for our analysis so to combine the above dimensions by respecting local specificities and addressing potential benefits for the EU as a whole. We therefore propose to provide the necessary depth to this analysis by introducing a set of business models for maritime and coastal tourism. Starting point for these is the demand-side, and to cover the following two dimensions:

- “Volume of tourists”: the total number of tourists per year.
- “Amount of value”: this refers to the economic value or the total spending per year by those tourists. However, it also refers to the social and environmental values at stake.

On the basis of these two axes, four quadrants can be identified as illustrated in the figure below.

Figure 1.1 Four types of maritime and coastal tourism (high/low value, high/low volume)



Source: Ecorys.

For each of the types of “demand patterns” a business model can be identified. Through this approach, we therefore are able to better assess the problems, challenges, characteristics as well as opportunities for maritime and coastal tourism, by maintaining an aggregated level of analysis whilst tackling specific issues for particular sea-basins, and which can be tackled by particular EU policy packages.

The four types of possible maritime and coastal tourism “offering” emerging from the figure above are now further described.

Mass tourism: catering to high volumes and low average spending

Mass tourism⁶ is a fairly established concept, although definitions in literature vary from number of visitors, to tourist psychological implications, up to the socio-environmental consequences for communities located in such touristic areas⁷. Our definition relies on a mix of the above-mentioned criteria, but is largely simplified so to fit the purpose of our analysis. We therefore refer to this model to identify those locations (in case of coastal tourism), or the services offered (in the broader assessment of maritime and coastal tourism), which tend to target or attract high volumes of visitors with a relative low average spending potential.

The literature points to the fact that locations for mass tourism are not fixed, but dynamic and changing over time. Patterns of visits for mass tourism locations are constantly changing, and have been reshaped in the recent years as a consequence of the economic crisis, the increased availability of cheap transport modes across the EU and the emergence of non-EU demand accessing EU coasts⁸. Traditionally, “mass-tourism” locations/services were mostly spread across the Mediterranean, mainly over the Spanish coast (e.g. Costa Brava), the Italian “Riviera” (e.g. Romagna, Toscana) and some Greek islands (e.g. Ios). In the past few years the performance of these locations have been challenged by the enduring crisis (e.g. more limited British seasonal

⁶ J. Boissevain (1996), *Coping With Tourists: European Reactions to Mass Tourism*, Oxford Press, UK.

⁷ <http://www.destinationworld.info/newsletter/feature45.html>.

⁸ Bramwell (2004), *Coastal Mass Tourism: Diversification and Sustainable Development in Southern Europe*, Channel View.

tourism in Spain in the past few years), with new destinations emerging in other sea-basins (e.g. Bulgarian coast at the Black Sea) through their capacity to attract both EU and non-EU demand.

In terms of potential impact, mass tourism destinations and services have traditionally ensured an enduring economic growth, which has been recently challenged by showing potential risk of low sustainability⁹. For example, these locations have generated limited economic gain through the year due to the relevance of seasonality in the offered services, and high risk of environmental externalities generated by large amount of visits. Furthermore, in the absence of any fidelisation¹⁰ strategy, the large dependence on occasional visits of some “mass-tourism” destinations can be exploited by global competition and visitors can be attracted by the next cheapest location available. As a consequence, long-term impact for local communities can be limited or even negative. Negative externalities of such model can be mitigated by promoting local incentives for more environmentally-sustainable infrastructures and sustainable added-value services which can still provide large volumes of visitors, although with an average spending capacity which might still remain limited.

High-profile tourism: offering high level of quality and unique value

High-profile tourism¹¹ refers to a business model which offers a high level of quality and relatively unique value. The offer appeals to a relatively large amount of people (individuals as well as groups) and therefore ensures a high degree of fidelisation and consequent enduring visits through time throughout different seasons. Defined in our approach as relatively high volume of visitors and relatively high average spending, this business model potentially attracts a variety of tourist segments across ages, social statuses, as well as nationalities, therefore capitalising on local inhabitants, EU visitors as well as the growing non-EU wealthy visitors.

Traditionally this type of services/location has been promoted along the French coasts, as well as some Italian coastal regions or islands, but it is currently being successfully developed in certain coastal regions across the Northern and Baltic Seas, as well as in some regions in Croatia. If properly managed by local businesses and institutions, this business model offers a relatively high growth potential across the EU, due to the richness of cultural, environmental and social offering across European coastal regions and seas.

This business model of ‘high-profile tourism’ maximises profits whilst minimising negative externalities, although some critical elements remains. On the one hand the high level of visits poses challenges to environmental sustainability, which can deteriorate the quality of the offered services and experience, and therefore affect the potential attraction of new visitors. On the other hand the relatively high spending of visitors needs to be justified by a unique mix of services and experiences offered, so to retain tourists through time and survive increasing global competition. The success of such type of touristic models therefore depends on a delicate mix of local capabilities and skills (to constantly improve and specialise the services offered), as well as natural resources available (to justify a pleasant stay and the fidelisation of visitors through time), so to maximise the potential economic gains and its sustainability through time.

⁹ Clavé et al. (2012), The urban nature of coastal mass tourism destinations. A methodological approach from a global perspective. School of Tourism and Hotel Management, Antalya.

¹⁰ Intended as the deployment of customer loyalty.

¹¹ Swarbrooke (1999), Sustainable tourism management, Cabi, London, UK.

Niche tourism: it is all about differentiation

Niche tourism¹² is usually referring to such locations and/or services where “[...] profitability no longer rests solely on economies of scale and the exploitation of mass undifferentiated markets. Economies of scope, systems gains, segmented markets, designed and customised holidays are becoming more and more important for profitability and competitiveness in tourism”¹³. Niche maritime and coastal tourism therefore focuses on specific added-value services or locations attracting a potential lower volume of visitors, but which may value quality of services better than cost-effectiveness, due to higher spending willingness. This business model has largely benefitted from the recent emergence of new tourism-related social media and telecom services¹⁴, therefore allowing more selective and wealthy tourists to access highly personalised experiences through the emergence of dedicated “niche tourism” or even “luxury tourism” web agencies.

Niche tourism itself already exists for a long time (e.g. thermal tourism), but its growth and proliferation has been quite recent as a consequence of post-modern society (late 20th century to present; Harvey, 1990¹⁵ places it at 1972; see also Rojek, 1995¹⁶), where mass-products and services have been replaced by tailor/custom-made offering¹⁷. Examples of niche tourism are wellness and medical tourism, but also forms focusing on sports, adventure tourism, wildlife, eco-, gastronomy and luxury tourism. Related tourism destinations and services are not necessarily grouped by geographic proximity or sea-basins, but are rather spread across coastal regions depending on specific added-value given by local natural and culture resources, or even local business creativity and ability to provide unique services and experiences.

In terms of possible impacts, this type of destination/services is expected to have relatively high revenues per tourist and therefore to be largely profitable across the whole value chain (from the intermediating web agency to the local service providers), as well as sustainable for local communities and landscapes (both environmentally and through time). The economic value created by this model can be captured by local players, but also be monopolised by few larger (global) players. In this case only limited economic and social gains may be transferred to local communities. This pattern might possibly become more frequent, due to the current struggle of larger tourist operators to constantly reinvent new niche destinations and the need of coastal regions to attract potential wealthy visitors at any costs.

Low-profile tourism: small numbers, little spending, limited visibility

As such, low-profile tourism is not a recognised business model, but it is well-known as previous and early forms of nature and eco-tourism, e.g. tourism forms with a low density character, a low average impact on the environment and an interest in natural areas as destinations. This type of tourism has been developing¹⁸ in the past decade as a result of the environmental movement of the ‘70s and ‘80s, increasingly being “[...] hailed as a panacea: a way to fund conservation and

¹² <http://www.geog.nau.edu/publications/Long-Tail-Tourism-Lew.pdf>.

¹³ Poon, A. (1989). Competitive strategies for new tourism. In C. Cooper (Ed.), *Progress in tourism recreation and hospitality management* (Vol.1, pp. 91–102). London: Belhaven Press – in Lew (2008), *Long tail tourism: new geographies for marketing niche tourism products*, *Journal of Travel & Tourism Marketing*, Vol. 25(3–4), p. 412.

¹⁴ “The quality of websites and electronic networking (collaboration density and length of the value-added chain) is crucial for the development of market shares [...] by tourist destinations [and services]: they compete for the attention [and trust] of consumers” (Smeral, 2008, p. 48).

¹⁵ Harvey (1990), *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*, Blackwell Pub., Oxford.

¹⁶ Rojek (1995), *Decentering Leisure: Rethinking Leisure Theory*. Sage Publ., London.

¹⁷ Postmodern society has spawned the postmodern tourist, who has also been called the post-tourist (Feifer, 1985) described by some authors as “[...] independent, experienced travellers, flexible [...] they prefer customised products [and] experiences and processes that can be acquired like goods” (Smeral in: Schmidt, *Change management in tourism: from “old” to “new” tourism*, Verlag GmbH & Co., Berlin, 2008, p. 48).

¹⁸ Weaver (2001), *The encyclopaedia of ecotourism*, CABI Publishing, London.

scientific research, protect fragile and pristine ecosystem, benefit rural communities, promote development, enhance ecological and cultural sensitivity [...]” (Honey, 1999, p. 4). Examples of this business model are nature camping, scouting and youth camps, small-scale boating and recreational fishing, etc. Although a clear focus on youth, this type of tourism tends to have adepts across all age segments, and is more popular in Northern and Central & Eastern Europe (e.g. Danube Delta in the Black Sea¹⁹), but also some nature in the Mediterranean (e.g. some remote islands in Greece²⁰), as well as peripheral areas in the Atlantic (e.g. Scotland or Ireland²¹) or North Sea (e.g. Norway²²). It tends to be Low-profile tourism is dispersed across sea-basins, and typically placed by large rivers’ deltas

The tourism offer is limited, both in demand and supply. Demand is described in literature as nature based, environmentally educated, and supporting conservation (Buckley, 1994), therefore considered as limited and usually based on small-scale groups if not individuals (Weaver, 2011, p. 7). Potential to strengthen the demand is limited due to the focus on local destinations and the limited attractiveness or awareness by potential tourists from further afield. This business model is characterised by a relatively low volume of visits and a relatively low amount of average spending per visitor²³. It is therefore not to be confused with more advanced and developed forms of ecotourism – which offer more elaborate services and that demand sustained efforts – they cannot emerge overnight.

Environmental impacts of this model tend to be only limited or even positive, as smaller numbers of (nature-loving) visitors can help to sustain local environmental and water quality, with an overall increase in quality of life of local residents.

It should be noted that the above models could be applied to all forms of tourism, and they are not necessarily specific to maritime and coastal tourism. These models are therefore only to be seen as instrumental towards reaching the objectives of this study. The above four models will be used in the subsequent analysis.

¹⁹ Hall (1993), "Ecotourism in the Danube Delta", *Tourism Review*, Vol. 48 Iss: 3, pp.11 – 13.

²⁰ Oikonomou, and Dikou (2008), Integrating Conservation and Development at the National Marine Park of Alonissos, Northern Sporades, Greece: Perception and Practice, in *Environmental Management*, Volume 42, Issue 5, pp 847-866.

²¹ Garrod and Wilson (2004), Nature on the Edge? Marine Ecotourism in Peripheral Coastal Areas, *Journal of Sustainable Tourism*, Volume 12, Issue 2.

²² Almås (2002), Two roads to the global village: a comparison of how a coastal and a mountain region of Norway have found strategies to cope with globalization, in Almås and Lawrence, *Globalization, localization and sustainable livelihoods 2002* pp. 173-188.

²³ This definition has also been instrumental in our classification and could be challenged by the fact that some ecotourism offering and visitors might have relatively high spending patterns. In our study we associate such dynamics to the "niche" type whether we consider "eco-tourism" as those specific to very small niches of limited visitors with extremely sustainable behaviours patterns implying as a consequence very limited average spending.

2 State of play: Importance of Coastal & Maritime Tourism

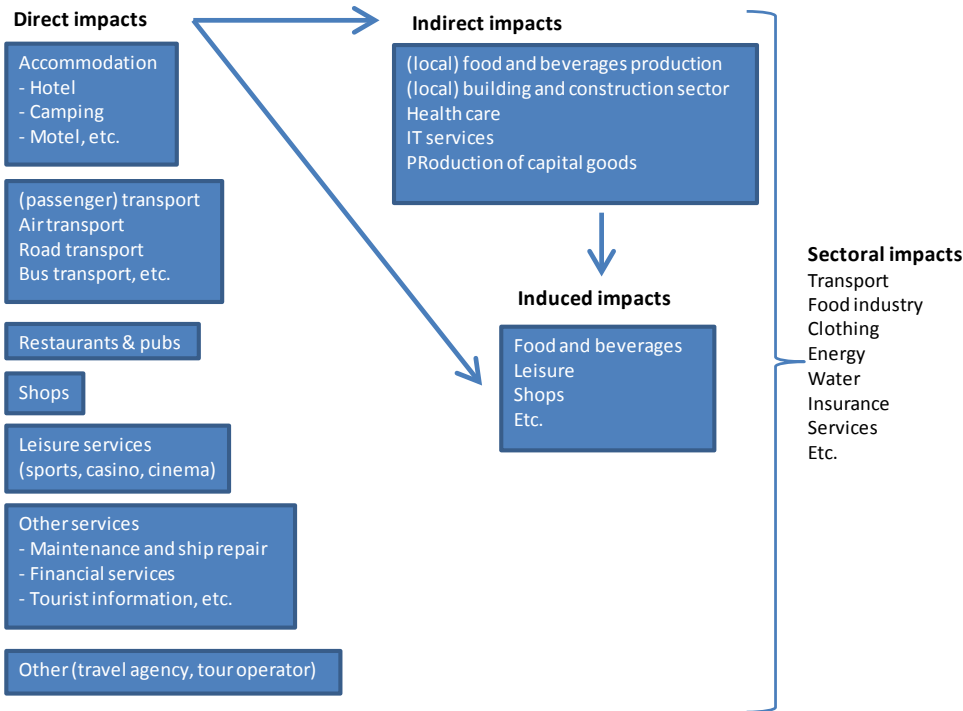
Building on the Blue Growth study (Ecorys 2012), we further substantiate and elaborate on the importance of the maritime and coastal tourism industry.

2.1 Value chain of tourism

The maritime and coastal tourism value chain consists of a rather complex relation between many different actors and sectors. It is a broad industry as it contains accommodation, transport, travel organisers, local tourist offices, etc.

A standard economic impact analysis traces flows of money from tourism spending, first to businesses and government agencies where tourists spend their money (**direct impacts**). As a result of the direct impacts, **indirect impacts** are generated, corresponding both to goods and services purchased by the ‘wider’ maritime and coastal tourism sector as well as to investments and public spending generated by tourism (for example (local) food and beverages production sector, (local) building and construction sector, (local) health care services, airport services). **Induced impacts** lead to changes in economic activity resulting from household spending of income earned directly or indirectly as a result of tourism spending²⁴ (see Figure 2.1 below).

Figure 2.1 Tourism spending: direct, indirect and induced impacts



²⁴ For example, hotel employees spend their income in the local region for housing, food, transportation, etc. The sales, income, and jobs that result from household spending of added wage, salary, or proprietor's income are induced effects.

Ideally each of the above-mentioned activities should be included in the analysis of the maritime and coastal tourism industry. In practice this is however hardly possible since the tourism industry as such, let alone the maritime and coastal tourism industry, is not easily traceable in current statistics. Also many subsectors do not relate to tourism only, for example transport of people or bars and restaurants or shops.

Nevertheless, we have tried to identify the economic importance of coastal tourism using different statistics and research reports. For as much as possible we have tried to identify direct, indirect and induced importance since the difference is not always clearly mentioned. Also some studies only calculate direct employment. The number of EU Member States taken into account also differs between studies. Unless stated otherwise, the economic impacts in this chapter concern the EU27. Due to the difficulties in collecting the relevant data, the figures in this chapter are indicative rather than specific. More detailed data and background information can be found in annex I.

2.2 Overall size of the sector & industry structure

Upward potential on employment: 3.2 mln employed

In the Blue Growth study (Ecorys, 2012), the maritime & coastal tourism sector was estimated at a Gross Value Added of €159 bln (2006 figure), about one third of the total maritime economy. Total employment in the coastal & maritime sector was estimated at around 2.76 mln fulltime equivalent jobs in 2006. This includes the direct employment in the coastal tourism, the cruise and the boating/yachting segment.

The above considerations on direct, indirect and induced activities lead to a reconsideration of the employment numbers in the maritime and coastal tourism sector. Although the definition of **coastal tourism** is rather conservative (tourism employment within a zone of 10 km from the coastline), it is currently not possible to break this number down between direct, indirect and induced activities. Nevertheless, the overall employment for coastal tourism alone is expected to have increased to 2,5 mln by 2011²⁵.

More precise and annualised estimates are available for **cruise tourism**, where the employment mentioned in the Blue Growth study (143,000) only referred to direct employment. The overall employment (including indirect effects on manufacturing, wholesale & retail trade, transportation and other services), is estimated at 303,000 in 2011 (ECC, 2011), and 315,500 in 2012 (ECC 2012).

By the same token, the employment in **yachting and marinas** (estimated at 253,000 direct employment) is larger as well (372,000) if indirect and induced effects (including boat building) are considered.

Altogether, this leads to an upward revision of the employment figure. Our 'best' estimate²⁶ is 3.18 mln people working directly and indirectly in the sector, considerably higher than the previous estimate of 2.76 mln.

Extensive elaborations on the employment and GVA calculations and other sections, as well as further detailed information on the coastal & maritime tourism industry, can be found in Annex I.

²⁵ See annex 1 for the underlying data and calculations.

²⁶ See annex 1 for further details on estimations.

Table 2.1 Employment in the maritime and coastal tourism sector (* 1.000 jobs)

	2006	2007	2008	2009	2010	2011
Coastal tourism	2,360	2,408	2,372	2,351	2,411	2,507
Cruise tourism (direct, indirect and induced act.)	217	271	298	285	296	303
Yachting and marinas (a) (direct and indirect act.)	291	306	321	337	354	372
Total	2,868	2,985	2,991	2,973	3,061	3,182
% of total employment in EU-27	1.3%	1.4%	1.4%	1.4%	1.4%	1.5%

(a) It is unclear if the yacht charter market is included in these figures.

Source: Ecorys estimations based on data Eurostat, PRC (2008), ECC (2011,2012) and Ecotec (2006).

The value added of the maritime and coastal tourism sector rises from over € 152 bln in 2006 to € 183 bln in 2011. The biggest increase takes place in the cruise sector, where the value added rises with 40%. In the total value added of the EU-27, maritime and coastal tourism has a share of 1.2%.

Table 2.2 Gross value added of the maritime and coastal tourism sector (in bln €, direct plus indirect)

	2006	2007	2008	2009	2010	2011
Coastal tourism (only direct impact)	113.8	120.8	119.6	114.4	122.0	129.9
Cruise tourism (direct, indirect and induced impact)	10.3	12.5	13.7	13.6	14.0	14.5
Yachting and marinas (b) (direct and indirect impact)	28.2	30.8	32.5	32.9	36.0	38.7
Total	152.3	164.1	165.8	161.0	171.9	183.0
% of total GVA in EU-27	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%

(b) It is unclear if the yacht charter market is included in these figures.

Source: Ecorys estimations based on data Eurostat, PRC (2008), ECC (2011,2012) and Ecotec (2006).

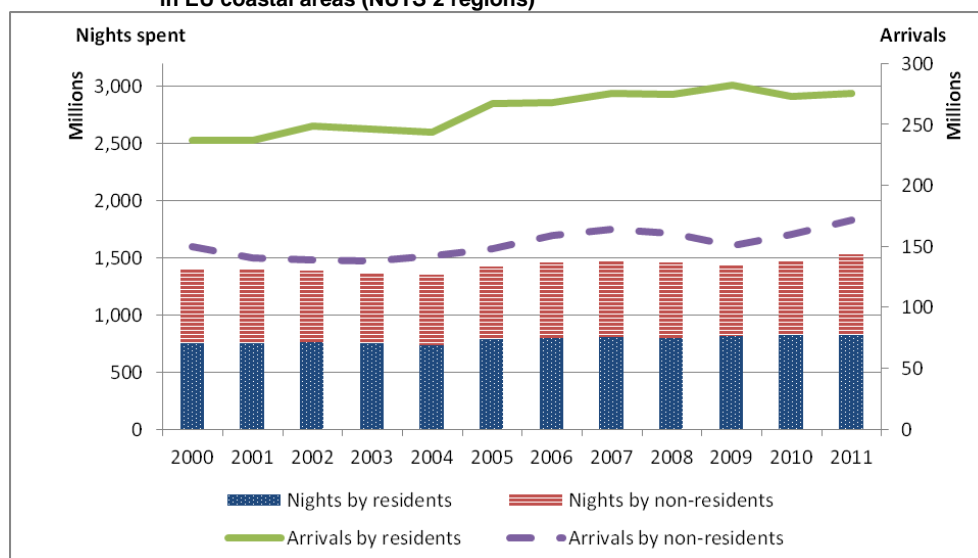
Demand for maritime and coastal tourism: more tourists but shorter stays

Common indicators to measure total demand for coastal and maritime tourism are numbers of tourist arrivals and total nights spent in coastal and maritime tourism accommodations²⁷.

Figure 2.2 shows the development of nights spent by tourists (residents in the same country and non-residents) and the number of arrivals of tourists (residents in the same country and non-residents) in collective tourist accommodation establishments from 2000 to 2011 in coastal NUTS2 regions in the EU.

²⁷ Available Eurostat data on these indicators have NUTS-2 regions as the lowest geographic level of detail, which include not only coastal regions but also larger cities and other tourism sites that may not be considered coastal. Still, time series give useful insight into main trends and developments.

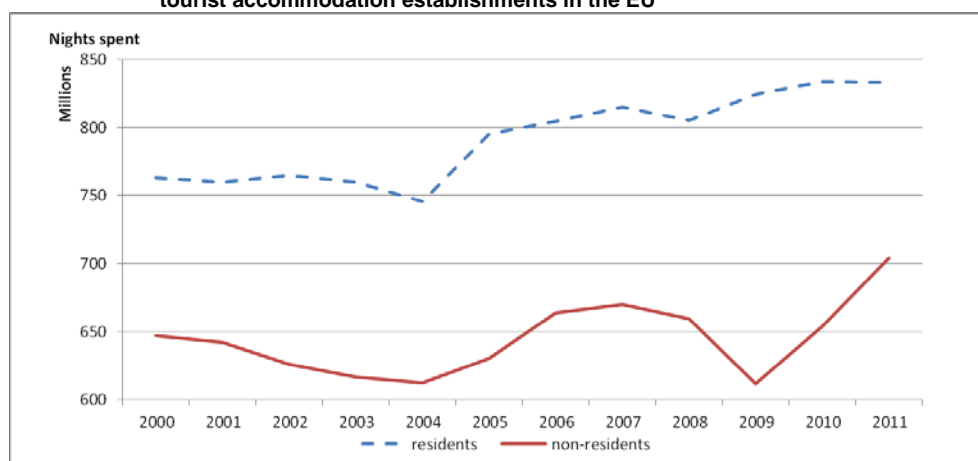
Figure 2.2 Arrivals (right axis) and nights spent (left axis) in tourist accommodation establishments in EU coastal areas (NUTS 2 regions)



Source: Eurostat database, graph Ecorys and data gaps filled with assumptions described in the annex.
 Note: the regions Ciudad Autonoma de Melilla, Guadeloupe, Martinique, Guyana and Réunion are excluded as there is no data available to base on estimations for filling gaps.

The total amount of nights spent in coastal regions has fluctuated in the past decade, but overall increased from 1.4 bln in 2000 to about 1.5 bln nights in 2011, which is a marginal yet unstable growth of 7.1%. At the same time the amount of arrivals increased from about 270 mln to 435 mln. As visible in the figure, the economic crisis hit the sector especially concerning non-residents - the amount of visitors from other countries strongly decreased in 2009. Nevertheless the figures strongly increased again in 2010 and 2011. Also visible in the figure is the relative importance of resident tourists (e.g. going to coastal regions in their own country), making up more than half of the total arrivals and two third of the total nights spent. Furthermore this group appears to be more stable over time, as visible in Figure 2.3.

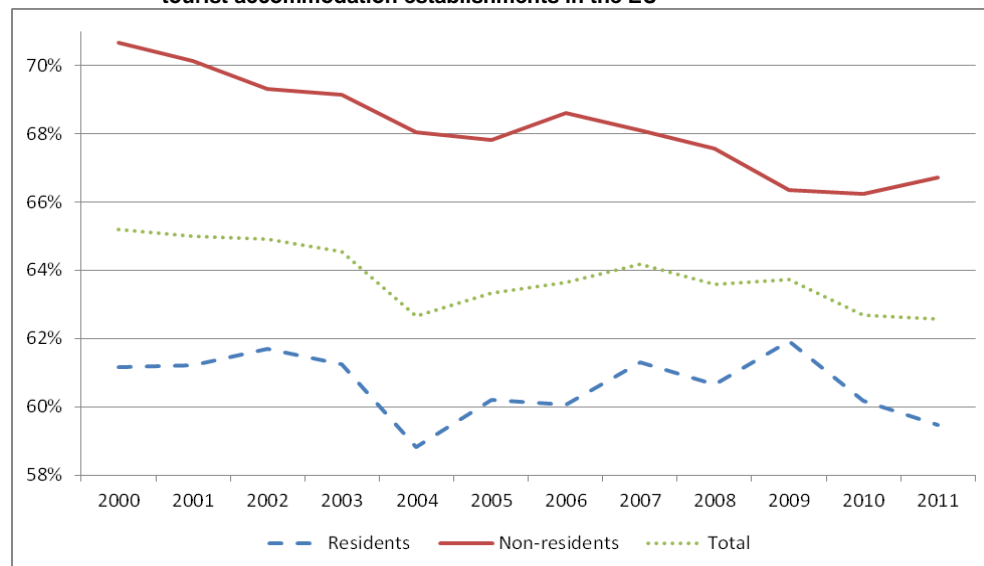
Figure 2.3 Number of nights spent by residents and non-residents in coastal regions (NUTS2) in tourist accommodation establishments in the EU



Source: Ecorys estimations built on Eurostat database.

Nights spent by tourists in coastal regions made up about 63% of all nights spent by tourists in the EU27 in 2011. This figure has been slightly declining from 65% in 2000 (shown by Figure 2.4). Coastal regions are even more important when it concerns non-resident tourists, with almost 67% of the EU total^{28 29}.

Figure 2.4 Share of nights spent by tourists in coastal regions (NUTS2) of total nights spent in tourist accommodation establishments in the EU



Source: Ecorys estimations built on Eurostat database.

As the amount of tourist arrival has increased faster than the nights spent, we conclude that the average length of stay³⁰ has reduced. On average it decreased from 3.75 days in 2000 to 3.5 days in 2011 (6% shorter). Non-residents on average stay about one day longer than residents. A reason for the decline may be the availability of cheaper flights (upcoming low-cost airlines) causing people to go for more, but shorter holiday trips.

In addition to the arrivals of tourists in coastal regions, more than 10.5 mln cruise passengers started or ended their cruise in an EU port³¹. The ECC estimated the annual growth of passenger visits to European Ports between 2006 and 2011³², as shown by Table 2.3. The passenger visits have grown with more than 75% in this period, with an average annual growth of 12%.

Table 2.3: Cruise passenger visits to European ports (in mlns) and annual growth in visits between 2006 and 2011

Cruise passenger visits to European Ports	2006	2007	2008	2009	2010	2011
# passenger visits (mln)	15.71	18.82	21.71	23.78	25.18	27.5
% annual growth		19.8%	15.4%	9.5%	5.9%	9.2%

Supply: coastal regions account for large and increasing share (63%) of bed capacity

Coastal NUTS-3 regions in the European Union covered 63% of all bed places in collective tourist accommodations in 2010 - equal to more than 16 mln bed places). The share of coastal regions in the total number of bed places has raised from 56% in 2006 to 63% in 2011.

²⁸ Source: Eurostat database, calculations Ecorys.

²⁹ When interpreting these numbers we have to keep in mind that the NUTS2 definition for coastal regions also includes cities as London or Rome which contribute strongly to tourism demand as well.

³⁰ Length of stay is calculated by dividing the total number of nights spent by the number of arrivals.

³¹ Source: Eurostat, http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Coastal_region_statistics.

³² ECC (2012), The Cruise Industry – 2012 edition.

According to the European Cruise Council (ECC)³³ there were 41 **cruise** lines domiciled in Europe³⁴ in 2011 on which 120 cruise ships were operating with a total capacity of 143,200 berths. Additionally, another 25 non-European cruise lines were deployed in Europe with 76 vessels and a capacity of nearly 97,000. These cruise ships visited around 250 European port cities (including the Black Sea and the Atlantic).

There is no complete picture of all **marina's** in Europe, though estimates indicate numbers in the order of 4,500 marinas in Europe. The Super yacht Intelligence has published a 'Marina Capacity & Berth Analysis report'³⁵, which provides insights about the marina capacity for super yachts in Europe. Super yachts are defined here as yachts with a length of 30 meters or more. The Mediterranean turns out to be the most attractive region, especially for super yachts: there are 217 super yacht marinas located in the Mediterranean, with the most popular countries being Italy, Spain and Croatia³⁶.

Key ratios: signs of weakening performance for coastal tourism

Some performance ratios can be calculated as to measure the effectiveness of supply vs demand.

The average **bed occupancy rate**³⁷ in the EU coastal regions (NUTS-2)³⁸ has decreased from around 82 nights per year in 2001 (22%) to around 70 nights in 2009 (19%), but increased to approximately 76 nights per year in 2010 (21%). Major differences are found between Member States. For example, popular coastal tourism destinations like Cyprus and Malta have a bed occupancy rate of around respectively 150 and 180 nights per year (43-52%), whereas the coastal regions of the UK and Sweden have a bed occupancy rate of around 60 nights per year (17%). The length of the tourism season is a first – but not the only – explanation for this. In annex I further details at the level of sea basins are presented. The following figure shows a second performance indicator, the profitability ratio of accommodation in coastal Member States in 2001 and 2010.

³³ ECC (2012), The Cruise Industry; Contribution of Cruise Tourism to the Economies of Europe; 2012 Edition.

³⁴ The ECC defined Europe as the EU member states plus Switzerland, Norway and Iceland.

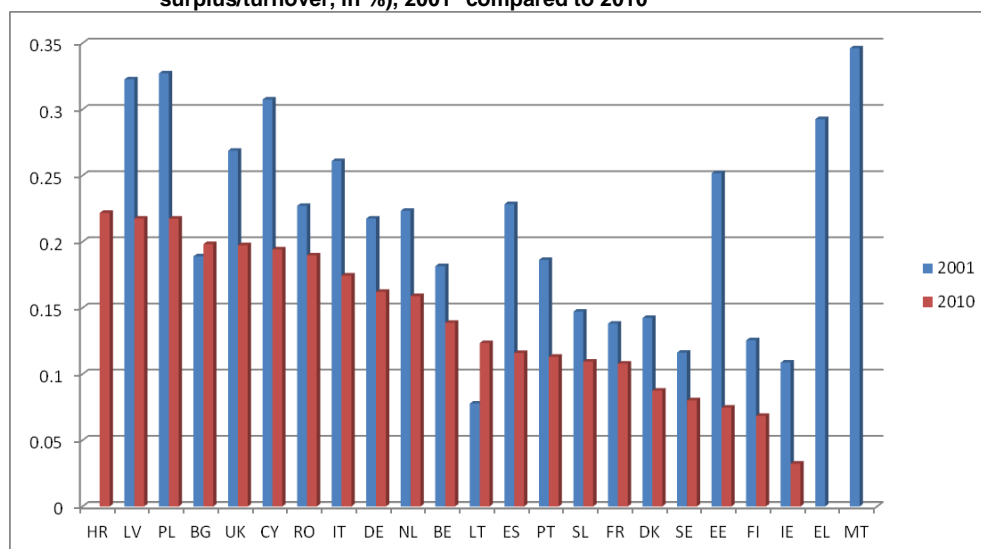
³⁵ Superyacht Intelligence (2011), Quarterly – Marina Capacity & Berth Analysis report.

³⁶ Superyacht Intelligence (2011), Quarterly – Marina Capacity & Berth Analysis report.

³⁷ The bed occupancy rate is determined by dividing the total nights spend in collective tourist accommodations by the number of bed places. The rate gives the average occupancy per bed (in number of nights per year).

³⁸ It is noted that NUTS-2 coastal region data also includes figures from large coastal cities (London, Rome etc.). However data on bed occupancy are not available at a lower aggregation level from Eurostat.

Figure 2.5 Accommodation: profitability ratio per coastal Member State (gross operating surplus/turnover, in %), 2001* compared to 2010*



*For 2001 NACE 1.1 55.10 and 55.20 are used, for 2010 NACE 2 55 is used.

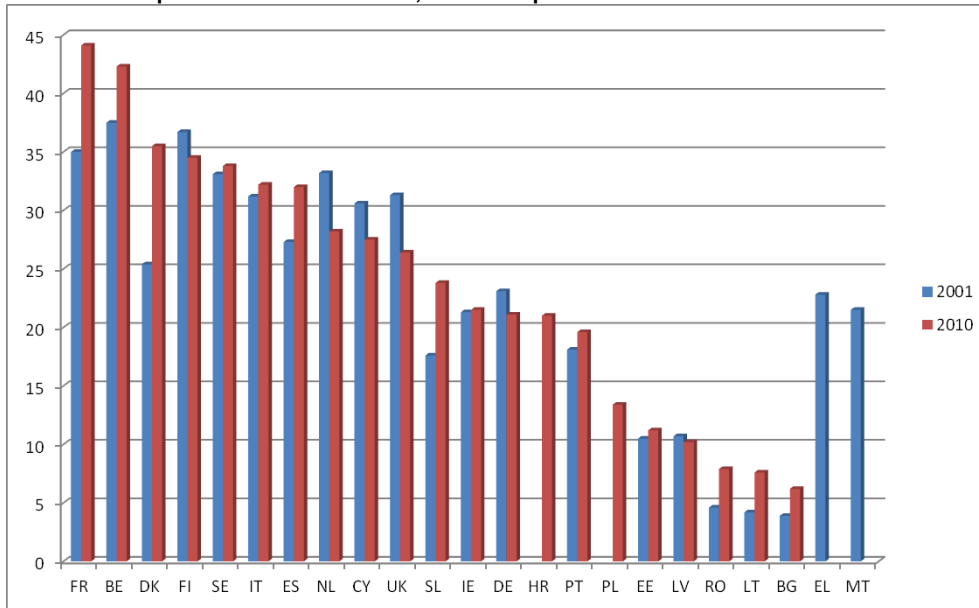
Source: Eurostat SBS.

As we can see in the figure above, the profitability ratio strongly decreased in most Member States. This is particularly obvious in Member States like Spain, Portugal and Cyprus, which are very dependent on coastal tourism. Others like Germany, Romania, UK or Sweden also lost profitability, but not to the same extent.

A third indicator is the labour productivity in the (coastal) tourism sector. Measured in GDP per employee, Idea et al (2006)³⁹ already showed the levels in the tourism sector are substantially below those in other sectors like manufacturing or services. This is confirmed by Eurostat 2009 data. On top of this, the performance levels have been changing between 2001 and 2010, downward in a number of Member States where coastal tourism is a large sector, as shown in the next figure.

³⁹ Idea (2006), Competitiveness of the European tourism industry.

Figure 2.6 Accommodation: apparent labour productivity (Gross value added per person employed) per coastal Member State, 2001* compared to 2010*

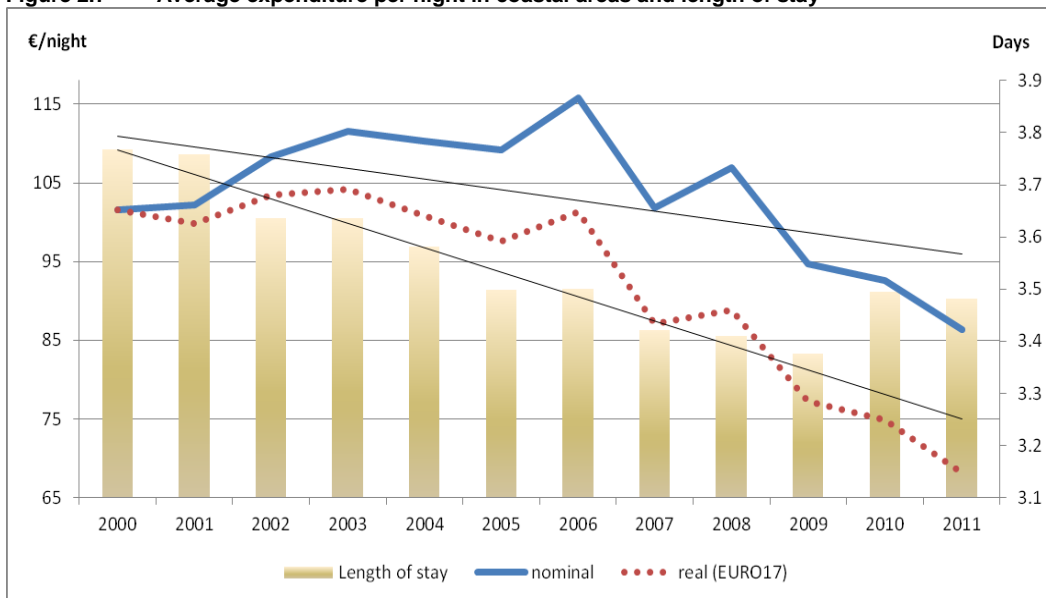


*For 2001 NACE 1.1 55.10 and 55.20 are used, for 2010 NACE 2 55 is used.
Source: Eurostat SBS.

As can be seen in the figure above, the labour productivity went down in several countries, but up in others in the accommodation sector. It is hard to draw a conclusion from this development.

A fourth indicator on performance concerns the **level of spending** by coastal tourists (cruise and boating/yachting sector not included). Figure 2.7 shows the development on average expenditure per night in coastal areas according to our estimations⁴⁰.

Figure 2.7 Average expenditure per night in coastal areas and length of stay



Source: Ecorys estimations based on Eurostat database.

⁴⁰ It needs to be pointed out that total expenditure data is only available on a Member State level and needed to be broken down to coastal shares according to our basic assumptions. This might cause not precise results, but can be interpreted indicatively.

As visible in the Figure 2.7, the expenditure per night decreased over the whole period in both nominal and in real terms from respectively around € 100 in 2000 to around € 85 (nominal) and around € 70 (real⁴¹) in 2011. So did the average length of stay. Nevertheless the length of stay increased a bit again after the first economic and financial crisis in 2008, while the spending behaviour mainly decreased since the beginning of the crisis. Overall, the graph shows strong variations in spending year-on-year. Since the number of tourist arrivals is increasing, the decrease of average spending per trip is partially compensated.

Different is however the situation in the **cruise** sector. Cruise passengers and crew spent an estimated €3.44 bln in purchases during their port visits, ranging from accommodations to retail purchases of jewellery, clothing and other similar items. This represented a 10.7% increase over passenger and crew expenditures in 2010. Since the number cruise passenger visits in European ports grew with 9.2% to 27.5 mln in 2011, the average spending per passenger visit increased as well, but only slightly.⁴²

Also **nautical tourism** segments are growing rapidly, with for instance a worldwide 500,000 additional surfers every year, and a growth of the luxury yacht building segment by some 228% between 1998 and 2008.⁴³ A more stable trend is seen in recreational fishing, which appears to be fairly resilient to pressure from the present global economic crises. When the economy weakens people tend to seek nearby and cheap outdoor pleasures like recreational angling. While parts of nautical tourism are also seasonal, to some extent their peak demands can be in other periods of the year (e.g. strong winds attract surfing tourists on the North Sea also in autumn and even winter). The same holds – but to a lesser extent – for diving, like in the Medes islands (Spain) where the 20.000 scuba divers represent 9.3% of the total of the tourists.

Maritime and coastal tourism: an important economic pillar for certain Member States, regions and islands

For coastal tourism, our most precise estimates are based on figures from 2006 (Table 2.4). Clearly, the share of coastal tourism employment can differ substantially between countries, but also within countries. Whilst coastal tourism (excluding maritime) amounted for just 1.1% of all EU27 employment, this dependence is considerably higher in a number of Mediterranean countries, notably Cyprus (8.6%), Malta (7.2%), Greece (3.7%) and Spain (3.3%).

Table 2.4 Relative size of the employment in coastal tourism in EU member states in 2006 (direct impact only)

	# employees in coastal tourism	Total employment member state	EU Share of coastal tourism (%) in total employment
Cyprus	30,555	357,300	8.6%
Malta	11,000	152,400	7.2%
Greece	165,291	4,452,300	3.7%
Spain	651,116	19,747,700	3.3%
Bulgaria	72,653	3,110,000	2.3%
Portugal	108,147	5,159,500	2.1%
Italy	468,612	22,988,200	2.0%
Denmark	47,950	2,805,400	1.7%
United Kingdom	336,786	28,931,300	1.2%

⁴¹ Using the average annual inflation rate of the EURO17 countries; 2% per year.

⁴² Source: European Cruise Council (2012), The Cruise Industry – 2012 Edition.

⁴³ Ecorys, 2009; Global Surfers Surf Atlas.

	# employees in coastal tourism	Total employment member state	EU	Share of coastal tourism (%) in total employment
Estonia	7,198	646,300		1.1%
Ireland	21,158	2,038,600		1.0%
France	207,634	25,640,200		0.8%
Slovenia	7,393	961,200		0.8%
Netherlands	52,968	8,260,900		0.6%
Latvia	5,976	1,087,100		0.5%
Romania	45,610	9,291,200		0.5%
Lithuania	6,350	1,499,000		0.4%
Sweden	18,061	4,429,400		0.4%
Belgium	9,707	4,264,000		0.2%
Germany	70,385	37,379,300		0.2%
Finland	5,280	2,443,500		0.2%
Poland	9,795	14,443,600		0.1%
European Union	2,359,625	214,718,800		1.1%

Source: Policy Research Corporation (2008), Eurostat.

In most recent years and months, the relative importance of coastal tourism is expected to have further increased, especially in the above countries. After all, virtually all of these Member States (apart from Malta) have been facing deep economic and financial crisis – with major job losses in sectors such as manufacturing, construction and financial services as a consequence. Hence, the overall importance of coastal tourism (sometimes remaining the only or most important economic activity) cannot be underestimated. This reliance is further pronounced in the case of peripheral coastal regions and islands (see Box 2.1 below).

Box 2.1 Tourism as a backbone of peripheral islands

The importance of tourism for the economy of small and peripheral islands is remarkable. Islands are limited in their ability to create economies of scale due to limited variety and quantity of resources, are facing difficulties of accessibility (and therefore high transport costs) and cannot economically profit from agglomeration externalities. Nevertheless, in addition to their limited population they usually have a rich natural and cultural environment which stimulates tourism inflows.



These large amounts of tourists in relation to the low population on islands makes their economies highly dependent on tourism. This is reflected in the employment figures across sea-basins, whereas the effects are larger in Southern regions (as the summer season is longer and the business models are more focussed on mass tourism) than in Northern ones.

Exemplary, the Balearic GVA is estimated to be based by about 50% on tourism. On the Canary Islands, about 85% of the employed population are working in the services sector (and within that to a large extent in tourism) and in Corse about 18% of private sector jobs are provided by the tourism sector.

While the touristic islands in the Mediterranean are in general performing economically better than their

mainlands in recent years, their dependence on tourism makes their economy vulnerable to seasonality. This is well represented in the case of the South Aegean region (GR) where unemployment is lower than national average during the tourism period, and vice-versa during the non-tourism period. In the Balears, employment numbers increase by almost 30.000 during the summer period.

Lower visible, but still existing is the growing dependence on tourism also in islands in Northern Europe like Bornholm, Aland, Saaremaa and Hiiumaa. These islands are following a growing path due to the economic exploitation of niche tourism potentials (e.g. anglers at Bornholm, military heritage tourism at Hiiumaa).

Sources:

- http://www.commissiondesiles.org/pub/docs/176_1_spilanis.pdf.
- <http://ec.europa.eu/eures/main.jsp?catId=457&countryId=ES&acro=Imi&lang=en®ionId=ES5&nuts2Code=ES53&nuts3Code=®ionName=Illes>.
- <http://ec.europa.eu/eures/main.jsp?countryId=ES&acro=Imi&showRegion=true&lang=en&mode=text®ionId=ES5&nuts2Code=ES53&nuts3Code=null&catId=441>.
- <http://ec.europa.eu/eures/main.jsp?catId=321&countryId=FR&acro=Imi&lang=en®ionId=FR8&nuts2Code=FR83&nuts3Code=®ionName=Corse>.
- <http://ec.europa.eu/eures/main.jsp?catId=378&countryId=GR&acro=Imi&lang=en®ionId=GR4&nuts2Code=GR43&nuts3Code=®ionName=Kriti>.
- <http://ec.europa.eu/eures/main.jsp?countryId=GR&acro=Imi&showRegion=true&lang=en&mode=text®ionId=GR4&nuts2Code=GR43&nuts3Code=null&catId=376>.
- http://circa.europa.eu/irc/dsis/regportraits/info/data/en/dk007_eco.htm.
- http://www.celotajs.lv/cont/prof/proj/GreenBelt/prese/BGB_Prese_EN.pdf.
- Picture source:
- http://www.modenus.com/blog/wp-content/uploads/2011/03/Gudhjem_Bornholm_Denmark.jpg.

With regard to cruise tourism as well as yachting and marinas, certain localities and regions have a high to very high dependence as well, particular those which are home to construction and repair of cruise ships (Finland, France, Germany, Italy) as well as that of yachts and boats (Italy, the Netherlands, France, Germany and Spain)⁴⁴.

2.3 Sea-basin perspective

The economic importance of maritime and coastal tourism industry varies per sea-basin. The industry is most important in and around the Mediterranean Sea. For maritime and coastal tourism overall, this sea-basin represents almost 50% of both GVA and employment. For cruise tourism, the Mediterranean Sea share amounted to round 50% employment but 60% of GVA

Table 2.5 GVA and employment in maritime and coastal industry in 2011, per sea-basin (GVA in € bln, employment in 1000 jobs)

	Baltic Sea	North Sea	Atlantic Ocean	Mediterr. Sea	Black Sea	Total
Total GVA	18	31.1	34.5	90.3	1,3	183
• coastal tourism	11.7	20.8	26	62.3	1.3	130 a)
• cruise tourism	1.7	1.9	1.8	9.0	0.0	15
• yachting and marinas	4.6	8.4	6.7	19.0	0.0	38
Total employment	306.2	564.3	594.5	1540.8	26	3182

⁴⁴ Source: Superyacht Intelligence Agency.

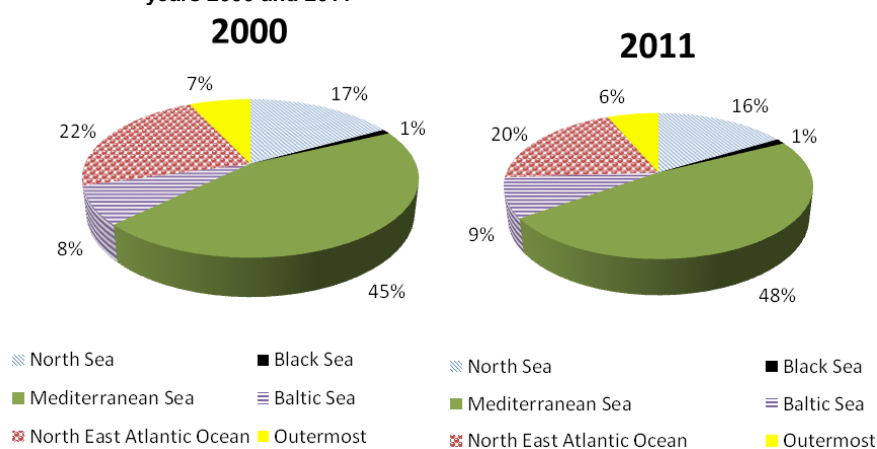
	Baltic Sea	North Sea	Atlantic Ocean	Mediterr. Sea	Black Sea	Total
• coastal tourism	226	401	502	1,203	25	2,507 a)
• cruise tourism	36	83	28	155	1	303
• yachting and marinas	44.2	80.3	64.5	182.8	0.0	371.9

a) incl. 150,000 jobs and € 7.8 bln GVA in Outer Regions.

For coastal the effects comprise the direct impacts only, for cruise all impacts and for yachting and marinas direct and indirect impacts.

The importance of the Mediterranean Sea in the maritime and coastal tourism has increased during the last years. This can be illustrated by the shares of nights spent by sea-basin: the share of the Mediterranean increased from 45% in the year 2000 to 48% in 2011. The Baltic Sea was the only other sea-basin which increased in market share (from 8 to 9%), while the North-East Atlantic (from 22% to 20%) and the North Seas (17 to 16%) saw a fell of their share in terms of nights spent.

Figure 2.8 Share of nights spent in coastal regions by NUTS2 per sea-basin – comparison of the years 2000 and 2011



Source: Ecorys estimations built on Eurostat database.

Note: NUTS2 regions are allocated to sea-basins according to Eurostat (NUTS3 definitions) and divided (if located alongside more than one sea-basin by a division factor (= equals the number of sea-basins).

Further elaborations, estimations and detailed information about the coastal & maritime tourism sector can be found in Annex I.

As regards **nautical** sports, no detailed data at the level of coastal regions is available. However based on case information it is understood that across Europe, there are particular popular spots based on local conditions (wind, wave height for surfing; water clarity & sea life for diving, etc.). Such sites are found in all sea basins but particularly in the North Sea, Atlantic and Mediterranean. Main destinations are Portugal, Spain, France and the UK.⁴⁵ Overall diving tourism is concentrated in the Mediterranean, which attracts about 70% of Europe's 3.5 mln scuba divers.⁴⁶

Yachting and marinas is found across all coastlines, and the European yacht building industry has developed into an economic sector of importance. From 1998 till 2008 the industry has grown with 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.⁴⁷

⁴⁵ Source: Global Surfers Surf Atlas.

⁴⁶ Source: European Underwater Federation (EUF), Recreational Scuba Training Council (RSTC).

⁴⁷ See BG sub-function report on coastal and maritime tourism, Ecorys, 2012.

2.4 Conclusions

The maritime and coastal tourism industry is a very complex industry and the tourism value chain consists of a diverse set of relations between many different actors. The economic activities which are considered as part of the tourism industry vary considerably. Statistical information regarding maritime and coastal tourism in the EU27 is therefore not easy to find. Due to the difficulties in collecting the relevant data, the figures as presented in this chapter are indicative rather than specific. Based on statistics, reports and own calculations it can be concluded that:

- For 2011 it is estimated that the maritime and coastal tourism industry generated a total value added of € 183 bln and an employment of 3.18 mln jobs in the EU27. These figures are considered a conservative estimate since the indirect and induced activities of coastal tourism are not (fully) taken into account.
- The expenditure per night decreased both nominal and in real terms from respectively around € 100 in 2000 to around € 85 (nominal) and around € 70 (real⁴⁸) in 2011. So did the average length of stay.
- The importance of the maritime and coastal tourism industry varies between countries and between regions. For some of them the maritime and coastal tourism industry plays a major role and of vital importance to the (local) economy.
- The maritime and coastal tourism industry generates the biggest impacts in the Mediterranean sea-basin. Overall this sea-basin now has a share of around 48% in the overall maritime and coastal tourism industry. Yet it is unsure whether this market share is sustainable over time.

⁴⁸ Using the average annual inflation rate of the EURO17 countries; 2% per year.

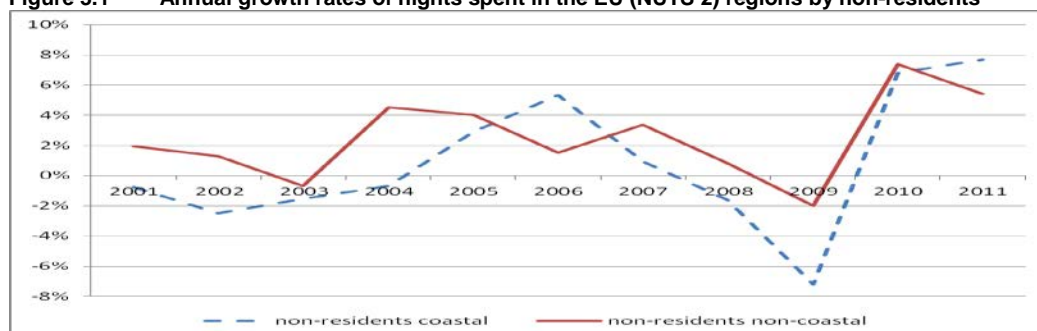
3 EU-level Problem Analysis

3.1 Volatility of demand through years and seasons poses economic challenges

Volatility of EU demand is particularly high for maritime and coastal tourism

Tourism demand, measured as the number of local and international tourist arrivals, shows a high degree of volatility due to its dependence on a varying economic, financial and political environment⁴⁹. Amongst the available income and spending power of individuals, a decrease in costs of global transport accelerated through the increasing penetration of budget airlines, as well as a lowering of holiday costs worldwide due to poor global economic conditions. Furthermore, political (in-)stability in adjacent and competing destinations (notably North Africa) drives this pattern⁵⁰. Across sea-basins, available data suggest an even higher level in demand volatility for non-resident (international EU) tourists in coastal regions. In particular, the effect of the economic crisis seems to have slashed non-residents visits in coastal tourism more than these on other EU regions in the period 2006-2009.

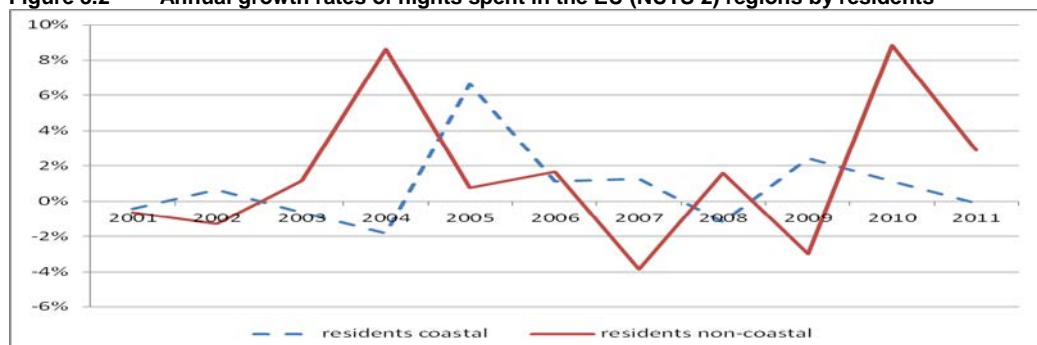
Figure 3.1 Annual growth rates of nights spent in the EU (NUTS 2) regions by non-residents



Source: Ecorys estimations based on Eurostat database (2012).

After 2009 though, when local tourism increased again in non-coastal regions, local tourism in coastal regions remained weak without signs of recovery. This evidence, illustrated hereafter, implies a mix of high volatility of international visitors and a low recovery from the economic crisis of local visitors in coastal regions, much more dramatic than that of other regions.

Figure 3.2 Annual growth rates of nights spent in the EU (NUTS 2) regions by residents



Source: Ecorys estimations based on Eurostat database (2012).

⁴⁹ http://www.bportugal.pt/en-US/BdP%20Publications%20Research/AB201003_e.pdf,
<http://www.sciencedirect.com/science/article/pii/S0261517708001520>,
<http://www.sciencedirect.com/science/article/pii/S0261517704000408>,
⁵⁰ <http://www.sciencedirect.com/science/article/pii/S0160738304001082>.

The high unreliability of local demand and unpredictability of non-resident visits to coastal regions through time makes maritime and coastal tourism a particularly vulnerable segment within tourism destinations, causing difficulties in long-term planning of developments and investments on a basis of a proper mix of local and foreign visits to stabilise the demand patterns and ensure the investment returns in a relatively short time. This analysis is confirmed by the general tourism trends analysis and anecdotal evidence for maritime and coastal tourism as presented hereafter.

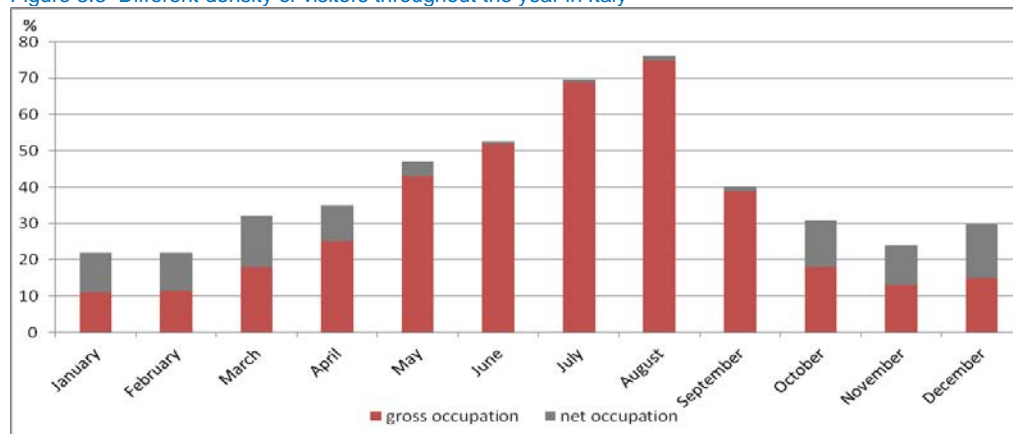
Seasonality is particularly high if compared to other touristic destinations

An additional dilemma for sustainable growth of the sector is the high seasonality, which characterises maritime and coastal tourism visits, if compared with other destinations such as cultural cities or mountains – which have a more balanced path in visits throughout the year or through seasons^{51 52}. Concentration of visits are traditionally over the summer period – May/June to August/September – which implies that much of the potential socio-economic gain is concentrated in that period, with large parts of the local facilities typically closing throughout the rest of the year.

Box 3.1. Significance of seasonality for maritime and coastal tourism in Italy

Patterns of seasonality in Italy are illustrated by the percentage of available beds occupied throughout the year, with several structures closing during winter time. This is shown by the difference in values presented hereafter, where beds occupied are calculated on the basis of total accommodations available (gross value: red) or only for those hotels and facilities open in each month of calculation (net value: grey).

Figure 3.3 Different density of visitors throughout the year in Italy



Source: Coastal Tourism in Italy (Unioncamere, 2009).

Seasonality is even a bigger problem for those sea-basins where maritime and coastal tourism is the main touristic revenue (e.g. South East Mediterranean, Black Sea), as local economies are very much dependent on a relatively short period of time through the year to capitalise on maritime and coastal tourism gains and a volatile foreign demand. As a consequence, a “season” not as profitable as expected may have dramatic negative impact on local economies for the whole year.

Box 3.2. Seasonality and foreign demand in maritime and coastal tourism in the Black Sea

Summer “sea&sun” tourism is the prevalent form of tourism for both Bulgaria and Romania. The Romanian

⁵¹

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Seasonality_in_tourism_demand#Further_Eurostat_information.

⁵²

<http://almatourism.unibo.it/article/view/3120>.

Black Sea coast, for example, represents the most important touristic area of the country, with 43.3% hotels and 63.8% of available beds being on the seaside. Almost half hotel capacity as well as approximately 2/3 of the accommodations depend on international tourism. For this reason seasonality of coastal tourism is a significant problem for both countries, due to the large dependence on June to September for local economic gains. The table below compares the overall number of tourists for 2012 with those who entered the country during the summer season. Clearly, over half are coming from foreign countries within and outside the EU.

Table 3.1 Different degrees of seasonality in foreign visits to Bulgaria

Country Sample	Foreign tourists coming to Bulgaria		
	All 2012	Summer 2012	% of tourists over summer
Russia	597,504	430,188	72%
Germany	650,236	419,767	65%
Romania	932,208	375,307	40%
Greece	928,552	353,883	38%
Ukraine	253,526	182,577	72%
Poland	241,954	163,115	67%
United Kingdom	264,560	144,960	55%
Czech	152,442	106,175	70%
Macedonia	388,604	105,636	27%
Serbia	275,679	88,256	32%
Turkey	293,818	84,930	29%
All	6,540,839	3,342,849	51 %

Sources:

- Bulgarian Tourism in Facts and Figures (January – December 2012).
- International tourism – Bulgaria, summer season (2012).
- Bulgarian Ministry of Economy, Energy and Tourism⁵³.
- Bulgarian National Strategy for Sustainable development of Tourism (2009 – 2013).
- Romania National Tourism Development Master Plan (2007-2026).

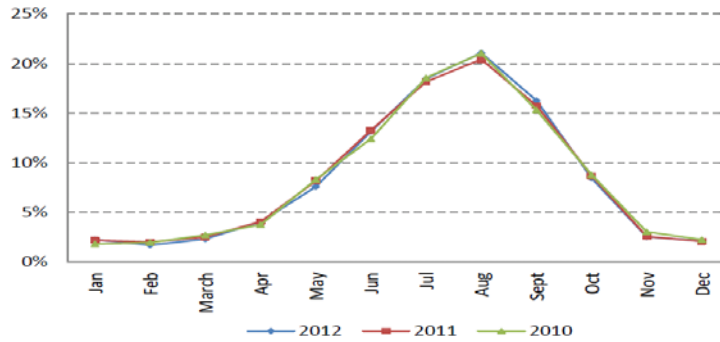
Even in regions where weather conditions remain generally favourable throughout the year, such as the Eastern Mediterranean, it has so far been proven difficult to attract visitors beyond the summer seasons.

⁵³ <http://www.mi.government.bg/bg/themes-c262.html>.

Box 3.3. Seasonality and difficulty in attracting visitors through the year in Greece

According to the results of the Bank of Greece Border Survey 68.9% of the total tourist traffic corresponds to the period from June to September, while 85% to the period from May to October. The rates for the same periods of the previous two years are almost identical (Figure 1). Consequently, the above periods define the edge ("peak") of the tourist season in Greece within a year for at least the last three years.

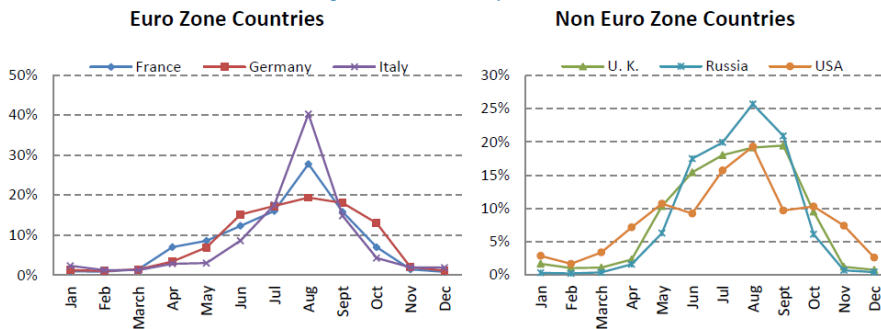
Figure 3.4 Patterns of seasonality in tourist visit throughout the year in Greece



Source: Tourism Survey (Bank of Greece, 2012).

The above finding is generally true, with some limited variations among visitors, for different nationalities. It is a fact that 81.3% of the Italians visiting Greece in 2012 made their holidays during the period June - September, while a significant proportion of visitors from the USA came for vacation in Greece in March (3.4%, the percentage is even higher for 2010 and 2011). The Americans also had an increased percentage of total visits during the month of November (7.4%), significantly higher than the corresponding percentage of visitors from other countries. Noteworthy is also the fact that a significant volume of visitors from France (7% of the total French visitors) came to Greece for holidays from April, one month earlier compared to visitors from other nationalities.

Figure 3.5 Limited difference in the degree of seasonality in EU and non-EU visits in Greece



Source: Tourism Survey (Bank of Greece, 2012).

At present, the winter tourism in coastal areas is a relatively small part of the total tourism activity, though with significant growth potential.

Sources:

- Tourism Survey, Bank of Greece (2012)⁵⁴.
- Performance of Greek Tourism and Developments, Greek Research Institute for Tourism (2013)⁵⁵.

⁵⁴ Hellenic Statistical Authority press release on non-resident arrivals 23 Oct 2012.

⁵⁵ <http://www.grhotels.gr/GR/BussinessInfo/News/Lists/List/Attachments/408/ENG-GreekTourismHotels2013.pdf>.

If compared with other tourism destinations, maritime and coastal tourism is still largely depending on summer season's arrivals. Attracting visitors from outside Europe with different holiday traditions and demands should help to at least extend the seasons and to reduce the focus on just two months. Still, maritime and coastal tourism is largely struggling to cope with seasonality and specific solutions for this sector seem to be more difficult to find, therefore posing a greater and specific challenge to the sector.

Box 3.4 Other touristic sectors succeeding in breaking seasonality by attracting non-EU visits

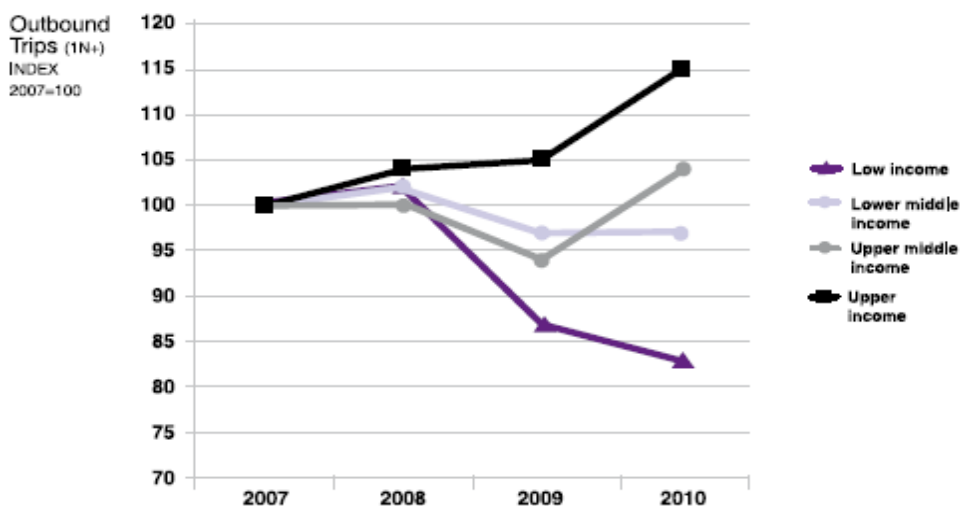
Seasonality has been also a challenge for other touristic sectors and destinations, which seems to have coped with it more efficiently and successfully by attracting non-EU tourists so to ensure a thorough presence of visitors throughout the year. This is the case of mountain tourism in Austria, for example, where January used to be a difficult month for winter tourism in Alpine regions. The gap between Christmas holidays and winter holidays (mostly in February) in most European countries led to an underused potential of using snowy skiing slopes in the winter which was also reflected in lower prices for skiing passes. This gap has been to a large extent filled (in countries as e.g. Austria) by Russian tourists. Russians are holding their Christmas holidays later than most Europeans due to the Russian-orthodox calendar. With rising wealth, they can afford to use these holidays for trips to the Alps and thereby solve the problem of an underused tourism month. On the contrary, maritime and coastal tourism across EU sea-basin is still largely struggling to cope with seasonality and specific solutions.

Sources: Local Newspaper Article⁵⁶.

Mobile high-spending tourists are increasingly attracted by global destinations

This higher volatility for the sector is aggravated by the overall growing trend of high-spending demand worldwide being increasingly mobile and keener on embarking for remote destinations. Due to the complex socio-economic-political drivers conditioning tourists' behaviour, this pattern has been accelerating in the past few years, due to greater opportunities for more affordable trips for high-income individuals triggered by low travel costs worldwide and decreased prices in global destinations as an attempt to remain appealing and competitive in a context of economic crisis.

Figure 3.6 Development of outbound trips based on income levels

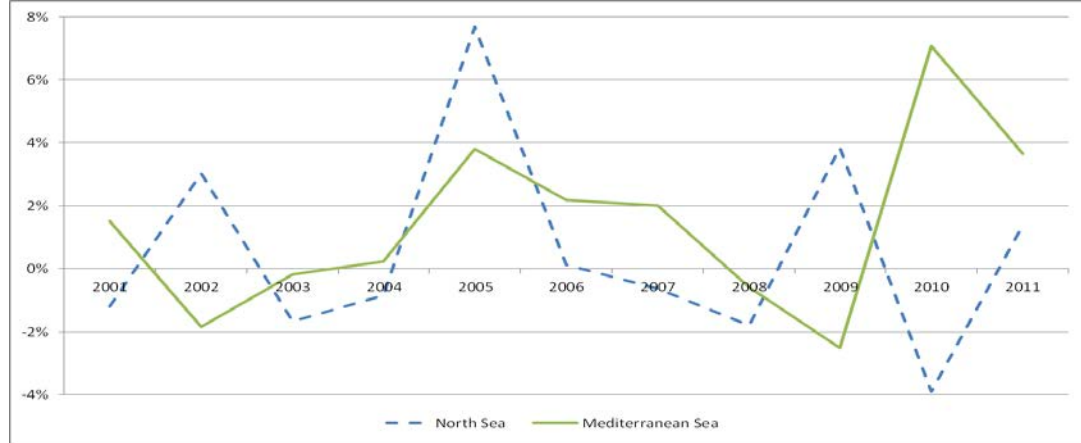


Source: World and European Travel Monitor (IPK, 2011).

⁵⁶ http://diepresse.com/home/wirtschaft/economist/530323/Tourismus_Russische-Touristen-fuellen-das-Jaennerloch.

As a consequence, higher-spending mobile demand has increasingly shown a tendency to shift towards higher value for money maritime and coastal tourist services offered by outbound locations which are easily reachable through low-cost flying operators and where higher-quality experiences can be obtained at competitive prices. At the EU level the trends for example show an increasing shift of visitors from Northern to Southern European coastal destinations, as illustrated below.

Figure 3.7 Growth rate of expenditure in coastal regions, Mediterranean and North Sea compared



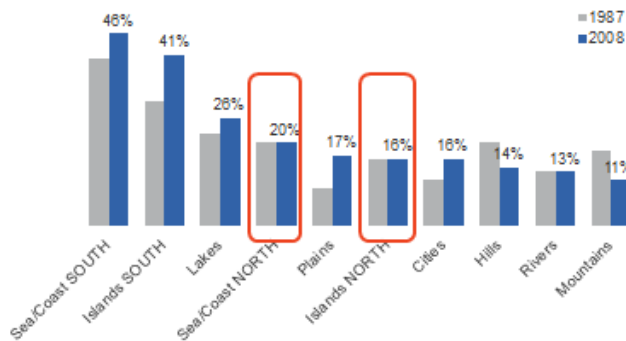
Source: Ecorys estimations based on Eurostat data (2012).

The trend of greater tendency for healthy EU tourists to choose international - and non EU - locations for their summer holidays is a fact which is recognised by EU Member States statistics with increasingly greater concerns of local EU tourist operators and entrepreneurs, particularly in the Northern and Baltic Seas.

Box 3.5. Growing preference for southern maritime and coastal destinations of North EU demand (2009)

The growing trend toward greater volatility and preference for outbound destinations of EU citizens is confirmed by existing evidence at the Member State level. For example the results of on study by the German Ministry of Economics suggest a change in travel behaviour of senior citizens in the future, resulting in less national holiday trips and more international trips. Long-term comparisons on preferences in destinations amongst German tourists show a stagnating preference by the tourists for coast/islands in the north but a rising interest for coast/islands in the south during the past decade. This trend is expected to continue and probably increase in the future.

Figure 3.8 Evolution through time in the appreciation and interest for tourist locations of German tourists.



Sources: NATA - Reiseanalyse Survey (2009)⁵⁷.

⁵⁷ http://www.northatlantic-islands.com/fileadmin/user_upload/documents/Report_German_Reise_Analyse_Oct_2012.pdf
 Grimm et al, 2009, The impact of demographic change on tourism and conclusions for tourism policy (p. 10).

As a consequence, regions not attractive for high-spending mobile visitors are challenged by difficulties in capitalising on low-income local communities, mostly affected by the current economic crisis, which limit their spending on recreational activities. A situation which urgently calls for strategic repositioning of the current maritime and coastal tourism offering in order to better attract potential demand by diversifying targeted audiences and providing more value-added services.

Box 3.6. Greek tourism sector affected by drop in domestic arrivals – seasons getting shorter?

The current crisis has had severe effect on local economies, which is particularly been reflected on the performance of maritime and coastal tourism. This is particularly the case for Greece where local demand has been slashed by the economic crisis, which has been more severe than elsewhere. As a consequence, hotel revenues have reportedly been dropping by 23% over the last 5 years, a rate equal to the drop of domestic arrivals over the last 4 years. Despite the increase by 2.5% of international arrivals, prices have dropped by 7.8% compared to 2011, whilst the number of available rooms has declined by 12% as a consequence of hotels opting to remain open for fewer months every year to cut on costs and avoid bankruptcy.

Sources: Local Newspapers Articles⁵⁸

Literature suggests that Mediterranean destinations currently benefitting from lowered competition due to recent North-African turmoil might lose their appeal to mobile high-spending visitors once stability is regained on the southern shores of the Mediterranean. Global competition from neighbouring maritime and coastal destinations therefore urgently calls for a better marketing strategy and redefinition of the services traditionally offered across the EU.

Box 3.7. Instability of non-EU regions across the Mediterranean still favours EU destinations

In 2011, Southern European countries such as Spain, Portugal, Turkey and Croatia were among the big winners with growth of more than 8%, largely due to attracting European tourists who would normally have holidayed in North Africa. Losers include Greece, Switzerland, Egypt and Tunisia. In the long-haul sector, the Americas (+6%), especially the USA, proved popular with European travellers while Asia Pacific grew only 1%, mostly due to the impact on demand from the Japan catastrophe. "As a result of the Arab Spring, Mediterranean countries such as Greece, Portugal, Spain as well as Italy are currently benefiting from a mood of uncertainty among tourists.

The political upheavals and changes affecting society throughout the Arab world are playing in favour of European countries on the Mediterranean. Greece must take care not to squander the good reputation it enjoys as an attractive holiday destination. "Footage of violent demonstrations and striking airport employees is not conducive to improving a tourism destination's image. In such difficult times Greece will only be able to compete as a tourism destination with other countries by lowering prices. However, due to cost structures and new taxes, that is something the country's tourism industry will have difficulty achieving.

Source: ITB, World Travel Trends Report (December 2011).

Growing global demand: BRICs visitors as an opportunity and a challenge

The so-called BRIC⁵⁹ countries with their large populations and their on-going strong economic growth rates have seen a rise in larger, relatively well-off middle classes and a growing number of

⁵⁸ <http://www.balkans.com/open-news.php?uniquenumber=167772>.

<http://www.balkans.com/open-news.php?uniquenumber=168664>.

⁵⁹ Brazil, Russia, India, China.

rich upper-class tourists (e.g. in the Asia Pacific region the amount of multi-millionaires increased to 3.3 mln people in 2011)⁶⁰. In combination with the increasing wealth in these regions, the desire of their populations to travel is expected to increase in the near future. For example, in 2010 an estimated number of 3.8 mln Chinese travelled to Europe and this number is expected to even quadruple until 2020.⁶¹ Also the other BRIC countries such as Brazil are profiting of strong economic growth (and in some cases a strong currency) and increasingly travel abroad⁶².

Such a trend can potentially be a source of diversification for the maritime and coastal offering through the year. However, capturing on this trend is not always evident as many non-EU visitors appear to prefer cities, culture and strong “European brands” rather than coastal locations. The situation might change through time as well, as some source reported in the box below suggests⁶³, and better targeted marketing strategy linked to the identification of more appealing services could make non-EU growing demand an important source for the sustainability of EU maritime and coastal tourism in the mid-long term. However, this is likely to require a deep understanding of the preferences of non-EU tourists and a corresponding, attractive and orchestrated response.

Box 3.8. BRICs economic growth raises number of tourists with new needs evolving through time

For the traditional Chinese tourist, a trip to Europe is a sign of advance in prestige in its home country. Therefore, taking pictures of famous sights and shopping of souvenirs and luxury products is of high importance (Chinese tourists save about one third of their holiday budget for shopping.). The organised trips often start in Trier with a visit to the Karl Marx museum and then continue with cities as Paris, Milan and Rome. Nevertheless, the new wave of younger tourists has changing preferences. Mason Florence (executive director of the Mekong Tourism Coordinating Office (MTCO) said that “Asia’s more sophisticated urban life will create demand for more specialised products, such as heritage and culture, ‘edutainment’ theme parks, soft adventure, luxury holidays and sports tourism.” This will create more opportunities for coastal areas by offering more individualised leisure and sport holidays in addition to city visits.

Brazilians take advantage of both their solid economic growth and their strong currency – and continue to spend heavily on foreign travel. Their international tourism expenditure is thus increasing strongly on a yearly basis. It soared by about 45% over the first eight months of 2011 which came on top of a 50% increase the year before. Comparing Brazil with other Latin-American countries provides interesting results on similarities and differences. Travellers from all these emerging markets (Brazil, Argentina, Chile and Mexico) tend to be relatively young, well-educated and well-off, they generally travel for leisure purposes and tend to go on sightseeing tours. They often go on long-haul trips and spend more money. Brazilians often start their tour in Portugal, mainly due to the language issue, but also travel a lot to France, Italy, Spain and Germany. Their interests lie with cultural sights, but also with religious motives. Argentines and Chileans tend to travel mostly within South America while Mexicans have a strong focus on visiting the USA. However, there is still a shortage of low-cost airlines in Latin America that would generate stronger long-haul growth. Nevertheless, double-digit rise in visitor numbers is expected in the near future.

The attitudes of Russians differ considerably. European beaches are relatively close and considered highly attractive. Certain European countries profited well from huge inflows of Russian tourists in summer and winter tourism (e.g. number of Russian visitors to Greece increased from about 100.000 in 2010 to more than 800.000 in 2012).

⁶⁰ ITB, World Travel Trends Report, December 2011.

⁶¹ TUI/Z-Punkt (2012) New Chinese Tourists from 2017.

⁶² ITB, World Travel Trends Report, December 2011.

⁶³ ITB, World Travel Trends Report, December 2011.

In conclusion, especially Europe's cities are highly attractive for non-EU tourists, but the change in demand to more individualised trips including adventures and the growing numbers of potential EU tourists offer more possibilities for coastal areas. It is up to these locations to find the right strategies to address these tourists and to channel them in the right direction.

Sources:

- ITB, World Travel Trends Report (December 2011).
- TUI/Z-Punkt, New Chinese Tourists from 2017 (2012).
- Facts and details (05.04.2013)⁶⁴.
- Travel Mole (05.04.2013)⁶⁵.
- Furmanov (et al.), Anatolia: Tourism flows from the Russian Federation to the European Union (2012).

Cruise demand increases in size but remains volatile

Cruise demand is not equally spread over time either, and follows seasonal and weekly patterns with clear peaks:

- Annual developments have generally shown a year-on-year growth that is very impressive, particularly if compared to other tourism sectors. There have been some temporary hick-ups in demand, for instance following the 9/11 attack (particularly in the American source market) and the Costa Concordia disaster, but these were never strong enough to result in a decline. They simply resulted in temporarily less strong growth rates.
- Planning is clearly done on an annual basis in the cruise business. Itineraries for ships are planned one year ahead. Usually a ship operates a certain itinerary for one year (or a season within that year), or two consecutive years at most, before being moved to a different itinerary. A reason for this is that there is a fairly sizeable group of passengers that prefers to return to the same ship for their cruises, but that will want to change their destinations.
- The cruise market is very seasonal, particularly in Europe. In Northern Europe, the cruise season is relatively short as summers are short, but also the Mediterranean season runs roughly only from April to November. In Malta for instance, 94% of the cruise calls in 2006 to 2009 took place in the months April to November. Many cruise ships are shifting between the Caribbean and Europe (the Mediterranean) every season - the cross Atlantic voyage being sold as a cruise trip as well.
- Weekly patterns of arrivals can cause problems to cruise ports, as they can be quite unevenly spread. Many cruise liners operate on weekly or fortnightly itineraries, calling at the same ports every week or two weeks. Most cruises start on weekend days, creating peaks in home ports on these days. Depending on the location of a cruise port of call vis-à-vis the major cruise home ports, it can see peaks on certain days too. It is possible that a cruise port sees 4 ships one day and none the next.

⁶⁴ <http://factsanddetails.com/china.php?itemid=2283&catid=9>.

⁶⁵ http://www.travelmole.com/news_feature.php?news_id=1149905.

Figure 3.9 A busy day in the Grand Harbour in Valletta, Malta, with cruise ships moored at cargo quays (picture taken on Friday 8 April 2005)



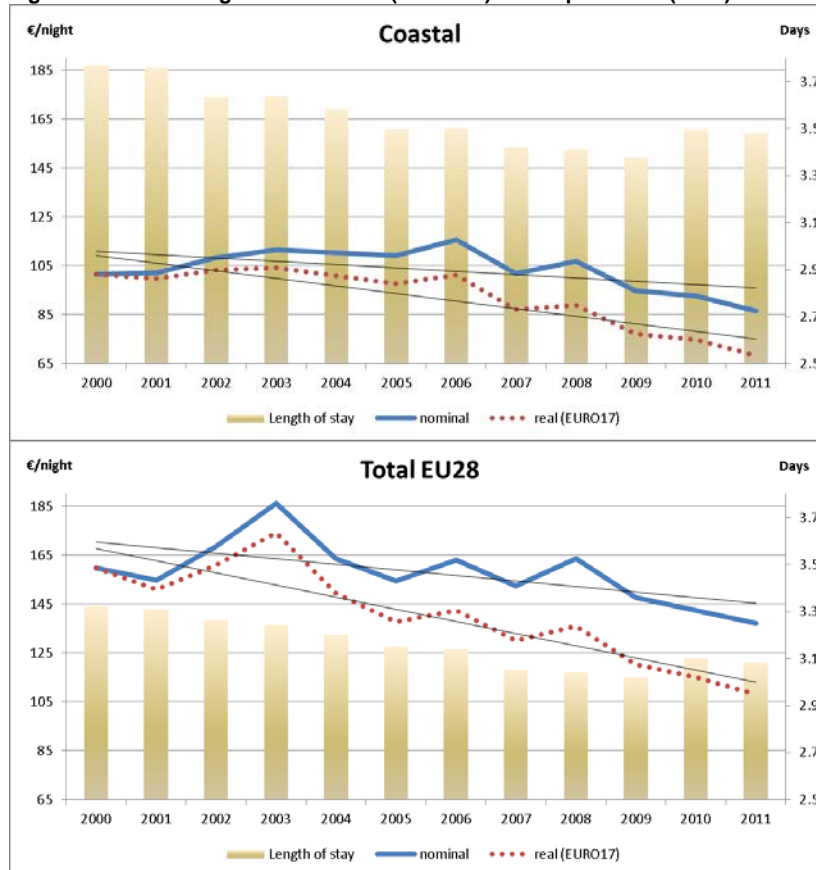
Non-European demand for cruises in Europe now is primarily sourced from the US market, but in the future it is reasonable to expect that other affluent source markets may take up a more important share. Cruising is starting to develop in the Far East, and it may be expected that Far Eastern passengers may wish to take a cruise in Europe at some point. On the other hand, a growing cruise market in Asia may take away some of the US passengers from the European markets. Indeed, cruise liners have ordered new ships to increase their capacity in the Asian region.

3.2 Response capacity is limited: a fragmented and uncoordinated sector

Throughout the period 2000-2008, the average stay of trips shortened from 3.3 days in 2000 to 3 days in 2008, with a slight increase in the years after (3.1 days in 2011). Coastal tourism suffered from the same squeeze of length, although the average coastal tourism trip is slightly longer (3.7 nights in 2000 versus 3.4 nights in 2011).

Competition between coastal destinations seems to be largely based on price, therefore failing to capture potential needs for added-value. This can lead to a dramatic reduction in margins as exemplified in a shrinking real average expenditure per night per visitor throughout the past ten years: from about 100 Euros per day in 2000 to 85 in 2011 (nominal value). This trend is not specific to coastal tourism - as tourism overall suffers from it as well. However, overall spending levels are considerably higher for tourism overall: 160 Euros per day in 2000 versus 140 Euros per day in 2011.

Figure 3.10 Average visit duration (columns) and expenditure (lines) over time, per person per night



Source: Ecorys estimations based on Eurostat data (2012).

Enduring squeeze of profitability can have knock-on effects on capability to invest

The enduring pressures on prize are – with limited possibilities for cost-reduction - expected to lead to a structural squeeze of profit margins, with several knock-on effects. Limited profit margins are expected to lead to difficulty in accessing the necessary financial resources available to sustain long-term investments. This in turn is expected to have consequences for the capability of the sector to improve or even sustain its offer, and to cater to new groups – especially those from more affluent tourists both from within and outside the EU.

Cruise destinations face hurdles in generating and capturing value

Cruise tourism can be economically quite valuable for a port and surrounding region. Despite the fact that cruise liners try to capture as much of the passenger expenditure as they can, the average passenger still spends around €62 at a port of call⁶⁶.

The first challenge to create economic value locally is the need for passengers to have the opportunity to spend. The local tourism and hospitality sector has to offer these opportunities. Creating an attractive area at or near the cruise terminal with shops, bars and restaurant will increase the average passenger expenditure in the local economy. Many European cruise ports are located in or near cities that already offer these facilities as part of their service sector to tourists and inhabitants, but for cruise terminals in small cities creating spending opportunities can make a difference.

⁶⁶ ECC(2012), The cruise Industry 2012 Edition.

Irrespective of the tourism infrastructure in cruise destinations, getting passengers on-shore becomes increasingly challenging as cruise ships increasingly become attractive destinations themselves. The on-board activity opportunities nowadays often include climbing walls, indoor surfing machines, spas etcetera, reducing the come- ashore rate in ports.

A second challenge lies in the incentives for the cruise industry to capture the spending of tourists not only on-board but also when on-shore. Notably, cruise companies have an interest to sell tours to their passengers, often with high profit margins. It is not unusual that passengers pay € 150 to 200 for a day tour at a destination, which could easily be 3 or 4 times as much as the cost would have been if they would have arranged it themselves. Of course, the cruise companies arrange these tours with local tour operators, but margins appear to largely stay with the cruise companies.

The opportunity to sell tours to passengers at a certain destination can influence the attractiveness of that destination to cruise companies. This is influenced by 3 aspects:

1. The distance from the terminal to the major attractions. In Egypt for instance, many cruise ships call at Alexandria, but most of the passengers will want to see the pyramids in Gizeh at some 200 kilometres away.
2. How safe is a destination perceived to be by passengers? The less safe a destination is in the perception of the passengers, the higher the chance that they will book a tour. Particularly Americans tend to be preoccupied with safety.
3. How easy can passengers make their own arrangements? In some ports this is fairly easy, but certainly not in all.

Box 3.9. Malta as a safe and easy cruise destination

Malta as a cruise destination is perceived to be safe by passengers. Moreover, making own arrangements is relatively easy and one of the major local attractions, the city of Valletta, is right next to the cruise terminal. This means passengers are inclined to make their own arrangements instead of booking tours with their cruise companies. While this is good news for Malta, as it offers an opportunity to create economic value out of cruise tourism, it limits the opportunity for cruise companies to generate additional revenues from tours, making Malta less attractive to them.

Before the Arab Spring, destinations in countries such as Tunisia and Egypt had the opposite effect: passengers considered these destinations to be less safe where making own arrangements for day tours would be a hassle. This made such destinations attractive for the cruise industry – and will make it again once peace has been restored.

Box 3.10. Limited cooperation amongst cruise and coastal tourism in the Baltics

Of the 72 mln arrivals in total in all NUTS1-regions with access to the Baltic Sea. 4 mln are cruise passengers. Unfortunately no data is publicly available on the nationalities of cruise passengers, but two assumptions can be made. On the one hand, all cruise passengers visit several countries, so all of them are international visitors. On the other, most of the cruises with German home-ports target a German speaking market, whilst cruises with home port Copenhagen (main home port outside Germany) and others tend to target and attract international markets.

Still, not much value-added leaks to coastal tourism in ports-of-call, as the available time for spending during land excursions is limited, if compared to the time spent in home ports (on average an expenditure of 80 €/ passenger in ports-of-call vs. 600€/passenger in home ports is reported). Also, land excursions in the Black Sea Regions usually concentrate on cities (e.g. Excursions in the BSR by AIDA Cruises). Little value-added possibilities around home-ports are also available through follow-up holidays at the coast, as

tourists tend to focus on the cruise experience rather than the broader visit to in-land locations.

Finally, no known cooperation between cruise companies and coastal tourism enterprises is being promoted across actors active in the Baltic Sea. And at the current status it seems there are quite limited possibilities for cruise companies to promote different routes in the Baltic Sea Region. For this reason the EU BSR Strategy is running a Flagship Project - Facilitate sustainable land excursions of cruise ship operators in the Baltic Sea together with AIDA Cruises

Sources:

- Bastis Tourism⁶⁷, based on Eurostat data and CruiseBaltic data (2011).
- European Cruise Council, Global Cruise Market (2012, p. 6).
- Great Trips Ahead, AIDA Brochure (2013).
- Cruise Baltic brochure (2013)⁶⁸.
- Baltic Sea Strategy tourism (2010)⁶⁹.

Limited capability to capture non-EU demand

Non-EU visitor potentials appear to be largely remaining un-captured so far⁷⁰, with lower performance in coastal than cultural city tourism (where EU demand and non-EU demand is higher). In a context of increasing demand volatility and reduced spending of local and EU tourists, the need to build attractiveness towards non-EU visitors is becoming increasingly important.

Box 3.11. Difference in attraction of EU and non-EU visitors (coastal vs. city tourism)

Italy is a country surely benefitting from culture and city tourism, but also with potentially appealing coastal landscape and maritime facilities. Still, those foreign visitors and particularly non-EU tourists seem to mainly ignore coastal tourism in favour of city/cultural visits. As a consequence, the coastal and maritime tourism sector in the peninsula cannot capture a potentially significant additional potential demand, and fail to gain from their (high) spending capacity.

Table 3.2. Comparison in the distribution of origin for visits of coast and cities in Italy

Origin of tourists	Coastal tourism %	Cities tourism %
Italians	67.5	42.3
Other Europeans	27.8	46.8
Non-Europeans	4.7	10.9
TOTAL	100	100

Source: Analysis of Products, National Tourism Observatory (2011)⁷¹.

Box 3.12. Chinese visiting some globally renowned coastal cities

Attraction of Chinese visitors is a success case in the Cote d'Azur - particularly Nice – where Chinese are becoming an increasingly relevant segment of a highly diversified demand. The Chinese market (including visitors from the People's Republic of China, Hong Kong and Taiwan) is reportedly representing a strong potential with an annual amount of 65,000 visits in about 35,000 hotels, well-distributed throughout the year. The visits have been rapidly increasing since the year 2000 reaching an exceptional peak in 2006, decreasing in the period 2007-2008 and now growing again. Still, the market represent about 5% of total Chinese visiting France, with the majority of visitors stopping in Paris - and not demonstrating much

⁶⁷ www.bastis-tourism.info.

⁶⁸ [Cruise Baltic - One Sea, oceans of adventure.](#)

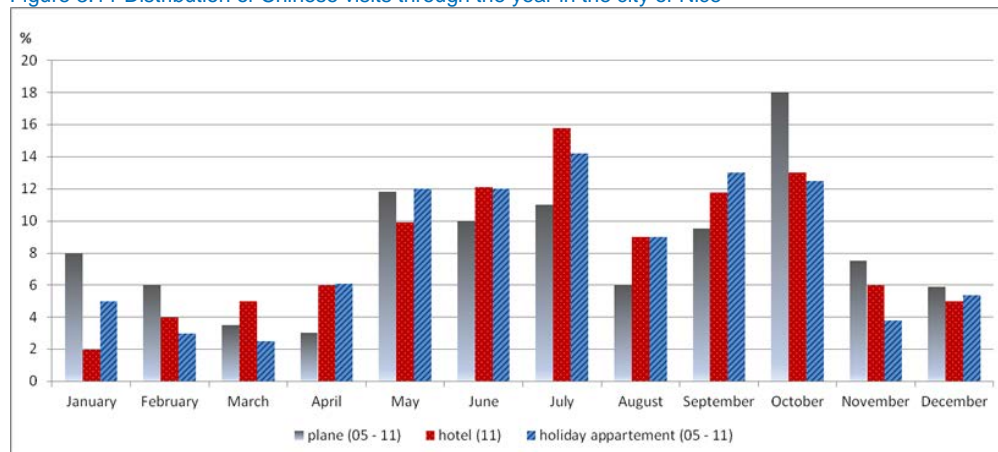
⁶⁹ [Flagship Project - Facilitate sustainable land excursions of cruise ship operators in the Baltic Sea.](#)

⁷⁰ Apart from locations working on targeted marketing strategies or benefitting from renowned brands, as illustrated later on.

⁷¹ <http://www.ontit.it/>.

interested in coastal regions or coastal cities.

Figure 3.11 Distribution of Chinese visits through the year in the city of Nice



Source: Chinese Visits, Cote d'Azur Tourism Observatory (2012)⁷².

Non-EU demand can further increase volatility

Some EU coastal destinations face a high dependence on few large tour operators to attract non-EU demand. This leads to unpredictability of such market operators and their possible exposure to the global crisis and even bankruptcy, as some cases in the South-East Mediterranean and the Black Sea suggest. This situation is particularly critical for those heavily depending on non-EU visitors and specific tourist origins – which can lead to a lack of diversification possibilities.

Box 3.13. Increasing dependence of non-EU visitors in Black Sea and South-Eastern Mediterranean locations

The tourism sector of a number of EU-MS is increasingly dependent on tourism and the share of Russian tourists is expanding constantly the last years. For Greece, Cyprus, Bulgaria and even Estonia; Russian tourists are becoming an important and vigorous market segment. This offers good news, but also risks related to high dependency.

For example, the Bulgarian government took measures to safeguard smooth holidays for foreign tourists after the Bulgarian VIP Tours (BVT) went bankrupt on August 2012. BVT filed for insolvency leaving 1000 tourist (half of whom Russian) stranded. The BVT could not recover from the bankruptcy of the major Russian tour operator Capital Tour, owing a debt of 2M to the firm.

It is too early still to assess the impact of the Cyprus financial crisis – as well as the EU rescue package – on the willingness of Russians to visit this island in the near future.

Sources: Local Newspapers Articles^{73 74 75}.

There is a concrete risk that a limited or poor diversification of demand and extreme reliance on increasingly low spending local demand, as well as on volatile international demand only, is lowering the sustainability of the sector. Particularly, the practice exposes the sector across the EU to limited profitability on the one end and great vulnerability on the other, and a risky downturn spiral rooted in price competition as the only strategy to survive.

⁷² <http://www.cotedazur-touriscope.com/pdf/fiches/37/normal.pdf>.

⁷³ http://www.novinite.com/view_news.php?id=142543.

⁷⁴ <http://www.tmbulgaria.com/en/articles/Russian-tourist-get-the-leading-role-in-Bulgarian-tourist-market/3143/index.html>.

⁷⁵ <http://www.tmbulgaria.com/en/articles/Russian-tourists-in-Bulgaria-increase-22-percent/3332/index.html>.

Mass tourism business model in crisis

One of the main challenges for the sector is the saturation of the traditional model of “sun & beach” mass tourism, the “mainstream tourism strategy, [which] historically offered emerging destinations the opportunity to develop tourism flows, [but in such a way] that a significant portion of the value added from tourism is ‘leaked’ out of the destination”⁷⁶. Anecdotal evidence suggests that the economic sustainability of this model is currently under severe pressure, as the short-term gains in terms of number of visits – often based on relatively low spending and short staying – are often smaller than the long-term costs in terms of high congestion and construction patterns which affects local environment and landscapes.

More recently, some efforts have been put by coastal destination to diversifying their offer to achieve a better distribution of visits through time, higher-spending visitors and longer duration of visits. If properly implemented, such strategies are proved successful, although these examples are rather limited and their success is not well shared across different destinations. Also the achieved diversification might still pose issues in terms of environmental sustainability in the long term – an aspect which will be discussed later in this chapter.

Box 3.14. Are in-land destinations becoming more attractive than the coasts? – the case of Marbella

Marbella has a long tradition as coastal touristic location in the province of Málaga (Andalusia), one of the most popular tourism destinations in Spain. It combines kilometres of blue flag beaches with a rich cultural heritage. It received an influx of 21.8 mln. tourists in 2011, which means an increase of a 2.3% compared to the previous year. Tourists generated a total income of € 15.5 mln., having experienced an increase of 1.1% compared to 2010. A total of 60,9% of the tourists came from Spain and 39,1% were foreigners (71,8% from the UE, mainly the United Kingdom and Germany). For 84% of the cases the trips were organised individually, with only 16% of tourists using intermediaries (trip agencies, tour operators). Internet is the main source of information (67,6% of the foreign and 52% of national tourists). The presence of travel agencies or tour operators is therefore not so significant in this destination.

The coastal tourism in Andalusia and Málaga is strongly concentrated in the peak seasons (especially the third quarter of the year). This phenomenon is even more intense for national visitors compared to foreigners. The main reasons to choose Andalusia as holiday destination are the good climate, visiting monuments and the beaches (altogether accounting for 75%). A minority (17%) of the about 4 mln tourists visiting Malaga remain in that part of Andalusia.

On the contrary, inland tourism is reportedly more stable both in terms of visitors' influx all along the year, as well as in terms of a higher spending per day by tourist (a total of 69 Euros - 9 Euros higher than spending in coastal tourism). The motivations for this kind of tourism to choose Andalusia's inland as a holiday destination are visiting cultural monuments (38%), nature and rural tourism (17%) and the favourable weather conditions (16%).

Sources:

- Statistics and Cartography Institute of Andalusia (Survey on tourism situation).
- Andalusia Regional Government (Junta de Andalucía). Report on the behaviour of Tourism in 2011. Coastal tourism and inland tourism reports 2011 (Junta de Andalucía).
- Report on Golf tourism 2011 (Junta de Andalucía).

⁷⁶ Framework for development of sustainable tourism in Northern and Central Montenegro, UNDP, 2004 - as reported in “Trends and skill needs in tourism”, CEDEFOP, 2005.

Fragmentation and lack of cooperation hinder unlocking of potential

Maritime and coastal tourism is a particularly complex and fragmented sector, as emerges from available sources. Lack of synergies amongst sub-sectors (e.g. cruise and coastal tourism) is emerging in many cases across the EU Sea-basins, resulting in limited economic spill-over effects amongst cruise and coastal tourism. Particularly the cruise sector seems mainly interested in limited and controlled visits, mainly in well-known port-cities, whilst the broader coastal regions are not necessarily benefit from cruise tourism.

Box 3.15. Cruise passengers visiting coastal location spend on average less than other visitors

While more cruise ships are visiting the fjords of Western Norway, it appears cruise passengers only spend a fraction of what other tourists spend, which could be a scenario replicated all over the world. While the overall number of visitors to Western Norway has declined slightly, cruise ship visitors are still relevant. And yet an average camping tourist spends twice as much as the average cruise ship passenger according to a study by the University of Bergen's Department of Psychosocial Science's Professor Svein Larsen. Professor Larsen, a pioneer in studies into how much revenue cruise tourism actually contributes to local economies visited by cruise ships, conducted a comprehensive survey of tourism in Western Norway and recently published his results in the article "Belly full, purse closed", in the journal *Tourism Management Perspectives*.

Over the last three years, Professor Larsen has spent his summers interviewing more than 8,000 tourists, of which 1,300 were cruise ship passengers, with results showing how cruise passengers' average spending is the lowest of all types of tourists.

His research shows that the average cruise tourist on average spends about NOK 300 (€ 40) a day onshore and between twenty and forty percent don't even leave the ship. In addition, half of those who leave the ship spend less than NOK 250 (€ 34), whilst in comparison the average camping or hostel tourist spends twice this amount.

Source: Travel Blackboard (May 2013)⁷⁷.

Cooperation amongst businesses and local institutions seems to be limited particularly in remote areas and where different Member States are involved in the same Sea-basins. Available anecdotal evidence suggests a structural lack of cooperation, due to competition between neighbouring locations rather than virtuous collaboration, which is blocking innovation in the sector and prevents them from more successful competition with other EU Sea-basins.

Box 3.16. Lack of cooperation limits the potential to attract greater visitors and resources

The analysis and overview of the organisation of tourism in the different Member States across the Baltic Sea Region suggests that almost no transnational cooperation exists in the Baltic Sea Region countries. Except for international promotion activities, all aspects on tourism in these countries are governed nationally and the potentials for a greater international cooperation between Baltic Sea Region countries appear to be sporadic and difficult.

Limited cooperation and too much internal competition amongst EU countries and regions seem to hinder the global competitiveness of the EU sector as a whole. Knowing that tourism is an international industry and that many other countries outside the Baltic Sea Region have successfully managed to cooperate, this creates a challenge for the progress of tourism in the region. Hence, in order for Baltic Sea Region tourism to really be successful, it is increasingly argued that transnational cooperation must be strengthened and that the concept Baltic Sea Region Tourism will have a higher priority among all involved countries.

⁷⁷ <http://www.etravelblackboard.com/article/142764/cruise-passengers-spend-the-least-of-all-visitors>.

As a result, some experimental – and isolated – examples of cooperation are now promoted in the Baltic Sea Region, such as the so-called ‘pearls-on-a-string’ cruise concept (CruiseBaltic). The most important part of this successful concept is the very strong orientation towards an international understanding of tourism potentials, quite unusual for a national-based financing initiative.

Source: Strategy and Framework for Cultural and Nature Tourism in the Baltic Sea, AGORA (2012)⁷⁸.

Fragmentation is also striking in the limited cooperation between cruise destinations. Obviously, cruise terminals as destination compete with one another, but only to some extent. Ideally, the distance between two consecutive ports of call on an itinerary can be covered within one night. With the current pressure on bunkering prices, cruise companies are interested in slow steaming which reduces the distance that can be covered in one night. Generally speaking, the ideal distance between consecutive ports in an itinerary is 200-400 km. This means that ports that are located at this distance from one another are complementary, whereas ports located close to one another are competing.

Competition is not dictated by distance alone, some ports have strong advantages. Most important are the major attractions that can be reached through them. Civitavecchia would probably not have been such a large cruise port if it were not the nearest port to Rome. Another attraction can be the tax free status of a port. It is attractive for cruise itineraries to have at least one tax free port included in their journey. A typical example is Gibraltar, which sees quite a high number of cruise passengers partly because of its attractiveness as a tax free shopping paradise. In the Baltic Sea, Marienhamn (Oland, a Finnish island also with special tax status) is a frequent destination on trips from Helsinki to Stockholm.

Fragmented and limited EU-level data hinder the thoroughness of analysis

Building on the definition challenges as outlined in Chapter 1, the measurement of maritime and coastal tourism is seriously hampered by the available data. Data tend to be throughout inconsistent in their definitions and incomplete on substance. The basis for our work is the Eurostat database⁷⁹ to provide the highest level of comparability where possible. In case of necessity we use other data sources, which usually face very similar challenges in addition to the problem of comparability between the sources. According to the Eurostat definition “Coastal regions are statistical regions defined at NUTS level 3 with a coastline or with more than half of their population living less than 50 km from the sea”⁸⁰. Even though this definition is clear, however, when using maritime and coastal data one is facing various challenges as the following.

Box 3.17. Data difficulties when monitoring and assessing maritime and coastal areas

The delineation of NUTS regions is not consistent over time. For some areas it recently changed, which complicates the comparison over time. When searching for coastal relevant tourism data, the highest level of preciseness which can be found in most areas is NUTS2 (e.g. nights spent) or NUTS3. This includes cities like London or Rome, which can due to their importance and size bias the results of any analysis. This problem will be partially solved by a more precise definition of coastal areas including data collection on this level recently launched by Eurostat. Nevertheless, also the planned collection of data for this more precise definition is limited. In case there is only data available on a Member State level available, it needs to be broken down using certain assumptions. This approach helps to make data comparable but can of course be questioned.

⁷⁸ http://www.bastis-tourism.info/images/a/a6/CBS_Publication3.pdf.

⁷⁹ http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database.

⁸⁰ http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Coastal_region_statistics.

For categories where there has been data collected, not all regions provided data. Huge data gaps can occur and need to be filled using certain assumptions to limit the bias from missing data. There is no separate NACE category for tourism. This makes it more difficult to define the characteristics of this sector. The tourism sector will be mainly covered by the category 'wholesale and retail trade, transport, accommodation and food service activities'. When data is provided in euro, inflation and exchange rate changes have to be considered in the analysis. When distinguishing between sea-basins it is not obvious which share of data on regions/countries which are alongside more than one sea-basin belongs to which sea-basin.

Source: Ecorys conclusions drawn on Eurostat database (2012).

The change in the definition of coastal areas and the launching of new data collection for this new definition by Eurostat shows the difficulty of monitoring and understanding the aggregated market. This limited data available so far limits as a consequence the response capacity of EU policy to local needs and creates therefore difficulties in providing tailor-made actions for a European key economic sector. A way to partially overcome temporarily this problem is the use of regional data as an indication of challenges and trends in the whole sector, which has been applied in this report. Still, this approach poses some challenges in terms of comparability of data sources, time periods and indicators used (e.g. for the various segments within coastal and maritime tourism), therefore the data presented are intended as exemplificative of a problem but cannot be compared or aggregated as such. As a consequence a comprehensive and consistent review of trends across EU Member States and coastal and maritime sectors cannot be provided on the basis of the currently available data. In this report, case studies and examples are used to address problems and issues for which no consistent or sufficiently detailed sources were found.

3.3 Enduring problems in accessibility and visibility

Limited connectivity especially of islands

Islands and other remote locations are much dependent on ferry and boat connections. As maritime and coastal tourism is very seasonal in nature (see for example Box 3.3), transport services tend to be seasonal as well, which leads to a 'chicken-egg' situation: tourism operators have to close their business once transport services cease, with further reduction in transport demand as a consequence, with yet further reduced services. The effects of the economic and financial crisis can aggravate this situation: less passengers reduces the income level of ferry companies, which calls for a reduction of services.

Also in case of islands and remote locations, transport costs are often higher and create a structural cost handicap for local communities and local businesses. The dependence on ferry and boat services is high, and ability of users to decide over these services can be limited. Again, the economic and financial crisis puts additional burdens on transport operators to review transport schemes, prices as well as service levels and timetables.

Box 3.18. Concerns over changes in island transport schemes in Scotland

The Road Equivalent Tariff (RET) scheme involves setting ferry fares on the basis of the cost of travelling an equivalent distance by road. RET was piloted in the Western Isles, Coll and Tiree from October 2008 (the latter two islands being in Argyll and Bute) and following the successful pilot will now be rolled out across the ferry network with a view to introducing a more consistent fares structure. The Scottish Ferries Plan 2013-2022 sets out a commitment to: i) Continue RET as a permanent feature on the Western Isles,

Coll and Tiree for passengers and cars, including small commercial vehicles and coaches; ii) Replace RET for larger commercial vehicles on the Western Isles, Coll and Tiree, with an enhanced pre-RET discount scheme; iii) Roll out a further RET pilot for passenger and cars including small commercial vehicles and coaches to Colonsay, Islay and Gigha from October 2012; iv) Roll out a further RET pilot for passenger and cars including small commercial vehicles and coaches to Arran from October 2014; v) Roll out RET to other West Coast and Clyde islands within the term of this Parliament.

Concerns have been raised by businesses, haulage firms and local communities regarding the impact of replacing RET for commercial vehicles with an enhanced pre-RET discount scheme. MVA Consultancy have been commissioned to undertake an impact study on behalf of Transport Scotland and this study is due to be published shortly. There was a general consensus that RET enabled hauliers to absorb price rises such as fuel, insurance, staff costs - however, increased costs will now be passed on to local businesses and island communities. This is particularly damaging for island communities as many businesses rely on haulage for both import and export of goods and the costs associated make them uncompetitive with mainland businesses.

Source: Interviews.

Lack of integrated transport modal means limited accessibility of foreign demand

A further aspect of fragmentation, which is expected to be a limitation for the sector's growth, is the limited inter-modal shift between transport hubs (i.e. airports, train stations, ports) which is hindering access potentials for tourism visits to coastal regions in several Sea-basins. We present here some example from the Baltic Sea, but it also appears to be a relevant problem for coastal and maritime tourism in the Black Sea, as well as for some remote coastal regions in the Mediterranean.

Box 3.19. Poor modal shift limits accessibility of foreign tourist to coastal regions

Greek Islands are facing problems regarding inter-modal connectivity, particularly limiting accessibility during the pre-season schedule of electing the Sporades (Skiathos, Skopelos, Alonissos) and Volos airport. Recent research shows that all visitors using a return flight from any destination to Volos will have to stay in Volos for one night, either inbound or outbound. Average "waiting time" reported is about 16 hours and can be up to 23 hours in some cases, posing serious limits to accessibility of Greek islands for potential visitors throughout the year. (Source: EUCC/QualityCoast research, Greece⁸¹)

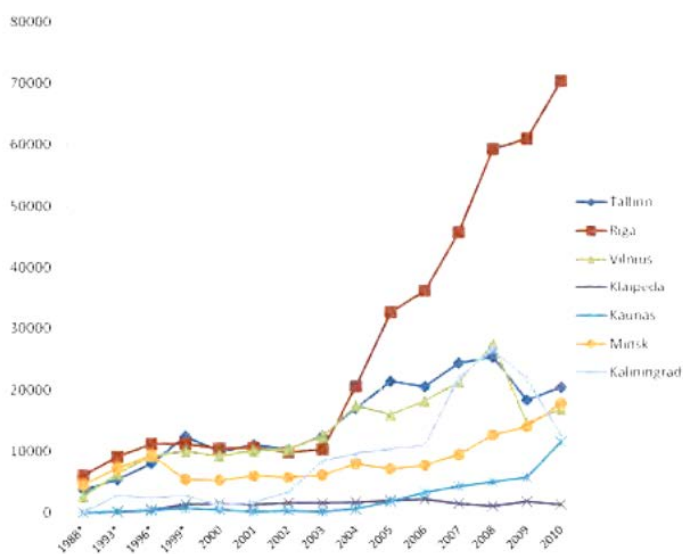
The traditionally limited tourism intensity (if measured in terms of beds per km²) along the Baltic Sea (especially in Poland, the Baltic States, northern Finland and Sweden) implied limited infrastructures aimed at facilitating the access of tourists to the coastlines. The car is dominant as a means of transport in coastal tourism in the BSR (Source: Flash Eurobarometer). The improvement or development of attractive public transport and modal split from in-land city-hubs to the coastline is absolutely necessary. Especially for international guests it opens up a wide range of mobility options besides renting a car. Transfer points with allocating functions like airports, ferry ports and train stations take a major role in this context. The graph shows the dynamic growth of air traffic into the region, although so far city tourism is mainly profiting by this development and not coastal and maritime tourism.

The growing importance of budget air-travel is a challenge for the existing and future railroad networks. Budget air-fares pose problems of competitiveness for the railway routes, as international train connections are not yet able to compete with airplanes, both in terms of travel price and duration. Still sustainable mobility and access into coastal areas would require safer and more enjoyable access to coastal destinations through sustainable, appropriate, integrated EU transportation systems. Still challenges

⁸¹ <http://www.qualitycoast.info/>.

remain, both when it comes to decision makers in political and administrative bodies responsible for the planning and design of access and transportation systems, as well as for tour operators and the travelling public which are currently lacking incentives to further promote soft mobility choices to their clients.

Figure 3.12. Trends in accessing through air transport in the Baltic Sea Region



Source: Jan Henrik Nilsson, Dept. of Service Management, Lund University, Sweden: Aeromobility and regional tourism dynamics. Paper presented at the 4th Nordic Geographers Meeting, Roskilde 2011.

Sources:

- Aero-mobility and regional tourism dynamics, 4th Nordic Geographers Meeting, Roskilde (2011).
- Challenges and solutions for sustainable transport to and within protected areas, Baltic Region (2007-2013)⁸².
- Eurostat Regional Yearbook (2007).

Larger size of cruise ships limits accessibility of ports

The largest cruise ships now in operation are the two Oasis class ships operated by Royal Caribbean International. These ships have a capacity of 5412 passengers at double occupancy of the state rooms (and a maximum of 6296 passengers in total). Besides their passengers, these ships carry 2384 crew members. The length of these ships is 362m, their beam 47m (at the water line) and their draft 9.3m. The Oasis of the Sea class ships mainly operates in the Caribbean, but the largest ships operating on the European market are not much smaller. The MSC Fantasia class consists of 4 ships, of which 2 versions exist; the largest with marginally larger dimensions than the smallest. The largest version of the MSC Fantasia class has a length of 333m, a beam of 38m and a draft of 8.5m. With 1751 state rooms, she can carry 3502 passengers at double occupancy. Crew numbers are around 1500.

Across Europe, many cruise ports face limitations in ship dimensions, even the larger cruise ports. Table 3.3 below gives an indication of the ships size limitations in major European cruise ports. Note that the top 25 cruise ships worldwide have LOAs of 315 and over, beams ranging from 37 to 65m and drafts of up to 9.3m.

Table 3.3 Cruise ship dimension limitations in major European cruise ports

	Max LOA (m)	Max draft (m)	Max beam (m)
Baltic			
Copenhagen	-	9.7	-

⁸² <http://www.europarc.org/uploaded/documents/1255.pdf>.

	Max LOA (m)	Max draft (m)	Max beam (m)
Helsinki	-	9.6	-
Oslo	345	10.8	-
Riga	300	10.3	40
St Petersburg	±310	n.a.	-
Stockholm	292	11.0	32.3
Tallinn	300+	10.0	40
Mediterranean			
Barcelona	-	12.0	-
Civitavecchia	-	-	-
Dubrovnik	-	11.0	-
Genoa	-	10.5	-
Gibraltar	-	9.6	-
Lisbon	400	10.0	-
Malaga	-	17.0	-
Marseille	-	14.5	-
Naples	388	11.6	40
Palermo	-	12.0	-
Piraeus	395	11.0	-
Valencia	600	16.0	-
Valletta	333	13.7	38
Venice	340	8.7	-
North Sea & Atlantic			
Amsterdam	350	10.0	-
Bergen	-	14.0	-
Dover	342	10.5	-
Edinburgh	210	9.5	30
Flåm	-	-	-
Le Havre	-	-	-
Nordkapp	278	11.0	-
Tilbury	200	10.2	-

Sources: Medcruise 2012/2013 yearbook, Cruise Baltic port information⁸³.

From the overview it becomes clear that limitations are mostly affecting ports in the Baltic and North Sea & Atlantic basins, more so than in the Mediterranean. One of the reasons for this division might be that the Mediterranean is by far the largest cruise market in Europe, which would logically also see the largest ships employed in Europe. With the growth in average ship size in the last decade, many cruise ports have already invested in the facilities needed to receive these large cruise ships. As such, volatility of demand from cruise companies may endanger returns on investments already made.

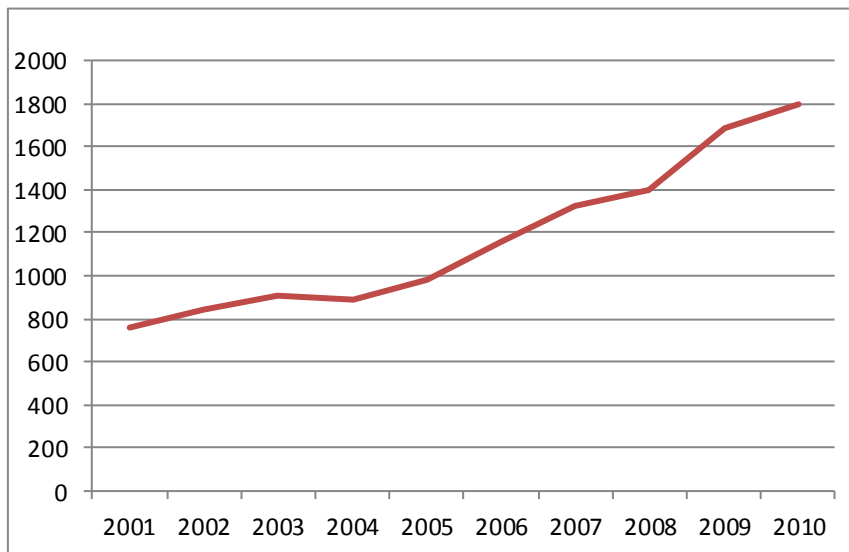
Box 3.20: Average growth of cruise ship size in Malta

The average cruise ship has increased in size enormously in the past decade. The figure below shows the development of the average number of passengers per cruise call in the Grand Harbour of Valletta, Malta, from 2001 to 2010. The figure clearly illustrates the increase in average cruise ship size, with the average number of passengers growing from 760 in 2001 to 1799 in 2010. The average ship size increase is also

⁸³ www.cruiseurope.com.

shown by the number of calls, which went down from 360 in 2001 to 273 in 2010, whereas the number of passengers grew from 274,000 in 2001 to 491,000 in 2010.

Figure 3.13: average number of passengers per cruise call in the Grand Harbour in Malta (2001-2010)



Source: derived from Transport Malta port statistics.

The cruise ship size increase has put pressure on the cruise infrastructure in Malta. The existing cruise terminal at Pinto Wharves has one berth where cruise ships of over 250m in size can berth. However, in 2009 already, 50% of the cruise calls concerned vessels of over 250m in length. In practice, this regularly means that cruise ships have to moor at cargo terminals, sometimes located at the opposite side of the port (opposite from the cruise terminal and the city of Valletta). This results in an unwanted mix of passengers and cargo operations and in additional costs on tender boats or buses to move passengers from the berth to Valletta.

In terms of port access, the largest cruise ships are scratching the limits too. The main limitations are LOA and beam, as ships entering the Grand Harbour have to be able to make the turn around the breakwater at the port entrance. The local cruise terminal operator offers port entry simulations so that cruise companies and their captains can test accessing the Grand Harbour with large ships, hoping this takes away doubts of including Malta as a port of call for their ships.

Limited land-side accessibility

The growth of the cruise market and the increase of the size of ships lead to increased pressure on cruise port capacity, particularly on the popular 'must see' destinations. The number of passengers per annum increases and the peaks of passengers arriving in the port at the same time increase too. In some ports, passenger satisfaction is already at stake.

Limitations do not only exist at the seaside of cruise terminals, but also at the landside. These may be related to two major causes, or a combination of the two: 1) the fact that space at or around the terminal is limited and 2) the fact that cruise ship arrivals result in peaks of several thousands of passengers at a time.

Limited space around the terminal calls for well-planned traffic circulation. In the port of Rotterdam, by no means a large cruise port, the cruise terminal is located at a peninsular quarter. It is used for home porting operations by the Holland America Line. When a vessel calls, traffic circulation in the entire peninsular quarter is regulated – ensuring that the major roads stay open. Traffic from residents and visitors of the local cinemas and restaurants is separated from traffic generated by

the cruise ship. Only taxis and buses can pull up in front of the terminal, passenger-pick up is directed to separate parking areas.

Arranging transport for a few thousand passengers can be quite a challenge. Imagine a cruise ship with 3000 passengers and assume half of these will want to make a tour. That means some 30 buses (assuming 50 people per bus) are needed, which requires quite some space. At terminals with limited space the solution often is to create a waiting area elsewhere and calling buses to the terminal batch by batch.

Hurdles for less mobile tourists and cruise passengers

Even though the average cruise passenger is getting younger, the majority of cruise passengers still consists of elderly people, for whom cruising is a good option to travel when they see themselves confronted with mobility restrictions. This increases the need for good transport facilities. In many cities, hop on/hop off buses include stops at the cruise terminal offering cruise passengers easy access to the city's major attractions. In some ports onward transport to the major attraction is a must, as the major attraction is not near to the sea. Some cruise companies will arrange for complementary shuttle services from port to town, as is done for instance in Copenhagen.

Box 3.21. Limited accessibility in transport means in Civitavecchia

From Civitavecchia port, most passengers wanting to travel to Rome have the option of taking a train, which will take them to the city centre in about one hour and twenty minutes. However, the railway station is at about half a kilometre away from the cruise terminal gates. Adding the distance from ship to terminal gate may easily lead to a walking distance of 1 kilometre or slightly more, which for a good share of the passengers is too much. These passengers will usually book a tour so they can be picked up in front of the ship and get themselves transported fairly close to the touristic sights.

Source: Interviews

Limited visibility neutralises potential appeal to foreign and non-EU visitors

Marketing strategies to attract foreign visitors are limited and often non-EU tourists visiting the coasts tend to do so because of direct suggestions of friends and acquaintances, rather than by accessing official marketing information through websites as nationals and EU visitors do. Anecdotal evidence available at the Member States level suggests limited marketing activities for coastal tourism if compared to other touristic destinations.

Box 3.22. Information sources accessed and visibility vary amongst visitors and destinations

Evidence suggests that, when it comes to both city and cultural tourism, EU and Non-EU foreign visitors are relying on different sources of information to make their holiday choice. For example, non-EU potentials are largely remaining uncaptured in Italy, a Member state surely renowned by culture and city tourism, but also with potentially appealing coastal landscape. In fact official sources of information, such as Internet websites, are used as the main source to orientate their decision for visits in Italy. On the contrary coastal visits are mainly based on recommendations of friends and acquaintances, suggesting that greater access could be insured with greater visibility and a more accurate and proper marketing strategy.

Table 3.4. Different sources used by EU and non-EU visitors for tourism information in Italy (multiple options are possible)

Coastal Tourism		Italians %	Foreigners %			Total %
			Europeans	Non-Europeans	Total	
Recommended by friends/family		35.1	31.2	30.1	31.1	33.8
Internet		27.0	43.6	24.4	40.9	31.5
	Information online	19.4	31.2	12.9	28.6	22.4
	Offer online	8.5	17.4	12.4	16.7	11.1
	Social network	1.9	2.0	0.7	1.8	1.9
Already been there/personal experience		33.9	15.4	36.6	18.4	28.9

City Tourism		Italians %	Foreigners %			Total %
			Europeans	Non-Europeans	Total	
Internet		27.4	43.0	48.3	44.0	37.0
	Information online	18.6	28.9	31.6	29.4	24.9
	Offer online	10.8	17.0	22.9	18.1	15.0
	Social network	3.5	5.2	7.0	5.5	4.7
Recommended by friends/family		28.9	35.1	40.8	36.1	33.1

Cultural Tourism		Italians %	Foreigners %			Total %
			Europeans	Non-Europeans	Total	
Internet		19.7	42.5	48.8	43.7	33.5
	Information online	12.7	26.7	30.3	27.3	21.2
	Offer online	7.8	19.7	21.1	20	14.8
	Social network	2.3	5.1	8.3	5.7	4.3
Recommended by friends/family		28.9	33.1	44.2	35.2	32.5

Source: Analysis of Products, National Tourism Observatory (2011)⁸⁴.

On the other hand, some successful experiences in product diversification already in place seem to lack an adequate promotion and visibility strategy so to attract non-EU visitors. This is clearly a problem as a balanced mix of products and targets diversification can surely help in balancing the current problems of seasonality and the difficulty in relying only on the local broad-base of low-income visitors for coastal and maritime destinations.

Some anecdotal evidence existing at the local level seems to suggest that the difficulty for coastal regions in promoting better and broader tourism marketing for the coastal and maritime sector, partially lies in the enduring heritage of historical models based on local and national visitors. And a structural lack of forward-looking and globally appealing operators, both locally and internationally, which could jointly work with local operators to promote a diversified, and yet coherent and appealing view of coastal tourism offer for non-EU visitors.

⁸⁴ <http://www.ontit.it/>.

Box 3.23. Marketing structure and distribution mostly focused on internal (national) demand

Although the share of international tourists on average in the Baltics is relatively high (between 60% and 67% 2011), the scenario changes if we break down such statistics at the Member State level. International tourists only make up 20% to 35% in Germany, Poland and the Scandinavian countries. This is called to be a consequence of existing marketing and distribution channels and structures often only aiming at the national market. For example, this is the case for the Rügen regions, one of Germany's tourism hotspots, which has an official website only available in German. No big tour operators are actively promoting the Baltic Sea coast outside the Baltic Sea Regions (BSR), whilst BSR-wide tourism organisations (e.g. the Baltic Tourism Commission) do not seem to have enough marketing power to do so independently. As a consequence, coastal regions in the Baltics are struggling to compete with other global tourism destinations.

Sources: Bastis Tourism based on Eurostat data (2012)⁸⁵.

3.4 Current business models are posing growing environmental and social concerns

The “sun and beach” mass-tourism model externalises increasing pressures on the environment

Some consensus emerges on the high pressure on environment of current mainstream models of summer mass-tourism. Peaks of high fresh water consumption, waste production and need for infrastructural access and accommodation stress the capacity of local infrastructures and ultimately results in negative impacts on the environment. Whilst, as some sources suggests, “to meet the requirements of these companies, infrastructure typically grows at a speculative pace to accommodate projected rapid growth in visitation, putting pressure on the social fabric and ecosystems of the destination due to often overburdened planning and regulatory mechanisms. The result is tourism infrastructure ‘sprawl’ that scars the environment”⁸⁶. Anecdotal evidence available at the local level seems to confer such problem. The problem is particularly significant for coastal destinations as they typically experience a steep growth in visits in peak seasons (from few hundreds inhabitants in the low season up to several thousands during peak periods), where in other tourism destinations (e.g. cities) the ratio of visitors over inhabitants are not that disproportionate and the consequent impact is reduced.

Box 3.24. Seasonal peaks put extreme pressure on local infrastructures and the environment

With 4 mln of tourist arrivals each year and about 100,000 jobs connected to tourism activities, the region of Emilia Romagna in the Adriatic Sea is one of the most important touristic regions in Italy. The high number of tourist arrivals, as well as the increase of transport possibilities to diverse destinations in the region, has caused pressures on the environment, particularly in coastal areas. The coast of the Emilia Romagna Region is an example of a coastal zone with a series of erosive problems, accentuated by its long-term strong urbanisation.

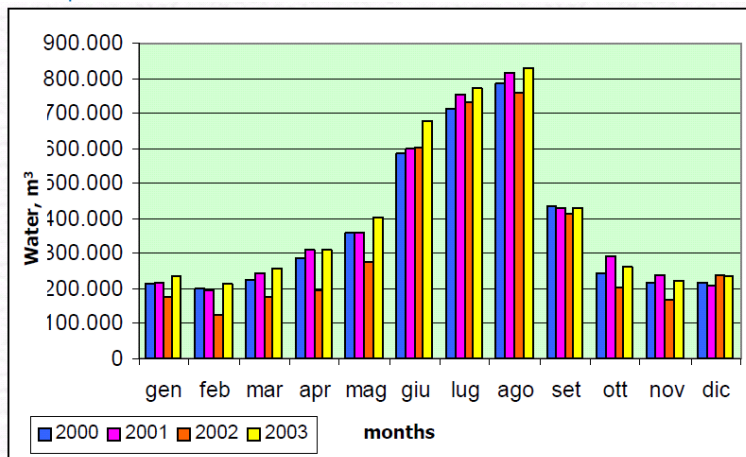
⁸⁵ www.bastis-tourism.info.

⁸⁶ Framework for development of sustainable tourism in Northern and Central Montenegro, UNDP, 2004 - as reported in “Trends and skill needs in tourism”, CEDEFOP, 2005.



The seasonal influxes of beach tourists affect the environmental quality creating pressure on water supply, waste water treatment, solid waste collection and disposal as illustrated by the data from the municipality of Cervia in Emilia Romagna.

Figure 3.14. Environmental consequences of high seasonality of tourism in Emilia Romagna – water consumption



This site-specific study confirms the intricate relationship between the primary economic resources of Cervia (tourism), and its resources (water, waste) and its particular environment rich on natural and protected areas (salt-pans, Park Po River, ancient pinewood). The combination of high anthropogenic pressure, several naturalistic protected areas, consistent amount of resident population and positive sensitivity of citizens and administration to environmental issues have urged the local municipality to adopt an Environmental Management System (EMS) as a tool to move from the mass tourism model to a Sustainable Tourism Development model.

Source:

- Interdepartmental Centre for Environmental Research Bologna University – Italy.
- The role of EMAS for sustainable coastal tourism (2006).

The situation is even more critical in those regions and Sea-basins (e.g. the Black Sea) where local infrastructures are traditionally poor and, built to respond to the needs of a few thousand people, cannot sustain the high pressure of a growing number of visits by tourists over the summer period. This lack of capacity results in high negative externalities which are affecting the environment.

Box 3.25. Poor infrastructures are often causing environmental negative externalities

Sozopol is an ancient seaside town located south of Burgas on the southern Bulgarian Black Sea Coast and with a population of 4-5,000 (14,000 for the whole municipality). Today it is one of the major seaside resorts in the country. The busiest times of the year are the summer months, ranging from May to September as tourists come to enjoy the weather, sandy beaches, history and culture, fusion cuisine (Balkan, Mediterranean), and atmosphere of the colourful resort. However the wastewater from Sozopol is discharged untreated into the Black Sea, near the port of Sozopol - the new pier. As the Minister of Environment and Waters stated in 2012 – “Sozopol is one of the places among the Bulgarian part of the Black sea coast with most polluted water”.

According to the Municipal plan for Development 2007 – 2013 the condition of the water system in the municipality as a whole is not good. It is depreciated and has depleted its capacity. Most pipes are asbestos cement (79%), loss of water is 60%. Reconstruction is most urgent in the Old part of Sozopol. The new part of Sozopol, Chernomorets and some objects along the coast also require significant investment to expansion, modernisation and bring the water supply network in accordance with the dynamically evolving needs. Without urgent investment in completion, modernisation and greater security and water supply infrastructure, the municipality faces serious threats to its future development.

While the proportion of water-supplied population is almost 100%, the population insured by sewerage is under 65%. A sewerage network in Sozopol is built up to reach 90% of population, but in many villages barely reaches a coverage of 13% or is missing altogether. Discharge of untreated domestic and industrial wastewater is a major source of water pollution in the region. The sewerage system is quite outdated and obsolete. Sewage from the new part of the city is covered by a pumping station, which transfers the water to the collector in the old part of town, where the water is discharged into the sea – without any treatment. The establishment of reliable sewerage and its introduction into the treatment plant (WWTP) is an urgent priority. Without immediate action, the nearby beaches could lose their certification (purity of sand and sea water), which would mean the collapse of international tourism in the municipality.

Source:

- Local Newspapers Article (05.12)⁸⁷.
- Bourgas Regional Administration⁸⁸.
- Municipal Plan for Development (2007 – 2013)⁸⁹.

On a different level, business models based on massive visits are showing mid- to long-term negative impacts for local environment, fauna and natura, an element which is adding naturalistic concerns on the sustainability of resource-intensive coastal-tourism models. Here the examples are many across different sea-basins, and as such they are resumed in the box hereafter. Still, greater concerns seem to emerge from the Mediterranean basin, and particularly Spain (one Member State where the model of “sun and beach” mass tourism has been heavily promoted).

Box 3.26. Growing environmental concerns on “sun and beach” mass coastal tourism

A lack of proper management of behaviour and flows of visitors in coastal destinations can potentially lead to disruptive consequences for local habitats, amongst those the most relevant can be:

- Habitat fragmentation: A lack of land-use planning and building regulations in many destinations has facilitated sprawling developments along coastlines. The sprawl includes tourism facilities themselves and supporting infrastructure such as roads, employee housing, parking, service areas and waste

⁸⁷ <http://www.dnes.bg/stranata/2012/05/31/morskata-voda-nai-mryсна-krai-sozopol-otchete-karadijova.160143>.

⁸⁸ <http://bsregion.org/bg/index/english>.

⁸⁹ http://www.sozopol.bg/images/stories/pdf-files-1/MDP_Sozopol_April08.pdf.

disposal. This usually leads to habitat fragmentation so that habitats become too small to sustain many animal and plant populations.

- Destruction of habitats: Important coastal habitats are frequently degraded by tourism development. For example, coastal wetlands are often drained and filled due to lack of more suitable sites for construction of tourism facilities and infrastructure. These activities can cause severe disturbance and degradation of the local ecosystem, even destruction in the long term.
- Marine habitat deterioration: In marine areas, many tourist activities occur in or around fragile ecosystems. Anchoring, snorkelling, sport fishing or littering are some of the activities that can cause direct harm to species (e.g. marine mammals) or degradation of marine habitats such as Posidonia beds, with subsequent impacts on coastal erosion and fisheries.
- Competition for natural resources: Tourists and wildlife can end up competing for scarce natural resources, such as water, forest areas, dunes, etc. For example the Coto Doñana National Park in south-west Spain, home of endangered species such as the imperial eagle (*Aquila heliaca*) and the Spanish Lynx (*Lynx pardina*), is now threatened by water extraction for the tourist sector.
- Import of invading species: Tourists and suppliers can bring in species (insects, wild and cultivated plants and diseases) that are not native to the local environment and that can cause enormous disruption and even destruction of ecosystems.
- Trampling: Tourists using the same trail over and over again, trampling the vegetation and soil, eventually causing damage that can lead to loss of biodiversity and other impacts. Such damage can be even more extensive when visitors frequently stray off established trails.
- Stress in animals: Wildlife viewing can bring about stress for the animals and alter their natural behaviour when tourists come too close and create noise, e.g. by their motorised vehicles.

Source: - Sustainable Tourism Website⁹⁰.

A general concern related to tourism is the growing urbanisation of local tourism destinations with negative effects on soils sealing, or the loss of soil resources due to the covering of land for housing, roads or other construction works⁹¹). Concerns on the relation between current tourism business models and soil sealing are flagged by the European Environment Agency (EEA)⁹². Some available data in fact suggest a worrying rate of urbanisation of coastal tourism destinations in the past 30 to 40 years, which is becoming environmentally bearably sustainable and might affect local habitats in the near future if not adequately managed. This has been identified by the EEA as a particular issue for the Mediterranean Sea-basin, where “[...] soil sealing is a particular problem along the coasts where rapid urbanisation is associated with the expansion of tourism” (Soil Atlas of Europe, JRC, p. 110)⁹³.

Box 3.27. Tourism and urbanisation causing negative environmental impacts

“Built-up areas have been mainly enlarged at the expense of agricultural land. Progressive soil sealing will take place especially for Western Europe where the area of built-up land increases at a faster rate than the population. Besides the influence of tourism, the rising demand for land resources can be mainly caused by changes in population behaviour such as people’s preference for living outside the city centres, an increased demand for bigger houses or out-of-town developments such as supermarkets, leisure centres and associated development of transport infrastructure.

Spatial planning strategies determine to a great extent the progression of soil sealing. Unfortunately neither the economic nor the ecological or the social effects of irreplaceable soil losses have been considered

⁹⁰ http://www.biodiversity.ru/coastlearn/tourism-eng/boxes/why_problems_impacts.html.

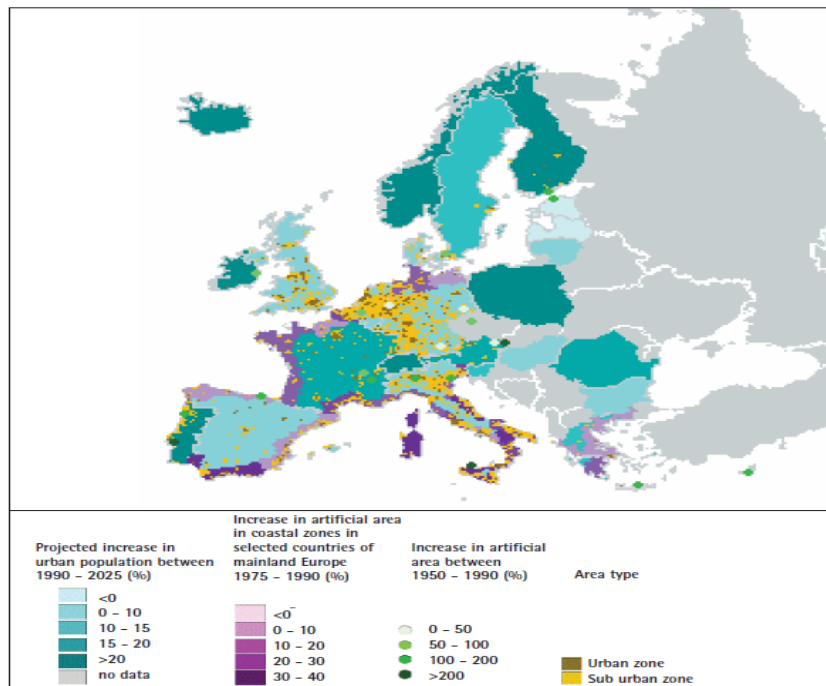
⁹¹ http://eusoils.jrc.ec.europa.eu/projects/soil_atlas/download/110.pdf.

⁹² <http://eusoils.jrc.ec.europa.eu/library/themes/Sealing/>.

⁹³ http://eusoils.jrc.ec.europa.eu/projects/soil_atlas/download/110.pdf.

adequately so far. In the meantime the necessity to include environmental concerns and objectives in spatial planning, in order to reduce the effects of uncontrolled urban expansion, is widely recognised in the EU. A rational land-use planning to enable the sustainable management of soil resources and the limiting of sealing of open space is demanded. Possible measures include the redevelopment of brown-fields and the rehabilitation of old buildings” (European Soil Portal).

The relevance of coastal tourism for soil sealing is due to the relatively fast growing urbanisation of coastal regions across EU sea-basins and particularly in the Mediterranean, and to some extent in the North/Atlantic seas, mainly the Netherlands and the French coast, but partially the Spanish-Atlantic regions (especially the Basque country and Huelva). As illustrated in the figure hereafter (dark purple refers to high ratio of urbanisation in coastal regions, a phenomenon mainly related to tourism patterns in the past 30 to 40 years), as reported by the JRC and the European Environment Agency (EEA).



Probable problem areas of soil sealing in Europe (Source European Environment Agency)

Source:

- European Soil Portal – JRC⁹⁴.
- European Soil Atlas – JRC/EEA⁹⁵.

A thorough waste management control for cruise ships is essential to prevent environmental disasters

Already due to their sheer size and the large numbers of passengers and crew, cruise liners generate large amounts of waste. Even though responsible cruise ship owners make major efforts to recycle waste to a maximum on-board, a 100% treatment of all on board waste appears unrealistic given the variety of waste types – from solid waste to ballast water (ECC 2012, p.47).

Box 3.28. Potential impacts of leakages and damages in cruise waste management are enormous

The effects and impacts derived from cruises are many-fold and could be extremely relevant for marine environment and natura. Cruise ships can properly be described as 'floating cities', whose per capita pollution is actually worse than that of a city with the same population. This is largely due to weak pollution control laws, lax enforcement and the difficulty associated with detecting illegal discharges at sea.

⁹⁴ <http://eusoiils.jrc.ec.europa.eu/library/themes/Sealing/>.

⁹⁵ http://eusoiils.jrc.ec.europa.eu/projects/soil_atlas/download.cfm?myID=110.

A 3,000 passengers cruise ship generates the following amounts of waste on a typical one-week voyage:

- 3,800 m³ of 'grey water';
- 800 m³ of sewage;
- 100 m³ of oily bilge water;
- Almost 0.5 m³ of hazardous or toxic waste;
- 50 tons of garbage and solid waste;
- Diesel exhaust emissions equivalent to several thousand automobiles;
- Large quantities of ballast water, which can introduce invasive species (a typical release of ballast water amounts to 1000 tons).

Source: Surf-rider Foundation⁹⁶.

Being treated or not, waste also needs to be brought on land, which poses a set of challenges for port authorities. Far from all waste is treated responsibly, some of it ends up in landfills. Treatment of special waste is even more challenging. Waste treatment of cruise ships is even more problematic in destinations outside Europe – e.g. in the ports of North Africa, where different legislative regimes apply.

Current coastal tourism business models are often posing pressure on local communities and cultures

Business models based on “sun and beach” mass coastal and maritime tourism are growingly facing potential social negative impacts. A variety of such negative externalities, as emerging by publicly available sources, are illustrated in the box hereafter.

Box 3.29. Negative social consequences possibly resulting from unsustainable coastal tourism models

Amongst potential negative impacts of coastal tourism for local communities is the sometime extreme pressure exercised on local identity and values, which results in several aspects. Although these might be perceived as too extreme effects, it is still important to consider such potential consequences to balance the need of visitors for good quality of services and experiences and the need of local communities to preserve their values and identities.

Examples of potential extreme consequences of mass tourism are reported by coastal tourism professionals:

- Commercialisation of local culture: tourism can turn local culture into commodities when religious traditions, local customs and festivals are reduced to conform to tourist expectations and resulting in what has been called "reconstructed ethnicity".
- Cultural homogenisation: destinations risk to be pushed towards losing their own identities in order to become more acceptable by masses of visitors; in fact, whilst on the one hand landscape, accommodation, food and drinks, must meet tourists' expectations, on the other hand they must not be too distant from tourists expectations to avoid tourists not appreciating the fact of being exposed to unfamiliar situations, and such tension might in the long term damage the variety and diversity of European cultures in coastal regions.
- Adaptation to tourist demands: in many tourist destinations, craftsmen have responded to the growing demand by adapting the design of their products to make them more attractive to the new customers; cultural erosion may therefore occur in the process of commercialisation of cultural traditions.

In addition to such dynamics, cultural clashes may also arise from socially and economically unsustainable patterns of growth in coastal tourism destinations due to increased economic inequality and social tensions amongst between relatively poor locals and relatively rich tourists. Such tension might be aggravated due

⁹⁶ <http://surfriderfoundation.nl/>.

to possible irritation due to tourist behaviour. - Tourists often, out of ignorance or carelessness, fail to respect local customs and moral values.

Some evidence of social turmoil in mass coastal destinations suggests such scenario might not necessarily be unrealistic. For example in August 2011, the coastal destination of Lloret de Mar in the region of Costa Brava (Spain) experienced incidents between local police and some tourists and a consequent ordinance by the Municipality Council addressed the critical point reached by tourists behaviour, induced by the excessive alcohol consumption, which was challenging any coexistence between foreign visitors and the local population. Prior to such events, the Lloret de Mar Strategic Tourism Plan 2010-2014 (approved in 2010) had already proposed a change in the current business model, by aiming at a sustainable tourism development, which could generate greater value for local communities whilst improving the global competitiveness of the destination. The objective of the Plan was to overcome the concept of “sun and beach” tourism by moving that of an “urban beach” destination, therefore offering high quality urban services (healthcare, safety, commercial, cultural and leisure supply) which could provide added value to the city. The diversification of the tourism supply portfolio was also foreseen, by offering additional strategic services such as a more diversified leisure supply, equipment for congresses, sports and events tourism. The discussion on which exact model to pursue is still ongoing with tensions amongst main local stakeholders.

Finally, caused by uneven patterns in coastal tourism business models might cause job-level frictions, with low-paid tourism-related jobs being accessed by local inhabitants, whilst highly-rewarding jobs being accessed by more skilled and qualified foreigners coming for temporary jobs in high-peak season (as further described in the next paragraph 3.5).

Sources:

- Coastal Wiki⁹⁷.
- Lloret de Mar Strategic Tourism Plan 2010-2014.

Similarly to coastal tourism experiences the current model of the cruise sector has shown a mix of positive and negative externalities on local cultures and communities, as the box below illustrates.

Box 3.30. Social negative externalities of the cruise and shipping sector

Social impacts of the cruise sector on local communities vary. In some cases this is reported as extremely positive. For example, inhabitants of Messina, an important port-city in southern Italy recognise that the cruise shipping has a positive interaction since through exchange with different cultures, local tradition is valorised and tourism and commercial infrastructure is improved. Still participants to local surveys pointed out that they believe economic benefits from the cruise activity are mostly generated for external business parties rather than for local communities, the latter having to face the negative results of environmental pressures such as marine pollution, waste volumes and deterioration of the eco-system.

In some other port-destinations, local inhabitants seem to be highly affected by the negative externalities generated by the cruise shipping sector. For example, congestion due to a high level of concentration of visitors in peak times and seasons creates pressures on the residents leading to the alteration of their daily routines, which in some cases is reported to be leading to the disruption of residents' everyday life. This situation is more severe when the destination is spatially limited, such as small islands. For example residents in the Chios Island in Greece avoid accessing the port area because of the traffic generated by cruise ships.

⁹⁷ http://www.coastalwiki.org/wiki/Impact_of_tourism_in_coastal_areas:_Need_of_sustainable_tourism_strategy#Socio-cultural_impacts.

Restriction of space and competition for the limited infrastructures and services available (such as transport means) can lead to disaffection of host communities against cruise companies, irrespectively of the potential employment and revenue opportunities they generate locally. In extreme case this attitude results in challenging the legitimacy of the cruise sector operations locally, as demonstrated by the reaction of activists in Venice, and their protest against cruise local business (BBC News, 09.2012).

In addition, some analysts criticise the way the cruise activity is developed and characterise it as local 'cocoons' (Vogel, 2004) or 'tourist bubbles' (Weaver, 2005). The experience of cruise passengers seems to be ultimately generated in a controlled environment and thus the potential economic impact for local communities is predominately limited to foreign interests.

Source: Various presentations on the cruise sector held at the International Association of Maritime Economists Conference (2013)⁹⁸.

On top of the above issues, challenges due to climate change and coastal erosion are expected to increase

A clear challenge for all destinations, but particularly for coastal and maritime tourism, is the hazard of change in weather condition and desertification, as well as coastal erosion due to higher sea level across sea-basins, which are expected in the medium term as a consequence of climate change. Such hazards seems to be particularly strong for Mediterranean coastal destinations, strengthening the risk of higher environmental damage for the population and which – if not properly managed and mitigated – may result in severe threat to coastal and maritime tourism development in the future. All such issues have to be rapidly and concretely tackled to assure a sustainable long-term growth for EU coastal tourism destinations in the future.

Environmental deterioration due to unsustainable models affects future tourism potential

The problem of environmental externalities lies in the fact that communities affected are not necessarily the one's polluting. In this respect the Mediterranean Sea – with its high level of socio-economic and institutional fragmentation amongst regions, local economies and Member States – is a clear example. But similar issues emerge also in other sea-basins (e.g. Black Sea and the Baltic Sea).

Box 3.31. Coastal and maritime tourism play a definite role in generating beach and marine litter

Waste has the potential to become beach and marine litter if not handled properly (recycled or disposed of properly). According to UNEP (2009), 52% of marine litter in the Mediterranean originates from shoreline and recreational activities, highly related to the tourism industry. Given the importance of tourism industry in the area, there is little doubt that a substantial amount of marine litter originates from the tourism industry.

It is estimated that tourist facilities account for up to 16% of the waste generated by shoreline and recreational activities (UNEP/MAP - MED POL sources). At least 50% of marine litter is composed of plastic. In terms of environmental protection plastic is particularly hazardous as it does not degrade, it simply breaks down into smaller particles which can persist for 450 years (hard plastic) and it may also cause death and injury to certain marine species. Recent studies have shown that the presence of plastic in our seas and oceans leads to secondary pollution such as leaching of heavy metals from marine litter and in particular from plastic waste and long-term effect of micro-plastic particles.

The European Union's Waste Directive (2006/12/EC), Landfill Directive (99/31/EC) and Packaging and

⁹⁸ <http://iame2013.org/wp-content/uploads/2012/03/CONFERENCE-PROGRAMME.pdf> - Is social acceptability a prerequisite for regional cruise development?

Packaging Waste Directive (94/62/EC) provides a legal framework for managing waste. However, this applies only to the 7 EU Mediterranean countries, out of the 21 countries of the Mediterranean Region. Marine litter is still not systematically monitored and the available information and data are collected by NGOs on an irregular basis. However, with the consideration of marine litter as one of the 11 descriptors of the Marine Strategy Framework Directive, the regular monitoring of marine litter is expected to improve in the coming years. Besides being a major source of aesthetic pollution on Mediterranean beaches, waste, including marine litter, has a major impact on tourist inflow to an area and related revenues.

Source: Marine Litter: A Global Challenge, UNEP (2009).

3.5 A structural lack of skills is limiting innovation and access to resources

Limited awareness of the specific skill needs in the sector

Coastal regions and particularly those on the Mediterranean and the Black Sea shore tend to have low levels of education and low levels of productivity. This often leads to lower levels of professionalism – particularly so in the tourism sector. A thorough analysis of the mismatch between the skills needed for the sector is still lacking, despite the relatively large available literature on the tourism sector as a whole. This absence hampers a sound assessment of the actual needs in skills.

Shortage of marketing and other skills required for product diversification

In some cases, tourism operators make dedicated efforts in market engagement – with higher retention rates through time as a consequence, also when attracting non-EU visitors. Such results do not happen overnight though and are not the result of sporadic marketing initiatives, but rather require specialised local professionalism skills to support marketing analysis initiatives, including the understanding of potentials and weaknesses and a better positioning of the local potentials *vis-a-vis* a globalised exigent and volatile demand. This includes good strategies for promoting marketing mixes which allows resilience and avoids over-exposure to some specific groups of visitors or operators which might lead to overdependence and therefore be unsustainable through time.

Box 3.32. Successful marketing strategies do not happen overnight

This is the case in Emilia Romagna (Rimini Coastal Area) where an aggressive strategy of engagement with Russian operators and mutual exchanges of local professionals through time is now providing successful results in making Russian high-spending visitors a relevant component of the overall demand – and bypassing traditionally high presence of Germans as illustrated in the table below. These are the results of few years of specific marketing initiatives aimed at strengthening professional relations between local and international operators active in the countries of residence of the specifically targeted non-EU visitors.

Table 3.6. Success of marketing strategies in attracting non-EU visitors in Emilia Romagna

Country Sample	Nights Spent	Change in nights spent 2011-2012	Arrivals	Change in arrivals 2011-2012	Average length of stay
Russia	318,173	15.7%	76,124	15.0%	4.2
Germany	270,333	0.9%	47,892	1.7%	5.6
USA	14,466	19.4%	3,814	-4.7%	3.8
Canada	5,702	14.1%	1,426	9.7%	4.0
Brazil	8,011	37.2%	1,519	22.7%	5.3
Argentina	2,989	-3.5%	817	24.4%	3.7
Venezuela	1,926	239.1%	382	127.4%	5.0
Mexico	1,010	-3.3%	328	7.9%	3.1
Other South American	5,502	11.4%	962	-11.3%	5.7
China	4,113	-11.5%	1,491	36.4%	2.8
Japan	3,196	113.5%	1,081	44.5%	3.0
Countries Middle-East	2,883	-14.0%	886	-15.3%	3.3

Source: Rimini Province, Local Statistics (2012)⁹⁹.

There is a greater need for strategic managerial professional skills at the local level, so to implement turnaround strategies for unsustainable business models, implement product diversification and provision for quality-intensive services throughout the year, to a culturally and linguistically diversified global audience. This is particularly the case for recently emerging destinations, such as in the Black Sea and some remote regions and islands in the Mediterranean and the North Sea.

Limited spill-overs of existing knowledge to local actors

Available evidence at the local level suggests the main issue not being the lack of general and theoretical knowledge, but rather the difficulties for such existing knowledge to be transferred into good practices and actual sustainable economic local strategies. A specific combination of lack of professional skills for the coastal and maritime tourism sector, the low productivity and capability of coastal regions across the EU, as well as the specific fragmentation and lack of cooperation of the sector, make the translation of knowledge into practice particularly difficult if compared to other tourism areas and other touristic destinations.

Box 3.33. Poor knowledge transfer concerning coastal and maritime tourism: the Baltic Sea Region

The BSR has excellent institutions of higher education, which are also cooperating at the sea-basin level, as illustrated below (e.g. The Baltic University e.g. focussing on sustainability issues). Much research activities on tourism are carried out by educational institutions in the BSR, but there is so far no sea-basin level cooperation specifically related to coastal and maritime tourism, neither in the academic nor in the private sector. It is not even possible to find a list of universities and schools that offer coastal and maritime tourism related education in the BSR.

Because rural coastal regions in the BSR are currently facing severe difficulties in competing against “creative innovative” regions globally so to attract qualified and talented human resources, some new project ideas for the future are shared amongst key actors in the region. Amongst those, the EU BSR Strategy for Facilitating networking and clustering of tourism stakeholders possibly by a Network of regional tourism innovation centres for Baltic Sea Region.

⁹⁹ http://www.comune.riccione.rn.it/Engine/RAServeFile.php/f/tav_generale%28ESTERO%29-06-PROVINCIA.PDF

Share of views with local experts suggests the problem being not necessarily that of a lack of education or competences at the regional level, but rather a lack of strategic capabilities: too little manpower to think about long term strategies, instead of continuing “business as usual” and a limited degree of market consciousness. The situation so far prohibits a good target orientated market analysis, consequent product development and qualified distribution channels across national and international markets, which would be a prerequisite for a future sustainable growth of coastal and maritime tourism in the Baltic Sea Region.



The main issue in solving such problems seems to be the lack of proper “knowledge transfer” amongst universities, practitioners, businesses and institutions. The good knowledge which exists at the national level, in universities and administrations does not yet find its way to the businesses and individuals who should benefit from it. The problem is reinforced by the structural lack of comparable and systematic data on the sector. Tourism stakeholders at the local level have no time and knowledge enough to properly browse across several data sources to get the timely market information they need.

Sources:

- Baltic University programme (Website)¹⁰⁰.
- Networking Action, EU Strategy for the Baltic Sea (Website)¹⁰¹.
- Atlantic Forum on Blue Growth: Approaches from the Baltic Sea Region (2013)¹⁰².
- BASTIS (Website)¹⁰³.

A sector with limited appeal on the labour market

Similar anecdotal examples can be found across different EU Sea-basins, suggesting the main problem being that of a mix of limited skills & capacity and lack of cooperation amongst private sectors, educational institutions and local governments. This prevents the sector in the EU from attracting dynamic entrepreneurs and promoting greater professionalism amongst local enterprises

¹⁰⁰ <http://www.balticuniv.uu.se/index.php/participating-universities>.

¹⁰¹ http://www.baltic-sea-strategy-tourism.eu/cms2/BSST_prod/BSST/en/ca/Action_Facilitate_networking_and_clustering_of_tourism_stakeholders/index.jsp.

¹⁰² http://ec.europa.eu/maritimeaffairs/policy/sea_basins/atlantic_ocean/atlanticforum/events/cardiff/presentations/forum_cardiff_barnert_en.pdf.

¹⁰³ www.bastis-tourism.info.

and operators. Stronger focus on prompting professional qualification and greater profiling of the sector at the EU and international level seems to be essential, so to break the current conundrum of enduring low prestige and career opportunities in a sector which is of crucial importance for several EU regions and Member States.

Box 3.34. Limited prestige of the sector limits the potentials of professionalism in Spain

An analysis of the Spanish tourism sector included in the Tourism National Integral Plan 2012-2015 of the Ministry of Industry, Energy and Tourism, emphasises the importance of fostering innovation in management in the tourism sector – particularly for coastal and maritime regions – through talent and entrepreneurship.

One of the tourism sector's strengths identified in the diagnostic is the wide supply of professional schools and faculties offering studies and grades in tourism. REDINTUR is the University Network of Post-graduates in Tourism, composed of 19 Spanish universities that offer post-graduate programmes, masters and doctorates in different areas of tourism. In addition, Spain has several business schools among the first positions in the world rankings: two business schools among the first 10 and another in the 33th position (source: Financial Times 2012). These are potential sources of talent attraction for the tourism sector as well.

Nevertheless, these initiatives cannot prevent that the appeal of the sector is limited on the labour market. The tourism sector is not perceived as a prestige sector to work in as it has historically been associated to low professional qualification, low salaries and high seasonality and this fact makes the job careers short and discontinuous. Furthermore, the supply of training and investigation is not very much aligned with the actual needs of the tourism sector.

Source: Tourism National Integral Plan 2012-2015 (Diagnostic of the Spanish tourism sector, page 33).

The structural reliance on short-terms contract to cope with high seasonality of the sector does not facilitate long-term career development – an important obstacle for a proper career path in the industry.

Box 3.35. Seasonality in the sector poses serious challenges to professional development

The National Employment Agency in Bulgaria is concerned with the negative effect of the seasonality in tourism on the employment qualification – a problem which is particularly specific for coastal tourism. Most of the employees are contracted for the season and in a “chaotic” manner, without investment in preparation and qualification which is essential for the touristic services offering. The problem is recognised by the Bulgarian National Strategy for Sustainable development of Tourism, the National Plan for Development of Employment. There are some programmes with national and European financing (i.e. ESF through Operational Programme “Human Resource Development”) for qualification and subsidised employment of vulnerable groups but the business representatives complain that the proposed training hours are insufficient and the temporary employment not feasible as its duration is 6 months at least and the season itself is maximum 4 months.

Source:

- National Strategy for Sustainable development of Tourism, National Plan for Employment (2009-2013)¹⁰⁴.
- Meeting of the Regional Employment Service with Employers in the Tourism sector (20.03.2012)¹⁰⁵.

¹⁰⁴ <http://www.mi.government.bg/en/themes/national-strategy-for-sustainable-development-of-tourism-in-bulgaria-2009-2013-286-0.html>.

¹⁰⁵ <http://chernomorskifar.com>.

Low professionalism limits the access to finance

Exchange with experts and practitioners suggest a structural lack of skills, time and capability of a very fragmented sector which is rich in micro-enterprises. This prevents attracting the needed financial resources for product diversification, greater professionalism and market analysis. The situation has clearly worsened due to the severe economic and financial crisis and the very limited public spending capacity of local institutions across the EU.

3.6 Some good practices are emerging but are still rather isolated

As a consequence of increasing saturation of the mass-tourism model and the unsustainable consequence for the environment, innovative models for maritime and coastal tourism are emerging, which prove to be economically, socially and environmentally more successful. Such practices require a great degree of collaboration amongst the involved actors – public institutions, private sectors and operators, as well as civil society – and so far these examples are limited to specific locations. Greater awareness across broader regions, not to speak of across the EU Member States, would be required to reach a substantial benefit for the EU as a whole.

Box 3.36. Richness in local environmental and wildlife can become a profitable coastal and maritime business

Whale-watching is a growing industry in Europe, significantly contributing to the marine tourism sector. According to EUCC - the EU Coastal Union, every year in Europe more than 2 million people participate in a trip to see whales and dolphins. This means an expenditure of over €200 million, which seems to still be rather unexploited if compared to EU neighbours. For example in 2002, more than 60 thousands visitors went whale-watching in Iceland, approximately 30% of all visitors to the country (Hoyt, 2003).

In other cases wildlife-watching is becoming an increasingly relevant source of revenue, and maritime fauna might be similarly exploited. Watching birds for example is reported as “big business in the UK, [with] around 2.85 million adults going bird-watching in the UK” (BRMB International, 2004). There is no recent estimate of the total value of bird-watching in the UK, but in the USA, wildlife-watching trips account for 5.6 billion dollars of the 32 billion dollars spent by the country’s 46 million birdwatchers in pursuit of their interest.

Sources:

- EUCC Coastal Guide¹⁰⁶.
- Royal Society for the Protection of Birds (RSPB)¹⁰⁷.

Furthermore, a greater attention paid to environmental sustainability by local enterprises, hotels, service providers and tour operators, could trigger the interest of a growing target of sustainable visitors and therefore increase economic gains, whilst reducing environmental costs. With this respect some EU initiatives are already supporting environmental sustainable certification and could be further strengthened, while also air emissions associated to transport and logistics could be addressed.

¹⁰⁶ <http://www.coastalguide.org/links/>.

¹⁰⁷ https://www.rspb.org.uk/Images/watchedlikeneverbefore_tcm9-133081.pdf.

Box 3.37. A greater opportunity for certification of environmental sustainability of coastal and maritime business

The EU Eco-Management and Audit Scheme (EMAS) is a management instrument developed by the European Commission for companies and other organisations to evaluate, report, and improve their environmental performance. EMAS is open to every type of organisation eager to improve its environmental performance. It spans all economic and service sectors and is applicable worldwide. Currently, more than 4,500 organisations and approximately 8,150 sites are EMAS registered world-wide, amongst them are many multinational enterprises, smaller companies as well as public authorities.

Source: EMAS Website¹⁰⁸.

Some examples of reconversion from unsustainable mass-tourism models to more sustainable economically, socially and environmentally sustainable approaches are emerging amongst some coastal tourism destinations. Unfortunately, such experiences appear to be still relatively limited across EU coastal destinations and not necessarily well known amongst the community of policy-makers and entrepreneurs who is facing similar dilemmas.

Box 3.38. Sustainable tourism practices require clear vision and strong cooperation

Lanzarote Island (800 km² and 60,000 inhabitants) is a volcanic ecosystem with a unique landscape. The tourism growth experienced in Lanzarote between 1980 and 1992 (182,363 tourists in 1980 and 1,165,680 in 1992) put in risk the basic equilibrium of the Island and the preservation of the island's ecosystem. This, at the same, implied a threat to consolidate the tourism monoculture and destroy the traditional productive and cultural methods (as an example of this unbalance, a 75% of Lanzarote population work in the service sector (tourism), 14% in construction, 5,6% in manufacturing industry and just a 5% in agriculture and fisheries, the original traditional occupations). In order to take advantage of the market potentials, the number of touristic places planned at a local level reached 250.000, threatening to produce a range of environmental impacts seriously detrimental to the maintenance of basic balances on the island and to overwhelm the capacity of the island ecosystem.

Aware of this problem, the Island Council (Island Public Administration) developed and the Island Spatial Plan of Lanzarote, which has been operational since 1991 and defines the physical limits and criteria for environmental conservation describing the sustainable development strategy. The plan implied some active measures, amongst which the reduction in the number of hotel supply through the declassification of the 60% of tourist places initially planned (150,000 of 250,000). A second phase of the Island Spatial Plan, the "Lanzarote Biosphere Plan: a strategy for sustainable development on the island" was elaborated and the change of direction stated in it paved the way for the declaration of the Island of Lanzarote as Biosphere Reserve in 1994, inside the UNESCO Programme "Man and Biosphere". A fact which ensured a high level of protection of the environment and landscape of the island. As recently as in 2010, it has been awarded a prize of sustainable tourism by the Independent Tour operators Association of the United Kingdom and the Sustainable Tourism Association.

The importance of the plan resides in the fact that there was a high degree of cooperation between the Administration and the private sector in its elaboration. Another important feature is the high level of participation and consensus achieved regarding the Plan objectives, as well as the high level of local population's support. Amongst the reasons for this awarding has been the recognition that Lanzarote Government has been careful about the development of the island and that design and architecture are strictly controlled to blend with the landscape and cultural identity in an economy dependent on tourism. Lanzarote is now one of the pioneer destinations chosen by the Global Sustainable Tourism Council to

¹⁰⁸ <http://ec.europa.eu/environment/emas/>.

implement the Global Sustainable Tourism Criteria within the Program “Sustainable destinations worldwide”.

As far as the series of data related to expenditure are concerned, as it can be observed in the following tables, in general there has been a reduction of visits through time, which has made tourism more sustainable for the environment, balanced out by an increase of the expenditure per person in the last seven years.

Table 3.5. Changes in the patterns of tourist visits and expenditure in Lanzarote the past few years

TOURISTS VISITS VARIATION				
MONTH	2012 (absolute)	2013 (absolute)	Previous Month (%)	Previous year (%)
January	162.452	143.846	-7,41	-11,45
February	156.928	152.901	6,29	-2,57
Total Cumulated	319.380	296.747		-7,09
PERIOD	TUORIST AVERAGE DAILY EXPENDITURE (€)			
2012	118,54			
2011	111,37			
2010	109,45			
2009	101,95			
2008	104,14			
2007	104,26			
2006	105,62			

Sources:

- Local Statistics^{109 110}.
- Local News (22.11.12)¹¹¹.
- Good practices Database, UN Habitat¹¹².

A growing niche of potential development for coastal and maritime destination across the EU are nautical sports, and particularly those (e.g. diving, surfing, or recreational fishing) which can trigger local employment and economic growth, whilst avoiding excessive negative externalities for local communities and natural resources.

Box 3.39. Nautical sports as an opportunity for coastal and maritime tourism

Nautical sports are a profitable and expanding business, although not much monitored and assessed. The main basins ranked by potential profitability are the Mediterranean, Atlantic and Baltic Seas. Some general estimation are provided hereafter.

Scuba diving and snorkeling 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. A reported 800.000 Europeans divers make each year one trip with an average 10 nights - 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

¹⁰⁹ Influx of tourists Lanzarote (February 2013) .

<http://www.datosdelanzarote.com/itemDetalles.asp?idFamilia=26&idItem=5485>.

¹¹⁰ Evolution of expenditure per tourist per day (total) depending on the quarter and annual estimation. Lanzarote (2006 - 2012) <http://www.datosdelanzarote.com/itemDetalles.asp?idFamilia=29&idItem=5436>.

¹¹¹ http://www.hosteltur.com/118170_lanzarote-recibe-premio-turismo-sostenible-aito.html.

¹¹² <http://habitat.aq.upm.es/dubai/96/bp256.html>.

20.000 scuba divers represent 9.3% of the total of the tourists. There are about 3.500.000 scuba divers reported 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. Amongst the EU countries with greater attractiveness potentials in exploiting diving and snorkeling so far are Italy, Finland, France, Greece, Portugal, Croatia, Cyprus and Malta.

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 euros with thousands of jobs depending 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. For example angling has been reported to show a remarkable resistance against pressure from the present global economic crisis. A weakening economy leads people to seek nearby and cheap outdoor pleasures like recreational angling. Amongst the EU countries with greater

attractiveness potentials in exploiting diving and snorkeling so far are UK, Ireland, France, Italy, Poland, Portugal, Romania and Spain.

Surfing is closely related to the development of innovative forms of sustainable tourism. 10 million people in the world are reported to 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.

New activities such as sea-walking are becoming popular in some destinations, primarily across the North Sea and the Baltic sea-basins, but possibly taking over in other European coastlines. For example, the "North Sea Trail" walking route links parts of Norway, Sweden, Denmark, Germany and the Netherlands, as well as England and Scotland.

Sources:

- Ecorys 2009b.
- European Environment Agency (website).
- European Underwater Federation (EUF) (website) .
- Recreational Scuba Training Council (RSTC) (website).
- Global Surfers Surf Atlas (website).
- Resorts Online (website).
- North-sea Trail (website).
- Experts Interviews.

3.7 Review of the regulatory framework

The terms of reference of the present Study call for: (a) an identification and analysis of the regulatory framework for maritime and coastal tourism including, when and where possible, regulatory constraints affecting the subsector at European and Member State level; and (b) an assessment as to whether there are any areas where stakeholders call for burden reduction or where scope exists for simplification.

At the outset it can be noted that because maritime and coastal tourism is essentially a cross-cutting theme, and because the inclusion of tourism as EU competence¹¹³ is a relatively recent development, there is no specific regulatory framework for maritime and coastal tourism at the EU level. It is instead necessary to examine a range of different policy instruments that impact maritime and coastal tourism to a greater or lesser degree.

For the purpose of analysis the following assessment is grouped under the following headings: (a) small scale commercial navigation/recreational boating; (b) the cruise sector; (c) cross-cutting issues and competitiveness; and (d) environment/spatial planning issues.

(a) Small-scale commercial navigation/recreational boating

Small-scale commercial navigation comprises commercial navigation activities using small passenger vessels for a range of paid recreational activities usually on day-trips for sightseeing, diving, cetacean watching and fishing.¹¹⁴ In other words activities that form a key part of the maritime and coastal tourism experience. Like all shipping and navigation activities this sector is subject to a complex range of legislation at international, EU and national level. In terms of the regulatory burden some concerns have been expressed by the industry that, although safety is a key consideration for maritime and coastal tourism activities, future revisions to passenger vessel safety standards¹¹⁵ may be excessively onerous raising costs for the sector.

Although not all **recreational boating** necessarily involves maritime and coastal tourism (club racing for example) it is nevertheless clear that recreational boating plays a significant role in the maritime and coastal and tourism sector.¹¹⁶ Even day and overnight trips can make a significant contribution to local economies although it is to be noted that due to the fact that most privately-owned recreational craft in Europe (including sailing and motor boats) are estimated to be less than 7.5 metres length overall, recreational boating is most likely to take place at the national level. One exception is the yacht charter sector: the Mediterranean Sea alone attracts 70% of world charter (include crewed and 'bareboat' charters or boat rentals).

It has been suggested that the wide disparity in Member States practice as regards **licensing/qualifications for recreational boat operators** may hinder further development of the sector. There is, however, little appetite among industry and user representatives for any kind of EU regulatory scheme: different requirements reflect not only different cultural values but also the fact that navigational requirements vary widely in European waters. Instead a better solution would be to encourage full participation by Member States in the UNECE sponsored 'International Certificate of Competence'¹¹⁷ (ICC) scheme, which is essentially a means for the mutual recognition of recreational boating qualifications. A key benefit of this approach in terms of encouraging tourist visitors from outside the EU is that as it was developed under UNECE its procedures for mutual recognition are also open to recreational boaters from other UNECE member countries.

Although there are some 4,500 **marinas** (recreational boat harbours) in Europe these are not subject to either a common regulatory framework or even common technical standards (eg ISO or CEN). The closest there is to a common standard is the best practice guidance published by the Yachtharbour Association, an international trade association active in 26 countries.¹¹⁸ This sets out

¹¹³ TFEU article 195.

¹¹⁴ In other words, passenger vessels other than ferryboats or cruise ships.

¹¹⁵ Directive 2009/45/EC of the European Parliament and of the Council of 6 May 2009 on safety rules and standards for passenger ships (Recast) (OJ L 163, 25.6.2009, p. 1–140).

¹¹⁶ Figures from the European Marine Industry submission point to fees of €50-150 per night typically being charged per vessel.

¹¹⁷ International Certificate for Operators of Pleasure Craft Resolution No. 40 (adopted by the Working Party on Inland Water Transport on 16 October 1998) (ECE/TRANS/SC.3/147/Rev.3).

¹¹⁸ <http://www.tyha.co.uk/CodePractice.asp>.

recommendations for marina design (in terms of pontoon layout, anchoring systems etc), marina operation (including as regards health and safety and various kinds of risk assessment), boatyard operation and berthing agreements. While the need for common standards may merit support, the need for formal regulation is not made out (and in any event the legal basis for this is not clear: given that only a small proportion of marina berths are for visiting yachts it seems unlikely that article 175 TFEU would provide an appropriate legal basis).

While the case for the regulation of marinas does not appear to have been made out, a common certification system might be useful for the sector particularly as regards visiting yachts engaged in maritime and coastal tourism.

Table 3.7 National boating licensing requirements and relation with ICC Resolution

Country	Licensing requirement	ICC Resolution 40 accepted
Austria	Compulsory motor license if P > 4.4 kW and for electric boat with P > 500 W Also according to the length and type of boat	Yes (Resolutions 13,14, 40 applied)
Belgium	No compulsory license for sea-going navigation (either sailing or motor) Compulsory license for inland waterways when L > 15m or speed > 20 km/h (no matter what the propulsion means is)	Yes
Bulgaria	No	No (Resolution 14 applied)
Croatia	Compulsory license for all means of propulsion if L > 2,5 m OR P > 5 kW 5 types of licenses: - A for L = 6 m, P = 8kW, navigation = 6 miles from coast - B for L = 12 m or 15 gross tons - C for 20 gross tons - For larger boats, 2 licenses for "yacht master" A & B	Yes
Cyprus	Compulsory driver license for high speed vessels with L equal or < 15m and speed > 15 knots	No
Czech Republic	3 types of licenses for seagoing vessels with L= 24m: - A for ocean (no limitations) - B for offshore, navigation = 200 miles, - C for coastal waters, navigation = 10 miles, L < 12m 1 license for inland waterways for vessels up to L = 20m, P > 4kW and sail area > 12m ²	Yes (Resolutions 13 & 40)
Denmark	Compulsory license for: - planing powerboats - vessels with P > 18.64 kW (25 HP) - vessels with L > 15m Voluntary license for users of other boats, the sailboat certificate is approved to powerboats	No
Estonia	Compulsory license if L > 7m, P > 10 kW, Distance > 5 nautical miles from coast Degree in certificates, according to experience Boaters are unsatisfied with the system	No
Finland	NO	YES Resolution 14 applied
France	No license for sailing and motor boats with P < 4.5 kW 1 license for inland waterways for vessels up to L = 20m, P > 4kW and sail area > 12m ²	NO Resolution 40 under consideration Resolutions 13, 14 applied only for inland waterways (both issued and

Country	Licensing requirement	ICC Resolution 40 accepted
	<p>Compulsory motor license if P > 4.5 kW (6 HP), incl. PWC 3 types of licenses for sea-going motor vessels: - Carte Mer for day navigation, max 5 miles from shelter, P btw 4.5-37 kW (50 HP) - Permis Mer Côtier for day (and night navigation if P > 37 kW), max 5 miles from shelter - Permis Mer Hauturier for day / night navigation, all distances, all P types</p> <p>3 certificates for inland waterways: - S for "sport boats" - C for max L = 15 m (equivalent to ICC) - PP for L > 15 m</p>	<p>accepted). Therefore, only craft of max L = 15 m, carrying fewer than 15 persons, and designed to travel normally at max speed 20 km/h (referred to as "narrowboats") can travel freely on French waterways (except Rhine and Moselle rivers) with ICC.</p> <p>On offshore waters, the documents referred to in maritime conventions or bilateral agreements will continue to be required.</p>
Germany	<p>No license for sailing and motor boats with P < 3,68 KW</p> <p>Compulsory license for motorized boats if P > 3.68 kW</p> <p>2 types of licenses with theoretical and practical examination for inland waterways and coastal waters</p> <p>3 levels of compulsory certificates for inland waterways</p> <p>-L<15m - L > 15m < 25m - L > 25m < 35m</p> <p>(Amtlicher Sportbootführerschein-Binnen) (Sportschifferpatent) (Schifferpatent C</p> <p>4 levels of certificates for coastal waters/sea: - Basic license for motorized boats with P > 3,68 kW (Amtlicher Sportbootführerschein- official license/mandatory) - Coastal waters (Sportküstenschifferschein - official license / NOT mandatory) - Sea (Sportseeschifferschein - official license/NOT mandatory) - Offshore/Open Sea (Sporthochseeschifferschein - official license/NOT mandatory)</p>	<p>YES</p> <p>Resolutions 13, 40 applied ICC is accepted on German inland waterways for boats of max L =15 m</p>
Greece	<p>Compulsory license for all means of propulsion if P > 18.64 kW (25 HP)</p> <p>Heavy theoretical and practical training since 1st January 2005 Recognition of foreign licenses</p>	<p>NO</p>
Hungary	<p>4 different compulsory licenses for sea-going vessels: - Cat IV for navigation up to 3 NM</p> <p>Cat III for navigation up to 12 NM</p> <p>Cat II for navigation up to 200 NM</p> <p>Cat I with no limitation for navigation Upgrading to a higher category is based on experience Cat I-II require a ROC</p> <p>Compulsory license for inland waterways for boats with L = 20m. Boats with sails > 10m² or P > 4 kW need ICC</p>	<p>NO</p> <p>Resolutions 13, 14 applied Long experience with ICC for Danube</p>
Ireland	<p>No</p>	<p>YES – Resolution 40 applied ICC</p>

Country	Licensing requirement	ICC Resolution 40 accepted
		issued only to Irish nationals or residents
Italy	Compulsory license for PWC Compulsory licence for sailing and motor boats (L = 24m) if: - Navigation > 6 miles from shelter - Navigation < 6 miles but P > 30 kW 2 types of license: - Navigation < 12 miles - No limit to navigation	No Resolution 14 applied ICC is accepted for foreign boaters ICC is not issued to Italians
Latvia	Compulsory license for both sailing and motor boats 3 types of licenses: - Coastal - High / deep seas - Specific zones: Channel, North Sea, Mediterranean Sea, Black Sea	NO
Lithuania	Compulsory license for motor boats No license for sailing boats	YES Resolutions 13, 40 applied
Luxembourg	Compulsory license for craft with L > 7m and/or P > 7.35kW Inland waterways: Permis fluvial for a boat max L = 20m Coastal waters: Permis côtier for a sea-going non-habitable boat of max L = 7m, max 3 miles from coast High seas: Permis mer for sea-going boat of max L= 24m	YES – Resolutions 13, 40 applied
Malta	Compulsory license for mechanically driven small craft with P = 74.57 kW (100 HP) From 2011, compulsory license for P = 22.37 kW (30 HP) Compulsory course on Basic Seamanship & Safe Boathandling	NO
Netherlands	No compulsory license for sea-going navigation (either sailing or motor) Compulsory license for inland waterways when L > 15m OR speed > 20 km/h (no matter what the propulsion mean is)	YES Resolutions 13, 14, 40 applied for inland waterways
Poland	6 types of licenses for sailing boats 6 types of licenses for motor boats According to type of boat and navigation (distance from coast)	NO Resolution 14 applied Resolution 13 under consideration
Portugal	6 types of driving licenses: - Carta de Principiante (Beginner's Card) for daylight navigation up to 1 NM from coast, on boats L = 5m and P = 4.5 kW - Carta de Marinheiro (Sailor's Card) for ages of 14 to 16, daylight navigation up to 3 NM from coast and 6 NM from a shelter, on boats L = 5m and P = 22.5 kW - Carta de Marinheiro (Sailor's Card) for ages of 18 +, in daylight navigation up to 3 NM from coast and 6 NM from a shelter, on boats L = 7m and P = 45 kW - Patrao Local (Local Skipper) for navigation up to	NO

Country	Licensing requirement	ICC Resolution 40 accepted
	5 NM from coast and 10 NM from a shelter - Patrao de Costa (Coastal Skipper) for navigation up to 25 NM from the coast - Patrao de Alto Mar (Deep Sea Skipper) without navigation limits	
Romania	Compulsory boat license	NO – Res. 13, 14 under consideration
Slovakia	No information	YES – Resolutions 13, 40 applied
Slovenia	Compulsory license if L > 3 m OR P > 3.7 kW	No
Spain	4 types of compulsory licenses: - Capitán de Yate: no limits to navigation and boat's length - Patrón de Yate: navigation up to 60 NM and max L = 20m - P.E.R.: navigation up to 12 NM and max L = 12 m - Navegación Básica: navigation up to 5 NM and max L = 8m for sailing boat / L = 7.5m for motor boat Since 2002, any of the 4 licenses can be used for PWC or the dedicated PWC license No license required for sailing boats L < 5m and motorboats L < 4m and P < 11.03 kW for daylight navigation and within limits set by the local authority Foreigners sailing under Spanish flag can use the equivalent license of their home country	No
Sweden	Compulsory skipper's license (both theoretical and practical examination) for all boats (called ships) with L > 12m AND beam > 4m	No
United Kingdom	No Though recommended, Certificates of Competence are not required for boats with L < 24 m	YES – Resolutions 13, 40 applied

P = power; L = length

Standards applicable to vessels used for recreational boating are set out in the Recreational Craft Directive (94/25/EC)¹¹⁹ which creates a kind of 'type approval' system (analogous to motor vehicles) for construction standards which mean that once craft are accepted onto the market in one country, stricter standards may not be required elsewhere. The Recreational Craft Directive is currently under review. There do not appear to be any particular problems with regard to the implementation of the directive save that some Mediterranean ports are apparently requiring visiting yachts to have holding tanks.¹²⁰

Most **safety regulations** relating to navigation involving recreational craft are actually set at the national level. Again this means that such rules can be adapted to the specificities of particular national requirements (such as the specific types of VHF radio transmitter necessary on the Rhine and Danube rivers) and leaving aside the issue of subsidiarity this would appear to be a more

¹¹⁹ Directive 94/25/EC of the European Parliament and of the Council of 16 June 1994 on the approximation of the laws, regulations and administrative provisions of the Member States relating to recreational craft (OJ L 164, 30.6.1994, p. 15).

¹²⁰ The revision of Directive 94/25/EC is expected to make the inclusion of space for such tanks this mandatory in new craft.

appropriate approach than seeking to harmonise safety requirements across quite different Sea-basins with their own specific hazards and dangers. On the other hand measures taken at the EU level to make sure that such requirements are readily accessible and available in the EU languages to tourists and visiting yachtsmen would be useful.

(b) The cruise sector

The cruise industry is subject to a complex web of regulatory requirements many of which have been established at the international level under the auspices of the International Maritime Organisation (IMO), a specialised agency of the United Nations.

The **Port Reception Facilities Directive (2000/59/EC)**¹²¹, which transposes into EU law the obligations of the Member States under the MARPOL Convention¹²², is currently subject to review by DG MOVE. This revision is deemed necessary as the volume of waste delivered in ports has increased over the years. While the awareness of both seafarers and ports have improved over time, illegal discharges at sea are still occurring and the current system is therefore not optimal.¹²³ Challenges relate to a range of issues, including the a) alignment with international definitions; 2) adequacy as well as accessibility of facilities; c) the fairness, transparency and non-discriminatory nature of the fee system; d) information with regard to the deliveries of cargo residues, and e) the notification process. The review of the Directive – starting in 2011 – is expected to be completed by the end of 2013.

In terms of overall **safety/pollution standards** these are set at the international level¹²⁴ through IMO and given the global nature of the cruise industry there is no case for specific EU action. The loss of the *Concordia* in 2011 has however spurred an internal industry operational safety review.

The **Port Security Regulation**¹²⁵ sets out a series of measures at the EU level to enhance the security of ships used in international trade, domestic shipping and associated port facilities ‘in the face of threats of intentional unlawful acts’¹²⁶. The Port Security Regulation also seeks to provide a basis for the harmonised interpretation, implementation and Community monitoring of the amendment of the SOLAS Convention,¹²⁷ through the inclusion of a new Chapter XI-2, as well as the adoption of the International Ship and Port Facility Security Code (ISPS Code). Copies of the new Chapter XI-2 of SOLAS and the ISPS Code are both annexed to the Port Security Regulation (as Annexes I and II respectively). In brief the Port Security Regulation requires airport style security measures at ports including cruise ports and terminals. Although concerns have been expressed about the implementation of the Port Security Regulation in certain Member States it is generally considered to work effectively and, again, as the cruise sector is international, the industry perspective is that any further amendments or reforms to overall approach should take place at the international level.

¹²¹ Directive 2000/59/EC of the European Parliament and of the Council of 27 November 2000 on port reception facilities for ship-generated waste and cargo residues (OJ L 332, 28.12.2000, p. 81).

¹²² International Convention for the Prevention of Pollution from Ships, London, 2 November 1973, as modified (MARPOL 73/78) by the 1978 Protocol (London, 1 June 1978) and the 1997 Protocol (London, 26 September 1997) and as regularly amended.

¹²³ Roadmap for the Revision of EU Directive 2000/59/EC on port reception facilities for ship-generated waste and cargo residues.

¹²⁴ Apart from the MARPOL Convention mention can also be made of the International Convention for the Safety of Life at Sea, London, 1 November 1974 (‘the SOLAS Convention’) 1184 *United Nations Treaty Series* 278.

¹²⁵ Regulation (EC) 725/2004 of the European Parliament and the Council on enhancing ship and port facility security of 31 March 2004.

¹²⁶ Article 1(1).

¹²⁷ See footnote 7 above.

c) Cross-cutting issues and competitiveness

The existing **visa EU regime** contained in the Schengen Borders Code¹²⁸ impacts the ease with which tourists from outside the EU can undertake maritime and coastal and coastal tourism. In this context, the cruise industry has welcomed the Commission Communication of November 2012 on the 'Implementation and development of the common visa policy to spur growth in the EU' noting in particular the importance of reviewing the visa waiver regime contained in Regulation 539/2001, the need for better implementation of the current EU visa regime as well as explicit recognition of cruise tourism as a safe, easy and fun way for third-country tourists to discover Europe and its marine and coastal heritage. The question of the ease with which non-EU tourists can obtain visas is clearly cross-cutting, though, impacting all tourism sectors.

Another cross-cutting issue for the tourism sector in general concerns the issue of the recognition of **professional qualifications**. The free movement of workers and the right of a person or business entity to legally establish or to provide services in another Member States are two of the fundamental freedoms of the EU. Member States are, however, entitled to impose restrictions on certain professions based on considerations of public security, public policy, public health grounds and employment in the public sector. While the list of restricted professions contained in Directive 2005/36/EC¹²⁹ includes tour guides there do not appear to be any specific restrictions as regards qualifications relating to maritime and coastal tourism. In this respect it is to be noted that water sports instructors (sailing, windsurfing, diving, waterskiing, canoeing etc.) are not restricted professions and in fact in most EU countries, water sports instructor training programs and qualifications are issued and monitored by national or international sports associations that are non-government bodies (such as the German *Deutsche Segler-Verband*, the UK's Royal Yachting Association or the well-known Professional Association of Diving Instructors (PADI)) even though certain levels of qualification (in respect of larger vessels) may require formal government testing (such as 'Yachtmaster' and power boating qualifications in the UK).

Most countries, however, require **professional yacht skippers** (captains) to hold a qualification. For vessels above 24 metres length overall (or in most EU countries 200 GRT) such qualifications are subject to the system of mutual recognition under the STCW Convention¹³⁰. For smaller yachts, national professional qualifications may not be mutually recognized and there are wide differences in terms of qualifications (and in particular experience/log book requirements). This issue is ultimately a matter of flag competence and in this connection it is to be noted that the STCW Convention does not provide for a blanket recognition of qualifications in that it also permits flag States to require foreign nationals to speak their languages and to be familiar with their legislation. The extent to which this issue causes a real problem for the maritime and coastal tourism sector has not been established, although the relevance of this problem in terms of free movement and safety has clearly emerged from the stakeholder consultation held by the European Commission¹³¹. Finally, under the overall heading of competitiveness it has so far not been possible to identify any particular aspect of the maritime and coastal tourism sector that goes beyond the general constraints identified in earlier studies prepared for the European Commission.¹³²

¹²⁸ Regulation (EC) No 562/2006 of the European Parliament and of the Council of 15 March 2006 establishing a Community Code on the rules governing the movement of persons across borders.

¹²⁹ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ L 255, 30.9.2005, p. 22).

¹³⁰ International Convention on Standards of Training, Certification and Watch-keeping for Seafarers, London, 1 December 1978. In force 28 April 1984, as amended and modified by the 1995 Protocol.

¹³¹ http://ec.europa.eu/dgs/maritimeaffairs_fisheries/consultations/blue_growth/index_en.htm.

¹³² See Ecorys *Study on the Competitiveness of the EU tourism industry- with specific focus on the accommodation and tour operator & travel agent industries Within the Framework Contract of Sectoral Competitiveness Studies* – ENTR/06/054.

d) Environment and spatial planning issues

Regulatory frameworks for environmental protection and spatial planning can also be seen as cross-cutting given that they impact on all socio-economic activities in the maritime and coastal zone as well as on other types of tourism activity. Moreover, the relationship between environmental regulation and the tourism sector is complex: a clean and healthy environment is a key marketing point for tourism destinations even as environmental regulations restrict the areas available for tourism development. In this connection, it is to be noted that a systematic review of EU environmental policy was recently concluded in respect of the tourism sector as a whole. Nevertheless, certain important aspects of the regulatory framework have particular implications for maritime and coastal tourism.

First of all, EU water policy (in particular the **Bathing Waters Directives**¹³³ but also the **Water Framework Directive**¹³⁴) have had a significant impact in terms of improving the water quality of Europe's beaches and inshore areas with important benefits for maritime and coastal tourism. Second, the process of developing healthy European seas, that started through the Water Framework Directive, is continued with the **Marine Strategy Framework Directive (MSFD)**¹³⁵ which forms the environmental pillar of the Integrated Maritime Policy. While in principle the objectives of the MSFD should support maritime and coastal tourism, for example in dealing with the issue of unsightly marine litter, concerns of the possible negative impacts of marine protected areas (MPAs), which are called for by the MSFD, have been expressed by the recreational boating sector, not with the concept of MPAs *per se*, but rather with the manner in which certain MPAs have been introduced as sanctuaries or exclusion zones when there is little evidence that surface water activity has direct impacts on wildlife in the water column or the sea bed. On the other hand, the introduction of MPAs has also provided for new tourism opportunities, for instance by attracting divers interested in the pristine and resource-rich waters.

In terms of spatial planning at sea and integrated management of policies in coastal areas, the European Commission's recently announced proposal for a directive on maritime spatial planning and integrated coastal zone management would appear to have significant potential benefits for the maritime and coastal tourism sector not only in terms of ensuring a more coordinated policy management in coastal areas but also as regards activities at sea, with particular attention to land-sea interaction of human activities. For instance, increasing claims over limited maritime space and in particular the creation of closed areas or exclusion zones around offshore wind-farms could have negative impacts on recreational boating in terms of routing and safety. Policy tools such as MSP and ICM can contribute in resolving these problems.

Other policies in place such as the Urban Waste Water Directive, the Natura Directives, the biodiversity strategy, the soils strategy and the EIA and SEA Directives also contribute to a more sustainable tourism offer. Finally, the ICZM recommendation and the ICZM protocol are important tools, particularly as, the latter binding to Mediterranean states, tourism policy must be part of the ICZM strategies.

¹³³ Council Directive 76/160/EEC concerning the quality of bathing water and Directive 2006/7/EC of the European Parliament (OJ L 31, 5.2.1976, p. 1) and the Council of 15 February 2006 concerning the management of bathing water quality and repealing Directive 76/160 EEC (OJ L 64, 4.3.2006, p. 37).

¹³⁴ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

¹³⁵ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy OJ L 164 25.6.2008, p 19.

3.8 Looking ahead

Before turning to the issue what (EU-) policy can do about any of the above-described problems, it is important to pose the question whether these problems are likely to be short-lived or rather structural in nature. We have therefore reviewed a number of trends and forecasts and bundled these in Annex III. A key finding from this review is that many of the problems pointed out are likely to be structural in nature, and that these are interdependent. These problems can be synthesised in three challenges ahead for maritime and coastal tourism:

- Challenge 1: Turning coastal tourists into turnover;
- Challenge 2: Developing an attractive and sustainable offer;
- Challenge 3: Capturing value locally.

Challenge 1: Turning coastal tourists into turnover

Whilst coastal and maritime tourism are vital economic activities for a wide range of coastal regions in the EU, its performance notably of the coastal tourism segment is under clear pressures. Numbers of tourists have been increasing over time, and based on UNWTO forecasts it is expected that this growth will continue (see Annex III). However, the average expenditure by night has been clearly decreasing, and it is expected that the economic crisis had a major influence on the decline in expenditures between 2007 and 2011. Since the crisis has not come to an end yet, though we expect the European economy to stabilise at some moment in the near future, we assume the nominal expenditures per night to decline another € 5 to 2020. Taking the best available estimates on touristic arrivals, duration of stay and annual growth in expenditures together, we expect average tourist expenditures to nominally decrease from € 131 billion in 2011 to € 119 billion in 2020. The real spending per arrival is expected to decrease from € 300.9 per arrival in 2011 to € 236 in 2020.

Table 3.8 Forecast of total tourist¹³⁶ expenditures between 2011 and 2020¹³⁷

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Duration of stay (days)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Nominal spending per night in coastal areas	€ 86.4	€ 85.9	€ 85.3	€ 84.8	€ 84.2	€ 83.6	€ 83.1	€ 82.5	€ 82.0	€ 81.4
Real spending per night	€ 86.4	€ 84.1	€ 81.9	€ 79.7	€ 77.6	€ 75.6	€ 73.5	€ 71.6	€ 69.7	€ 67.8
Touristic arrivals (millions)	434.6	442	449	457	464	472	480	488	496	504
Total tourist expenditures (billion)	€ 131	€ 129	€ 128	€ 127	€ 125	€ 124	€ 123	€ 122	€ 120	€ 119
Annual growth in expenditures	-	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.1%	-1.1%
Real spending per arrival in coastal areas	€ 300.9	€ 293.0	€ 285.2	€ 277.7	€ 270.3	€ 263.1	€ 256.1	€ 249.3	€ 242.6	€ 236.1

Ecorys estimations based on various sources (Eurostat, UNWTO Tourism 2020 Vision¹³⁸).

¹³⁶ Overall tourism trends considered (unless coastal areas are specifically noted).

¹³⁷ 2011 data are based on actual trends, whilst other years are based on forecasts or estimations.

¹³⁸ <http://www.unwto.org/facts/eng/vision.htm>.

Three elements have to be highlighted here due to the potential (negative) implication for the future performance of the EU sector:

1. Due to the need of basis our assumption on the most robust available data, the above figures are mostly based on overall tourism data and trends and it is expected that, due to high volatility) through the recent year of visits of tourists in coastal regions, coastal regions arrivals performance might not be as positive as the overall tourism trends suggest.
2. On top of this, the data presented do not yet take full account of the fact that domestic tourism and their spending are under severe pressure in those Member States which suffer most strongly from the economic and financial crisis (e.g. Mediterranean).
3. Furthermore, budget-conscious beach-seekers are likely to be increasingly attracted to nearby non-EU destinations, including Turkey and the Southern Mediterranean – especially once the region will calm down after the Arab Spring events.

It is yet unknown to tell how attractive coastal tourism will be for non-EU visitors, many of which are rather captured by the cultural offer and strong “European brands” rather than coastal locations. Thus, the potentials of non-EU visitors appear to remain largely un-captured.

Challenge 2: Developing an attractive an sustainable offer

The current maritime and coastal tourism offer is not considered sufficiently ‘future proof’. In particular, the business model of ‘mass-tourism’ appears to be increasingly problematic and less sustainable, as the EU’s competitiveness in this segment is challenged: it creates volatility as the business model is constantly replicated in low-cost countries outside the EU. Therefore, mass-tourism as a business model limits potential for adding value, and to capture this value at the level of coastal communities. This model also creates extensive environmental externalities, including congestion and problems in processing solid waste and water. In its turn, environmental deterioration due to unsustainable models affects the future tourism potential. Adding to this are the challenges due to climate change and coastal erosion that are expected to increase in the future. Whilst offering low-cost beach tourism remains important from a consumer’s point of view – as well as the need to keep large numbers of budget-conscious travellers within Europe – the need to review the offer becomes increasingly clear.

The coastal tourism sector appears to have a limited capability, resulting in limited entrepreneurship and therefore failing to adjust its offer to new demand. Its innovative capacity is curbed by the shortage of marketing and other skills required for product diversification, as well as the relatively limited presence of clusters of enterprises, universities and institutions aimed at fostering such innovation. Overall, there is limited awareness of the specific skill needs in the sector, and limited appeal on the labour market. As competition between coastal destinations is largely based on price (as reflected in the decreasing amounts of spending), margins in the sector are clearly under pressure – with consequences for bankability and access to finance. Lower levels of professionalism also limit access to finance, needed for investments in a future-oriented tourism offer.

In its turn, positive investment decisions are hindered by the unpredictability and volatility of demand, as well as limited access to finance for SMEs, especially those in Southern Europe.

More remote and peripheral regions, including islands, often suffer from their locational remoteness and the limited accessibility through the year and for all potentially appealed visitors.

Challenge 3: Capturing (economic, social and environmental) value locally

The maritime and coastal tourism sector is characterised by a high degree of fragmentation between large numbers of tourism actors and a small number of global tourism players. This leads to a situation whereby value created is not always captured locally, whilst negative externalities are often faced by local communities and the environment. With an increasing global sourcing of

tourists (e.g. Chinese, Indian and Brazilian markets being opened), it is expected that the grip of global tour operators on the sector will further increase. Developing an attractive tourism offer to increasingly demanding global tourists requires an orchestrated approach, excellent cooperation between all actors along the value chain and visibility in the market place. In absence of these, existing knowledge between actors is not sufficiently shared.

Whilst cruise tourism follows a more successful trajectory in terms of economic performance, coastal regions (including cruise destinations themselves) struggle to create and capture economic, social and environmental benefits. Cruise destinations face a challenge as the opportunities for passengers to spend money on-land are likely to diminish: increasingly large ships have ever more on-board facilities, while distances from terminals to major attractions are on the rise. Cruise destinations often compete with each other, while cooperation between coastal destinations and cruise companies is often ad hoc in nature – thus leaving aside opportunities to create and capture value locally. Also, business models should be improved or innovated by better addressing and tackling negative externalities on local communities and the environment.

3.9 EU right to act and EU added value

As demonstrated in the above analysis, the range of needs of EU businesses and institutions acting in the maritime and coastal tourism sector is wide. Therefore, although the EU has already acted in the field through dedicated communications and initiatives¹³⁹, there is a greater need to focus on areas not only where the EU has the right to act but also where the EU can make a difference. The intention of this study is therefore to consider policy measures which can provide such value added.

EU Right to Act

Prior to presenting a review of the implications of the EU Treaties, it is important to remind that the intended policy actions will be part of a Communication, with limited if no mandatory actions envisaged. We therefore expect the policy actions assessed to be all feasible. In case any of the actions planned appears to go beyond what is allowed by the EU Treaties, it will be redrafted in a “softer” manner (e.g. by encouraging spontaneous “alignment” of existing regulations, rather than introducing specific new laws) so to avoid any imposed mandatory measure in any areas of clear competence for the EU Member States.

The right of the EU to act derives as always from the Treaties. More specifically the categories and areas of EU competence are set out in Title 1 of the Treaty on the Functioning of the European Union (TFEU)¹⁴⁰. These include areas in which the EU has exclusive competence (such as the conservation of marine biological resources under the Common Fisheries Policy)¹⁴¹, shared competence with the Member States (such as other aspects of fisheries)¹⁴² as well as a number of areas in respect of which the EU has a more limited competence to carry out actions to ‘support, coordinate or supplement’ actions of the Member States’. Tourism is included in this last category.

¹³⁹ To mention just a few recent ones: DG Enterprise Communications in 2006 (*134 final - A renewed tourism EU policy: towards a stronger partnership for European Tourism*), 2007 (*621 final - Agenda for a sustainable and competitive European Tourism*), 2010 (*352/3 - Europe, the world's No 1 tourist destination a new political framework for tourism in Europe*) A broader list presented in the following link:

<http://ec.europa.eu/enterprise/sectors/tourism/documents/communications/>.

¹⁴⁰ Consolidated version of the Treaty on the Functioning of the European Union (OJ C 83, 30.3.2010 p. 47).

¹⁴¹ Article 3.

¹⁴² Article 4.

It is important to note therefore that the EU's competence to support, coordinate or supplement Member State actions in the field of tourism does not supersede the competence of the Member States in this area. Moreover EU legislation, adopted on the basis of the treaties, cannot entail the harmonisation of Member States' laws or regulations.¹⁴³

Title XXII, on 'Tourism', contains a single article, Article 195, which requires the EU to complement the action of the Member States in the tourism sector 'particularly by promoting the competitiveness of Union undertakings in that sector'. To this end EU action must be aimed at 'encouraging the creation of a favourable environment for the development of undertakings in' that sector as well as 'promoting cooperation between the Member States, particularly by the exchange of good practice'. Article 195(2) goes on to provide that the European Parliament and the Council acting in accordance with the ordinary legislative procedure must 'establish specific measures to complement actions within the Member States to achieve the objectives referred to in this Article, excluding any harmonisation of the laws and regulations of the Member States'.

Nevertheless, it is important to bear in mind that EU policy initiatives on maritime and coastal tourism are likely to be cross-cutting in nature, and hence they can touch upon additional sector-specific legislation (e.g. port infrastructures or marine biospheres). Hence, the development of EU maritime and coastal policy initiatives will require strong co-ordination not only with Member States but also at the EU-level.

EU Added Value and Subsidiarity

The subsidiarity principle, which is not limited to legislative action, applies to those areas, such as tourism, in respect of which the EU does not have exclusive competence. It provides that action should only be taken at EU level 'if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional or local level but can rather, by reason of the scale or effects of the proposed action, be better achieved at [EU] level'¹⁴⁴. In other words pre-conditions for EU action are that: (a) the objectives of the proposed actions cannot sufficiently be achieved by the Member States; and (b) the action can by reason of its scale or effects be implemented more successfully by the EU.

Developing a strong and competitive maritime and coastal tourism sector in Europe is therefore first and foremost a matter for national, regional and local authorities. Article 195 TFEU clearly states this. Nonetheless, the Treaty also calls on the EU to complement Member State action, in particular in the promotion of competitiveness, cooperation and the exchange of good practice. Under these circumstances, and as emerging from the above assessment of the specific problems of coastal and maritime tourism, the EU added value and the justification for intervention lies into three domains:

- *Enhance best practice sharing between Member States and sea-basins* is essential. After all, good practices are scattered across sea-basins and Member States and fragmentation prevents good practices from being multiplied – with limited impacts as a consequence. Although good practices are always context- and time-specific, they all contain elements that can be reproduced – often within but also across sea-basins. It is crucial to identify such initiatives, and to share them across national boundaries – which can only be done at EU-level.
- *Enhance existing collaborations amongst Member States in addressing gaps*. Some problems identified clearly have a European dimension, such as the gaps in data collection at EU level and the need for structured sea-basins approaches. But it can also lie in the promotion of an integrated EU maritime tourism offer across the world. It requires that the Commission plays its role and proposes to act, although in line with the subsidiarity principle.

¹⁴³ Article 2 (5).

¹⁴⁴ Article 5(3) Consolidated version of the Treaty on European Union (OJ C 83, 30.3.2010, p 10).

- *Assist Member States in overcoming trans-national or cross-border challenges* which would otherwise not be addressed by national policies. Making full use of maritime and coastal tourism potential often requires that larger territories are taken into consideration: for example the success of new yachting and cruise itineraries, long-distance bicycle and hiking trails, or the development of cultural heritage networks all depend on trans-national or cross-border cooperation where the EU has proved to make the difference.

4 Objectives, Priority Axes and Policy Packages

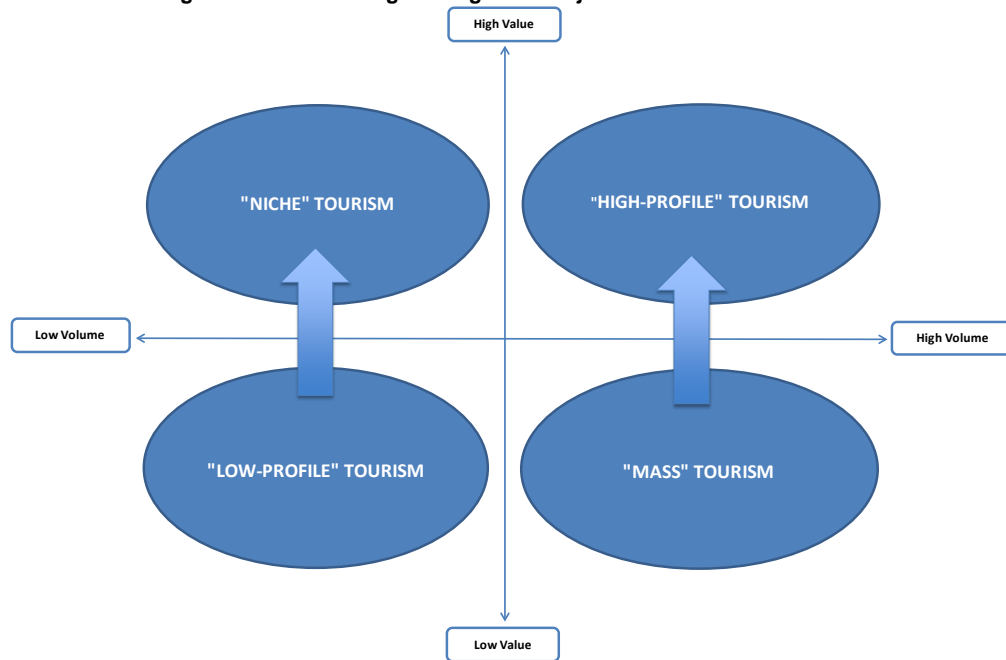
4.1 Towards general objectives

The general problems emerging from the analysis so far also provide direction for general objectives to be pursued. In doing so, we will focus on those aspects which are particular to maritime and coastal tourism:

- a. Strengthen the key performance and overall competitiveness of the EU's maritime and coastal tourism sector. Coastal and maritime tourism are vital economic activities for a wide range of coastal regions in the EU, and it is essential to address pressures the sector is facing. A challenge is to increase – or at least stabilise – the average expenditure by night as well as the average length of stay, while at the same time the sustainability level is strengthened throughout the sector.
- b. Redefine and refocus the business model of 'mass-tourism' – and foster other business models, notably those focusing on 'high-profile' tourism and 'niche tourism', able to attract increasing numbers also of non-EU tourists, on a sustainable basis from an economic, social and environmental point of view. After all, these are models which are built on unique propositions that allow to create value – thus generating potential for higher profitability and investment capacity of actors, and better sustainability. Other models are also to address performance in terms of curbing negative environmental externalities, including congestion and problems in processing solid waste and water.
- c. A need to not only create but also locally capture value of maritime and coastal tourism. Both mass-tourism and cruise tourism are characterised by the presence of larger companies and operators with sophisticated models – often leaving limited room for local actors to benefit from these activities, with negative social implications locally. At the same time, local actors need to recognise that such major players have the potential to generate and direct large amounts of tourists and potential spending power to their regions and localities. To enhance the advantages to the benefit of both these groups, increased cooperation between large tourism companies, operators and local actors is needed to come to joint offers and propositions which create sustainable value– and that recognise the need to share economic and social benefits and investments amongst all actors. Also involving local stakeholders more actively can contribute to better addressing environmental concerns.

The above general objectives can be reached by following strategies which promote “high value” over “low value” business models, as visualised through the business models below. The term ‘value’ here is meant to refer to economic, social and environmental values.

Figure 4.1 Strategies towards meeting of the general objectives



One strategy is to upgrade 'low-profile' tourism to 'niche' tourism. Diversification is essential and this strategy aims to cater more precisely to the needs of a broad variety of maritime and coastal tourism needs. One example is to promote 'eco-tourism', another example is to promote alternative, sustainable forms of cruise/yachting tourism, making use of smaller ships catering to specific target groups (e.g. bird watching, cultural island hopping, gastronomic tours, etc.).

Another strategy is to upgrade specific mass tourism destinations, and make better use of the (cultural and natural) values available. This does not mean that all mass tourism destinations need to be converted. After all, a strong demand for 'low cost' beach tourism will remain and it is to be prevented that all such demand would shift away to non-EU destinations. Hence, the above strategic directions can only be indicative and never replace specific local development strategies, which need to be tailor-made and making best use of the strengths, weaknesses, opportunities and threats.

In order to arrive at the above general objectives, the next step is to link the problems to related 4 priority axes, as follows:

- I. Enhance competitiveness and strengthen response capacity;
- II. Address seasonality, including volatility of demand and improve accessibility and visibility;
- III. Strengthen sustainability of maritime and coastal tourism;
- IV. Promote skills, innovation and access to resources.

Below, for each of the Priority Axes the problem description is restated, following by an overview of policy measures as well as an elaboration of selected measures. Key characteristics of each measure have been provided by EC staff involved (DG MARE, DG ENV, DG ENTR, DG MOVE).

4.2 Priority Axis I: Enhance competitiveness

4.2.1 Overview of problems and policy actions

Problem description

1. Enduring squeeze of profitability can have knock-on effects on capability to invest;
2. Limited capability to and success in capturing non-EU demand;
3. Mass-tourism business model demonstrates serious flaws (mostly in the Mediterranean and Black Sea);
4. Fragmentation and lack of cooperation hinder unlocking of potential;
5. Fragmented and limited EU-level data pose limits to any thorough analysis;
6. Anecdotal understanding of the real problem limits the full effectiveness of EU policy.

Policy actions

Under this specific objective, initiatives will be taken to support and review existing value-propositions, and to support the adjustment of the maritime and coastal tourism offer in order to better respond to the demand of the future. In particular, it will focus on the redefinition of the mass-tourism business models in places where this has been eroded and depleted. This requires efforts to strengthen cooperation amongst maritime and coastal tourism operators, and to increase access to information and data. More specifically:

- Enhance the image and profile of coastal and maritime tourism with communication promotion tools, capturing value for the sector and enhancing the competitiveness and growth.
- Develop a study on how to reconvert exhausted mass tourism destinations.
- Organise a specific side-event for coastal and maritime tourism stakeholders in the framework of the Maritime Days.
- Stimulate innovation and competitiveness in the maritime and coastal sector by using ICT tools under the framework of Tourism link and Business portal.
- Support for networks, clusters and smart specialization strategies development in maritime and coastal tourism.
- Develop an online guide with an overview of the main funding opportunities available for the support of maritime and coastal tourism (particularly SMEs).
- Identify obstacles to the free movement of coastal and maritime tourism workers in the single market.
- Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders.

4.2.2 Elaboration of selected policy actions

Stimulate innovation and competitiveness by using ICT tools under the framework of the TOURISM Link European Platform

Description of the measure: The tourism sector and its businesses (including the coastal and maritime tourism) need to adapt to market developments in new information technologies and improve their competitiveness by making the maximum use of possible synergies with the ICT sector. Furthermore, a huge and disaggregated amount of information for the tourism sector is available at different levels (national, regional, local). This makes it difficult for companies (and especially SMEs) to find targeted and useful information. This issue is even more critical for the coastal and maritime sector which suffers from fragmentation and lack of coordination. Therefore, there is a need to set up a digital one-stop-shop at European level, offering IT tools, tutorials, training material and information, thus making this available to all the interested companies and stakeholders, even in the most remote areas.

Objectives: The Commission has developed an ICT and Tourism initiative, based on three pillars: a policy component with a High Level Group discussing trends and future developments, a technological component (TOURISMlink) facilitating the integration of SMEs in the digital supply chain, and an operational component - the TOURISM-IT portal, assisting businesses (mainly SMEs) to set-up, manage and promote tourism business through the use of ICT.

Problems addressed:

- a) *Lack of visibility for remote coastal destinations.* Collected evidence on behaviours non-EU visitors in planning EU trips, suggests they are mainly using ICT and social media tools as sources of information when it comes to visiting cultural destinations and cities, whilst coastal destinations still tend to be known through “word of mouth” and suggestions by acquaintances (e.g. friends and family members). As a consequence, the potential appealing of EU coastal and maritime destinations for the constantly growing number of non-EU visitors is not fully exploited. Promoting greater on-line visibility for such neglected destinations through highly-accessed marketing portals would be a potentially successful strategy to expand visitor interests in new location and therefore maximise the potentials of EU tourism destinations across the EU, with consequent economic and employment benefits.
- b) *Limited access to marketing tools for micro- and small-enterprise in the coastal and maritime tourism sector.* Tourism sector is particularly rich of micro- and small-enterprises, and such businesses are struggling to get the needed skills and financial resources to properly benefit from available ICT “direct marketing” tools (e.g. tourism portals, hotels research engines, holidays planning apps). Although this is a relatively general problem in tourism, collected evidence suggests lack of skills and resources being even more critical in the case of coastal tourism destinations. As a consequence peripheral coastal destination are struggling in fully benefitting from on-line marketing potentials and local businesses in poorly-known coastal and maritime regions across EU sea-basins seems to be increasingly excluded from the growing market of on-line tourism booking, therefore increasingly losing their profitability and competitiveness to more skilled and resources-rich enterprises and destinations – for example EU neighbour countries (e.g. Morocco, Turkey). Incentives to the presence of such enterprises and destinations in established on-line portals would provide a strategic support in their repositioning in respect to an increasingly competitive global market.

Implementation procedures and timeframe: In order to allow the creation of an efficient and operational ICT - Tourism Business support Portal (TOURISM-IT), the Commission launched a call for tender a) to carry out an in-depth analysis of the currently existing business support portals and the elaboration of the concept of the European ICT - tourism business portal; b) to develop the portal; c) to promote the portal towards interested stakeholders; d) to propose a methodology for quality control and monitoring of the new portal and e) to propose a governance and maintenance model for the portal. As a result of the call for the creation of Tourism Business support Portal, the Commission will launch by February 2014 the ' ICT - Tourism Business support Portal' (www.tourismiteu.eu) for stakeholders to facilitate the adaptation of the tourism sector (including coastal and maritime) and its businesses to market developments in new information technologies and improve their competitiveness.

Actors at the different stages: European Commission, National Governments, Regional Authorities, other public and private stakeholders - including the cruise industry and nautical sector.

Target/recipients: SMEs, tourism businesses in general

Support for networks, clusters and smart specialization strategies development in maritime and coastal tourism

Description of the measure: this measure would consist in the development of networks in specific sectors, in particular a network of nautical tourism stakeholders, to better address nautical tourism competitiveness and promote best practices (including in terms of license requirements for practitioners and safety standards), but also promoting sustainable forms of tourism and innovation. Support for the development of coastal and maritime tourism clusters would also be part of this initiative. Cooperation between universities and research institutes, coastal tourism enterprises, fisheries and aquaculture sectors, hotels and restaurants, and museums, could be promoted with a view of developing a consistent and innovative maritime and coastal tourism offer to visitors.

Objectives: Address specific obstacles for the sector; promote research, innovation, smart specialization strategies and implementation of coastal and maritime tourism strategies. Increase competitiveness through enhanced dialogue, best practice promotion and enhancement of transregional and transnational cooperation.

Problem addressed: a fragmented and uncoordinated sector not able to create appropriate synergies to enhance innovation and competitiveness. Obstacles to the sector's development, in particular obstacles to the nautical sports practice and environmental challenges.

Implementation procedures (methodology, tools, budget, whenever applicable) and timeframe: The Commission will promote a network of coastal cities, possibly in association with the existing Covenant of Mayors. EMFF resources will be used to promote this network, as it clearly promotes IMP objectives. Furthermore, the Commission will undertake to analyse the existence, structure, working principles, and success of clusters in coastal and maritime tourism. It will use the existing framework contracts of DG MARE to this end. At least 5 distinct case studies will be undertaken, with the aim to identify best practices and models to follow. For at least 3 EU sea-basins cluster conferences will be organized. The Commission will report back on the success in developing existing clusters further and the development of new clusters in three years' time.

Actors at the different stages: the European Commission (ENTR, MARE and ENV) will promote and guide the initial phase of the process, public authorities from coastal cities and different coastal and maritime tourism stakeholders will preferably be involved in all stages of the process (in the clusters case, those stakeholders identified under the case studies). Covenant of Mayors (to be explored)

Target/recipients: maritime and coastal tourism stakeholders, public authorities, research institutes and universities, museums, etc.

Develop an online guide with an overview of the main funding opportunities available for the support of maritime and coastal tourism (particularly SMEs)

Description of the measure: This would involve developing a dedicated coastal and maritime tourism section in the European Small Business Portal. This dedicated section would contain information and assistance on coastal and maritime related funds and opportunities for entrepreneurs. It would also envisage the promotion of the inclusion of coastal and maritime tourism issues into the work of the European network of SME envoys (which is responsible for opening up channels of communication between the Commission and SMEs, and their representative organizations; and act as the promoter of SMEs' interests throughout the Commission).

Objectives: strengthening the visibility of funding opportunities and application procedures for the support of maritime and coastal tourism, in particular as regards SMEs, under the current and forthcoming EU financial framework. Promote innovation and competitiveness by encouraging applications to available funding.

Problem addressed: There are no instruments dedicated directly to maritime and coastal tourism in the current financial framework. Funds may be available through sectorial and transversal policies, which are not always easy to identify. Lack of visibility of existing financial instruments has emerged as an issue, particularly for SMEs. Operators in the maritime and coastal tourism sector (particularly SMEs) have little access to finance. This is an acute problem for operators in Southern European countries, where interest rates are high and where market-based funding has virtually dried up. This limits the potential of companies to invest in product diversification, greater professionalism and market analysis. The situation has clearly worsened due to the severe economic and financial crisis and the very limited public spending capacity of local institutions across the EU.

Implementation procedures (methodology, tools, budget, whenever applicable) and timeframe: MARE, ENTR and ENV would elaborate this guide. ENTR, responsible for the European Small Business Portal, would publish, within the framework of the existing contract, the guide on-line. No extraordinary budget resources needed. Promoting maritime and coastal tourism within the work of the European network of SME envoys would be a task for ENTR.

Who are the actors at the different stages: EU Commission will be responsible for all stages

Target/recipients: SMEs and micro-enterprises in particular, tourism enterprises in general. Public authorities could also benefit from this guide.

Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders

Description of the measure: Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders.

Objectives: Contribute to the creation and balanced capturing of value out of cruise tourism, with a particular focus on the Mediterranean Sea-basin.

Problem addressed: Volatility of demand is particularly high for cruise tourism. Cruise demand is not equally spread over time, and follows seasonal and weekly patterns with clear peaks. Planning is done on an annual basis, the cruise market is very seasonal, and weekly patterns of arrivals can cause problems in cruise ports as they can be quite unevenly spread. Many cruise ships operate on weekly or fortnightly itineraries, calling at the same ports every week or two weeks. It is possible that a cruise port sees 4 ships one day and none the next. The problem is particularly concentrated in the Mediterranean Sea, and in smaller and popular port destinations. Competitiveness of the sector and of particular destinations can thus be enhanced with the potential to host larger volumes of visitors when better balanced over time. This will also alleviate externalities like landside congestion and environmental pressures caused by peak demand.

Target/recipients: cruise operators, port operators, coastal tourism stakeholders and public authorities.

4.3 Priority Axis II: Address seasonality and accessibility

4.3.1 Overview of problems and policy actions

Problem description

1. Volatility of EU demand is particularly high for coastal and maritime tourism;
2. Seasonality is particularly high if compared to other destinations;
3. Mobile high-spending tourists are increasingly attracted by global destinations;
4. Higher unpredictability is also increased by the volatility of cruise destinations;
5. BRICs visitors are an opportunity and a challenge;
6. Islands and peripheral destinations have structural accessibility gaps;
7. Larger size of cruise ships limits accessibility of ports;
8. Limited land-side accessibility ;
9. Hurdles for less mobile tourists and cruise passengers;
10. Lack of integrated transport modes means limits to accessibility of foreign demand;
11. Limited visibility neutralises potential appeals to non-EU visitors;
12. Multiple entry visas for visitors from third countries, preventing to maximise the incoming tourist flows;
13. Lack of integrated multi level governance in terms of cooperation and coordination among policy makers.

Policy actions

Under this priority axis, initiatives will be taken to address the volatility of EU and non-EU demand, to stretch tourism seasons, and to increase the predictability of tourism including cruise tourism. It will also include initiatives to strengthen the accessibility, connectivity and visibility of the tourism offer, especially so in peripheral destinations and islands. Particular focus will be on hurdles for less mobile groups, which can unblock tourism potential, and the need to focus on the interconnectivity of transport modes.

More specifically:

- Enhance the Joint Management Programme with the Council of Europe on cultural and religious routes – as part of the promotion of new cultural tourism routes in Europe.
- Enhance the image and profile of coastal and maritime tourism with communication promotion tools.
- Promote innovative practices for marina development (including tackling accessibility issues for less mobile people).
- Promote exchange of best practices on how to improve island connectivity and innovative tourism strategies for (remote) islands.
- Valorise existing European initiatives for tourism (e.g. Calypso, 50,000 Tourists programme).
- Create a (voluntary) common system of European boating licenses.
- Develop European (voluntary) common rules on safety equipment for nautical tourism.
- Develop (voluntary) common rules for marinas infrastructure development.

4.3.2 Elaboration of selected policy actions

Valorise existing European initiatives for tourism, by adding a specific coastal and maritime strand (e.g. Calypso, 50 000 Tourists programme)

Description of the measure: The Commission will promote, whenever possible, that the particularities of coastal and maritime tourism are taken into account in the current activities and in the planned new activities in the tourism sector.

Objectives: Address volatility in demand, by attracting more tourists (from target groups) in low seasons.

Problem addressed: Volatility of demand is a major problem for maritime and coastal tourism, and particularly high compared to other forms of tourism. It leads to suboptimal outcomes in terms of employment opportunities, economic stability and negative externalities (e.g. congestion and pollution).

How to implement it (methodology, tools, budget) and timeframe; The Commission will include a Maritime and Coastal Tourism strand in the Calypso Plus initiative which promotes low-season tourism for the senior age-group. The Commission will explore how to enhance other current or planned initiatives, under the MCT perspective, such as the Eden (European Destinations of Excellence) or the Accessibility tourism initiatives (targeting persons with disabilities). Budget will be covered under existing Tourism initiatives. This measure will be particularly cost-efficient as actions envisaged will not involve extra budget but will be included in the budget of the current initiatives. In order to be cost efficient a specific strand dedicated to MCT can be envisaged.

Actors: The Commission. Input may also come from the MS, regional and local authorities.

Target/recipients; Member States, regional and local authorities, industry and tourism stakeholders.

4.4 Priority Axis III: Strengthen sustainability

4.4.1 Overview of problems and policy actions

Problem description

1. The mass-tourism model – above all- externalises increasing pressures on the environment;
2. Environmental deterioration and pressures on biodiversity due to unsustainable models affects future tourism potential;
3. Loss of control over waste from cruise ships;
4. Challenges due to climate change and coastal erosion are expected to increase;
5. Lack of measurements and information on sustainable tourism performances at destination level;
6. High value nature offers opportunities for new segments of high value tourism.

Policy actions

Included are actions that aim to curb the environmental impact of maritime and coastal tourism, with a particular focus on mass-tourism and cruise tourism, including the handling of waste and water. More specifically:

- Develop guidelines on how to prevent impacts on biodiversity and enhance benefits for recreation and tourism supported by protected areas.
- Promote eco-tourism, using the European Eco-Management and Audit Scheme (EMAS) as a model for tourism initiatives.
- Ensure the full integration of maritime and coastal tourism interest in the development of sea-basin specific strategies, as part of the Integrated Maritime Policy.
- Implement the European tourism indicator system (ETIS) for sustainable management at destination level, to develop coastal and maritime tourism dedicated indicators.

4.4.2 *Elaboration of selected policy actions*

Develop guidelines on how to prevent impacts on biodiversity and enhance benefits for recreation and tourism supported by protected areas.

Description of the measure: The measure aims to develop guidelines addressed to policy makers in coastal areas and the coastal tourism industry that give practical advice on how the impacts on biodiversity by tourism activities can be prevented and highlight opportunities that high nature value can offer to the sector.

Objectives:

- To raise awareness on the impacts of tourism activities and infrastructure on biodiversity and to reduce these impacts by encouraging stakeholders and authorities to apply the guidelines.
- To exchange best practices for sustainable tourism development with specific attention to preserve and strengthen valuable coastal ecosystems and areas of high nature value.
- To raise awareness and distribute underpinning on how protected areas and a healthy biodiversity can offer opportunities to the tourism sector by attracting a specific group of tourists.

Problem addressed: Biodiversity loss is an enormous challenge in the EU, including in coastal areas. Less than 10% of coastal and marine habitats in the EU enjoy favourable conservation status. Negative impacts are often due to infrastructure related development (roads, railways, airports, hotels, tourism facilities such as hotels, recreation, shopping areas, marinas, etc.). Maintain and improve biodiversity as well as better management of Natura 2000 sites can also provide significant recreational and tourism opportunities contributing to growth and employment.

Implementation procedures and timeframe: The Commission will coordinate the development of the guidance in close consultation with MS experts and stakeholders. Once finalised, the guidelines will be distributed to MS authorities and stakeholder organisations and promoted via web-platform, government and stakeholder websites. Resources under existing framework contracts or for tendering service contracts will be used to provide for support to the development of the guidelines. The guidelines should be available at the latest 2 years after publication of the Communication. EMFF resources could eventually be used to promote the guidelines.

Actors at different stages: EU Commission for the coordination of the development of the guidelines. MS for distribution and promotion of guidelines towards local authorities, stakeholders and industry.

Target/recipients: Local authorities, maritime and coastal tourism stakeholders (e.g. developers, transport companies, tourism operators, food and beverage providers).

Promote eco-tourism, using the European Eco-Management and Audit Scheme (EMAS) as a model for tourism initiatives

Description of the measure: The measure aims to promote sustainable forms of tourism models, including 'niche models' such as eco-tourism and to redirect current less sustainable practices towards sustainable practices by promoting the EMAS scheme for all tourism models, including mass tourism. EMAS is a management instrument developed by the European Commission for companies and other organisations to evaluate, report, and improve their environmental performance. It is regulated by Regulation (EC) No 1221/2009 and Commission Decision 2013/131/EU establishing the user's guide setting out the steps needed to participate in EMAS.

Objectives: Bring sustainable forms of tourism practices, including 'niche models' gradually into the mainstream tourism area and gradually ensure that EMAS labelled practices become common practice.

Problem addressed: Unsustainable tourism activities put a high burden on environmental resources. These problems are related to water quantity and quality, waste disposal, impacts on biodiversity and protected areas, energy use, air (GHG) emissions, etc.

Implementation procedures and timeframe: In accordance with the specifications and guidance provided by the legislative EU instruments and provisions established in MS. ¹⁴⁵

Actors at different stages: The role of the European Commission is to ensure the proper implementation of the EMAS Regulation and to promote the scheme at the EU level for example by preparing sectoral reference documents including environmental performance indicators for t¹. Member States are responsible for establishing EMAS-relevant structures and procedures in their country and for providing the Commission with information on the implementation of the scheme. Member States launch support activities and promote the participation of organisations in EMAS on a national level. The Industry is responsible to apply for and implement the scheme.

Target/recipients: Local authorities, maritime and coastal tourism stakeholders, tourism industry.

Ensure the full integration of maritime and coastal tourism interest in the development of sea-basin specific strategies, as part of the Integrated Maritime Policy

Description of the measure: Coastal areas are among the most densely populated areas in Europe, which means that these areas are intensively used for all sorts of human activities. Coordinated and integrated approaches in development strategies are essential to ensure sustainable development of all these activities, including the coastal industry sector. This includes the promotion of integrated policy support tools such as Maritime Spatial Planning (MSP) and Integrated Coastal Management (ICM), both recognised as useful tools to support the objectives of the IMP.

Objectives: To ensure that the coastal tourism sector is well represented and integrated in the overall policy strategies for coastal areas. This will contribute to the sustainable development of this sector, being integrated in the dense web of human activities in coastal area and ensure the overall sustainable use of coastal and maritime resources.

Problem addressed: Coordinated integrated policy approaches could lead to synergies and prevent conflicts between different activities that compete for resources and space. Despite the importance of tourism in coastal zones, there is some evidence that the tourism sector is currently less involved in ICM.

Implementation procedures and time frame: The Commission will promote tools that stimulate integrated approaches such as MSP and ICM in accordance with existing policy instruments such as the Recommendation on Integrated Coastal Zone Management and the Protocol on Integrated Coastal Zone Management established under the Barcelona Convention, ratified by the EU and the published roadmap and Communication on MSP. The Commission also adopted its proposal for a Directive on MSP/ICM in March 2013 and hopes that the Directive will be adopted in the Course of 2014.

Actors at different stages: The Commission in close cooperation with MS and the established experts groups on MSP and ICM. The Commission contributes in setting a framework, the elaboration of strategies on substance and their implementation is the responsibility of MS (local) authorities in close consultation with stakeholders.

Target/recipients: Local authorities, maritime and coastal tourism stakeholders, tourism industry.

¹⁴⁵ Info: http://ec.europa.eu/environment/emas/index_en.htm.

4.5 Priority Axis IV: Promote skills, innovation and access to resources

4.5.1 Overview of problems and policy actions

Problem description

1. Limited awareness of the specific skill needs in the sector;
2. Shortage of marketing and other skills required for product diversification;
3. Limited spill-overs of existing knowledge to local actors;
4. A sector with limited appeal on the labour market;
5. Low professionalism limits the access to finance.

Policy actions

Included are actions to strengthen the skills, professionalism and innovation capacity of the workers in maritime and coastal tourism, as well as its reputation on the labour market. A strengthened professionalisation can also have an impact on the access of finance by the sector. More specifically:

- Address skills requirements with regard to coastal and maritime tourism and promote mobility of tourism workers.
- Promote the mainstreaming of maritime and coastal tourism in EU education and training programmes.
- Support diversification, by linking the Common Fisheries Policy to coastal and maritime tourism.

4.5.2 Elaboration of selected policy actions

Address skills requirements with regard to coastal and maritime tourism and promote mobility of tourism workers

Description of the measure: This measure consists of up to 8 sub-measures:

- a. A dedicated section will be integrated in EURES for “Blue jobs” which relate to the coastal and maritime tourism sector. DG ENTR has committed a study to map the jobs, skills and occupation in this specific sector. Once the list is completed, it will be included in the EURES portal (in cooperation with DG EMPL). It will enhance the capacity of job matching on the basis of skills needed and available.
- b. DG ENTR is launching a call for tenders to carry out an education and training mapping exercise for the tourism sector. The contract will include a performance check of the training offer in delivering the skills needed (including soft skills, multilingualism, skills to face societal and environmental changes and challenges) in the sector and request for policy recommendations to close the gaps. Particular attention will be granted to the Maritime and coastal tourism.

Additional measures that could be proposed (and easily/very short term, put in place):

- c. Raise awareness in the appropriate for a (European Maritime Day, Pan-European dialogue for cruise and coastal authorities, etc.) of the possibilities offered by European Commission programmes having an impact on maritime and coastal tourism (EURES, Erasmus, Erasmus for young entrepreneurs, etc.) (DG ENTR and DG MARE).
- d. Expanding the 'ICT - Tourism business support portal' to become an online one-stop-shop (DG ENTR - see measure C4) providing information on current programs, training material and initiatives in the skills area that could be of interest to maritime and coastal tourism stakeholders.

Additional measures that could be proposed but need further verification:

- e. Subject to EAC's (MARKT?) approval, the Commission could establish an Action Plan together with MS to provide a common training and qualifications framework for the sector, based on agreed standards.

- f. Subject to agreement of DG EMPL and DG MOVE, the Commission could establish an Action Plan together with the Member States to improve working, health and safety conditions in the MCT sector and enhance the attractiveness of such professions.
- g. The Commission will ensure that the initiative “EU skills Panorama” will reflect the needs of the sector (Check with EAC).
- h. Based on the education performance check mentioned above, a periodical monitoring (by DG ENTR in cooperation with DG EMPL) of the tourism labour market -with specific attention to the maritime and coastal current and emerging skills needs- could be carried out in the future.

Objectives: The measures aim at establishing more qualified, service oriented, multilingual, and innovating human capital both at execution and management level. It will also aim at promoting workers’ mobility through further enhancement of trans-national accreditation and recognition of qualifications.

Problem addressed: These measures will address the critical issues identified in our IA: the mismatch between skills requirements and skills offer, the lack of highly professional skills, different levels of skills around Europe (resulting in varying levels of service), low productivity, volatile working conditions (particularly due to seasonality), unattractiveness of these professions. It will also address the high percentages of youth unemployment in the remote coastal areas.

Implementation procedures and time frame: See sub-measures above

Actors at different stages: The Commission (Eures, EU Skills panorama, promotion of training and exchanges, promotion of accreditation and qualification frameworks, promotion of safety and improved conditions at work). Member States through regional/local authorities (education and training, safety and improved conditions at work, investments).Sector industry (skills requirements, exchange programmes, investments).

Target/recipients: Workers in the sector and jobseekers (especially youth)

Promote the mainstreaming of maritime and coastal tourism in EU education and training programmes

Description of the measure: Mainstream the needs of maritime and coastal tourism in on-going and future educational programmes and exchange programmes, which could also be enhanced within coastal and maritime tourism clusters. Relevant programmes are the Life-long Learning programme, the Erasmus programme and the Da Vinci programme. Other programmes are “Languages means Business” and, under the multiannual financial framework 2014-2020, the Erasmus+ programme. Such programmes would be streamlined and include specific alliances and partnerships designed to promote coastal and maritime tourism skills. In addition, within the framework of the Youth in Action programme, an exchange programmes for voluntary professionals within the industry will be promoted.

Objectives: Promote innovation, entrepreneurship and high-quality services in the sector.

Problem addressed: Lack of practical skills and exchange between universities and practitioners has emerged as a blocking factor for further innovation, entrepreneurship and the creation of sustainable new jobs in the sector.

Implementation procedures (methodology, tools, budget, whenever applicable) and timeframe: EAC, with support from MARE and ENTR. This initiative would use the budget allocated for the programmes listed, so no new additional resources would need to be assembled.

Actors at the different stages: specific alliances would be conceived and developed by the European Commission. Member States, regional authorities, research and education institutions will be responsible, in a second phase, for the publicity and implementation of these partnerships.

Target/recipients: students and professionals of the coastal and maritime tourism sector.

4.6 Development of Policy Packages

As can be concluded from the above overview of Priority Axes and actions, many actions can support several priorities and objectives – thus reinforcing the cross-cutting nature of many of such measures. Thus, it is important to see these Priority Axes in a more integrated way – which is the reason for preparing a number of possible policy packages. These packages are to be seen as building on existing EC proposals, suggestions from stakeholders as well as those produced by the contractor. The packages have been subject of intensive exchange with the Commission services.

The proposed policy packages are as follows:

- Policy package A: Knowledge building and increased visibility, with an emphasis on measures with a short-term horizon.
- Policy package B: Mainstreaming and networking, including more structural measures with an emphasis on the medium-term horizon.
- Policy package C: Regulatory measures, with emphasis on measures with a longer term horizon, including 'soft' regulation measures (e.g. those of a voluntary nature).

Below, each policy package is shortly introduced.

4.6.1 Policy package A: Knowledge building and increased visibility

In this package, knowledge will be exchanged on best practices in the tourism industry. Measures that support networking activities aim to improve/introduce dialogues between different stakeholders.

This package also aims at increasing demand by both EU and Non-EU inhabitants for coastal and maritime tourism. This can be done by general measures like the development of cultural routes with specific element dedicated to coastal and maritime tourism or by specific targeted measures to attract non-EU visitors (see the red coloured measures).

Policy actions would have a short-term focus.

Measures proposed:

- A1 Enhance the Joint Management Programme with the Council of Europe on cultural and religious routes (with specific elements dedicated to coastal and maritime tourism, to promote the creation of new cultural tourism routes in Europe, in order to guarantee a better geographical coverage of the routes' network in Europe).
- A2 Enhance the image and profile of coastal and maritime tourism with communication promotion tools.
- A3 Develop a study on how to reconvert exhausted mass tourism destinations.
- A4 Organise a specific side-event for coastal and maritime tourism stakeholders in the framework of the Maritime Days.
- A5 Promote innovative practices for marinas development, (including tackling accessibility issues for less mobile people).

- A6 Promote exchange of best practices on how to improve island connectivity and innovative tourism strategies for (remote) islands.

4.6.2 *Policy package B: Mainstreaming and networking*

This package refers to policy initiatives that would stimulate implementation of maritime tourism planning in Member States by means of non-binding measures. The policy actions proposed aim to mainstream maritime and coastal tourism initiatives within existing national, regional and local plans. In particular, focus will be on the mainstreaming of tourism as part of the development of Macro-Regional Strategies and sea-basin strategies, and as part of Integrated Maritime Policies. A programme to promote coastal tourism could for example be supported by Greece under the Greek Tourism plan and in Italy under the Italian Tourism plan, depending on the actual content of the strategy or programme and in accordance with the provisions of the proposed national fund. By the same token, good practices in this respect from the Adriatic Sea can be built upon. This policy package includes actions to support the development of national, regional and local sustainable coastal tourism strategies, which can function as frameworks for investment prioritisation.

Measures proposed:

- B1 Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders.
- B2 Develop guidelines on how to prevent impacts on biodiversity and enhance benefits for recreation and tourism supported by protected areas.
- B3 Promote eco-tourism, using the European Eco-Management and Audit Scheme (EMAS) as a model for tourism initiatives.
- B4 Stimulate innovation and competitiveness by using ICT tools under the framework of Tourism link and Business portal.
- B5 Support for networks, clusters and smart specialization strategies development in maritime and coastal tourism.
- B6 Valorise existing European initiatives for tourism, by adding a specific coastal and maritime strand (e.g. Calypso, 50 000 Tourists programme).
- B7 Ensure the full integration of maritime and coastal tourism interest in the development of sea-basin specific strategies, as part of the integrated maritime policy.
- B8 Address skills requirements with regard to coastal and maritime tourism and promote mobility of tourism workers.
- B9 Promote the mainstreaming of maritime and coastal tourism in EU education and training programmes.
- B10 Develop an online guide with an overview of the main funding opportunities available for the support of maritime and coastal tourism (particularly SMEs).
- B11 Implement the European tourism indicator system (ETIS) for sustainable management at destination level, to develop coastal and maritime tourism dedicated indicators.
- B12 Support diversification, by linking the Common Fisheries Policy to coastal and maritime tourism.

4.6.3 *Policy package C: Regulatory measures*

This package focuses on actions aiming at strengthening the functioning of markets relevant for promoting maritime and coastal tourism, including those related to the labour market, the tourism market (including non-EU tourists) as well as specific product markets. This includes the harmonisation of certain regulations, for example a common system of European boating licences, common rules on safety equipment for nautical tourism and common rules for marinas infrastructure development (see the yellow coloured measured). This policy package will have a longer-term horizon.

Issues to be addressed through a possible regulatory response have emerged less from the substantive problem analysis but rather from the regulatory review which in any event did not establish a *prima facie* case, let alone a clear substantive case, for regulatory action. A more detailed analysis of the topics in question suggests both practical and legal constraints in terms of a regulatory approach.

As regards the issue of **free movement of labour** it is to be noted that there do not appear to be any restricted professions that pertain specifically to the maritime and coastal tourism sector and while there are apparently differences among the Member States in terms of the minimum qualification requirements for professional yacht skippers this is a matter of Member State competence (in their respective capacities as flag states) and moreover the negative impacts on maritime and coastal tourism appear to be a matter of conjecture rather than verifiable fact.

As regards the issue of **boat licenses** it is clear that different Member States have quite different approaches to this topic. Equally the impacts of these differences on maritime and coastal tourism are largely un-quantified (and possibly even unquantifiable) and in any event a non-regulatory response in the form of the UNECE International Certificate of Competence exists, which MS could be encouraged to follow. Moreover the scheme can also contribute to encouraging tourists from outside the EU as regards recreational boating given that this certificate scheme was developed under the auspices of the United Nations and can thus benefit non EU nationals. In other words the case for EU action is not yet made out.

As noted in the regulatory review in contrast to merchant shipping (which is regulated at the international level under the auspices of the IMO) the Member States apply different standards with regard to the **safety requirements** (in particular the safety equipment) that must be carried by recreational craft. In theory this may pose a problem for visiting yachtsmen and as such may discourage international trips. In practice the scope of this problem and its impacts in terms of maritime and coastal tourism are not known (in part because there is no reporting requirement for inter Member State voyages by pleasure craft). Moreover while problems have been reported in the past these have also been resolved at a practical level (for example the Portuguese Maritime Administration has indicated that it will no longer seek to apply the Portuguese standards to visiting leisure craft provided their respective stays in Portuguese waters are for less than 180 days). An alternative approach would be to promote the wider dissemination in the EU languages of the specific requirements of the Member States in this respect. The case for regulation, in terms of common minimum standards at the EU level or the mandatory mutual recognition of Member State standards is not made out (and in this respect the continued variety of Member States requirements with regard to motor vehicle safety equipment is to be noted).

As regards **marinas**, as noted in the regulatory review, there are at present no minimum regulatory standards for these although technical standards are currently being developed under the ISO. ISO standards frequently inform EU legislation (particularly as regards product standards). But the need for EU legislation on this topic does not automatically follow not least because of the quite different minimum requirements of marina users in different parts of Europe. In short the case for regulation is not made out even out at the theoretical level.

Measures include:

- C1 Identify obstacles to the free movement of coastal and maritime tourism workers in the single market.
- C2 Create a (voluntary) common system of European boating licenses.
- C3 Develop European common rules on safety equipment for nautical tourism.
- C4 Develop (voluntary) common rules for marinas infrastructure development.

This does not mean that ongoing regulatory activity at EU level is irrelevant to the maritime and coastal tourism sector. The ongoing revision, for example the **Port Reception Facilities Directive** and the **Schengen Visa Code** will obviously impact maritime and coastal tourism in the future even if the main or primary objectives of those reforms are not maritime and coastal tourism. And indeed this leads on to a final issue to be considered at this stage. The scope for action at the EU level in respect of the tourism sector is, as described elsewhere in this report, is limited to supporting, coordinating or supplementing the actions of the Member States. Leaving aside the fundamental question as to whether EU regulatory action with respect to boat licensing, safety equipment on recreational craft, marinas or professional yacht skipper qualifications, could conceivably be included under the 'tourism' heading, which seems somewhat doubtful, it would in any event be limited in scope to supporting, coordinating or supplementing Member State actions.

An overview of all proposed policy actions is provided in the matrix overleaf and, the link to the associated priority axes, as described in the sections above, is given.

	Policy packages- Full list of actions / linked to priority axes	1) Enhance competitive-ness	2) Address seasonality	3) Strengthen sustainability	4) Promote skills, innovation and access to resources
A1	Enhance the Joint Management Programme with the Council of Europe on cultural and religious routes – as part of the promotion of new cultural tourism routes in Europe		X		
A2	Enhance the image and profile of coastal and maritime tourism with communication promotion tools		X		
A3	Develop a study on how to reconvert exhausted mass tourism destinations	X	x	x	x
A4	Organise a specific side-event for coastal and maritime tourism stakeholders in the framework of the Maritime Days	X		x	x
A5	Promote innovative practices for marinas development, (including tackling accessibility issues for less mobile people)	x	X	x	x
A6	Promote exchange of best practices on how to improve island connectivity and innovative tourism strategies for (remote) islands		X		
B1	Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders	x	X	x	x
B2	Develop guidelines on how to prevent impacts on biodiversity and enhance benefits for recreation and tourism supported by protected areas			x	
B3	Promote eco-tourism, using the European Eco-Management and Audit Scheme (EMAS) as a model for tourism initiatives			x	
B4	Stimulate innovation and competitiveness by using ICT tools under the framework of TOURISM Link and Bueinss portal	X	x		x
B5	Support for networks, clusters and smart specialization strategies development in maritime and coastal tourism	X	x	x	
B6	Valorise existing European initiatives for tourism, by adding a specific coastal and maritime strand (e.g. Calypso, 50,000 Tourists programme)	x	X	x	x
B7	Ensure the full integration of maritime and coastal tourism interest in the development of sea-basin specific strategies, as part of the Integrated Maritime Policy	x	x	X	x
B8	Address skills requirements with regard to coastal and maritime tourism and promote mobility of tourism workers	x	x		X

	Policy packages- Full list of actions / linked to priority axes	1) Enhance competitive-ness	2) Address seasonality	3) Strengthen sustainability	4) Promote skills, innovation and access to resources
B9	Promote the mainstreaming of maritime and coastal tourism in EU education and training programmes			x	X
B10	Develop an online guide with an overview of the main funding opportunities available for the support of maritime and coastal tourism (particularly SMEs)	X	x	x	
B11	Implement the European tourism indicator system (ETIS) for sustainable management at destination level, to develop coastal and maritime tourism dedicated indicators	x	x	X	X
B12	Support diversification, by linking the Common Fisheries Policy to coastal and maritime tourism.	x	x	x	X
C1	Identify obstacles to the free movement of coastal and maritime tourism workers in the single market	X		x	
C2	Create a (voluntary) common system of European boating licenses		X		
C3	Develop European (voluntary) common rules on safety equipment for nautical tourism		X		
C4	Develop (voluntary) common rules for marinas infrastructure development		X		

5 Impact Assessment

5.1 Inventory of relevant economic, social and environmental impacts

The Impact Assessment Guidelines¹⁴⁶ provide a long/list of potential impacts, of which as selection has been made limiting the analysis here to those impacts applicable to the policy packages defined. An explanation is given in below table, where also the relevance to the three policy packages defined in Ch.4 is indicated. These impacts will be assessed in more detail in the remaining sections of this chapter and comprise economic, social and environmental impacts. The measures that result in relative significant impacts will be analysed – with administrative burdens assessed in section 5.3.

Table 5.1 Main impacts and relevance to the defined policy packages

Impact	Relevant to policy packages			Explanation
	A	B	C	
Economic				
Functioning of the internal market and competition	√	√	√	Measures proposed include improvement of the tourism product and the communication of information to consumers, in A and B
Competitiveness, trade and investment flows	√	√		The attraction of non-EU demand is a particular element in A. Measures in B indirectly affect this theme as well.
Operating costs and conduct of business/Small and Medium Enterprises		√		No particular actions in A and C in this area; various actions targeting SME performance in B.
Administrative burdens on businesses		√	√	No particular actions in A in this area; various alignment actions in B, various regulatory actions in C
Public authorities		√		No particular funding demands for authorities in A and C; under B possible improved funding support for regional governments
Innovation and research		√		No particular actions in A and C in this area; supportive measure in B.
Consumers and households	√	√	√	Measures proposed include improvement of the tourism product and the communication of information to consumers, in A; various market support actions in B, and regulatory actions in C affecting consumers
Macroeconomic environment	√	√	√	Measures proposed contribute to increased demand in A and B, and indirectly in C.
Social				
Employment and labour markets	√	√	√	Measures proposed contribute to increased demand in A and B, and skills & mobility in C
Standards and rights related to job quality		√	√	No particular measures in this area in A; social dialogue and education measures in B, skills and mobility action in C
Social inclusion and protection of particular groups	√			Accessibility included in measures in A. No particular measures in this area in B or C. Indirectly measures may increase social inclusion.

¹⁴⁶ Based on the full-list of Impacts and Key Questions available in the EU Impact Assessment Guidelines (2009), p. 32-38.

Impact	Relevant to policy packages			Explanation
	A	B	C	
Environmental				
Transport and the use of energy				No particular measures in this area in A, B or C, though increased tourism will likely lead to increased transport and energy use
Biodiversity, flora, fauna and landscapes	√	√	√	Measures related to environmental impacts of marina development and reconversion of exhausted destinations in A and C; various measures in B.
Water quality and resources		√	√	No particular measures in this area in A; general environmental measures in B also benefiting water and resources; waste related measures (cruise) in C.
Renewable or non-renewable resources		√		No particular measures in this area in A and C; general environmental measures in B also benefiting water and resources.
The environmental consequences of firms and consumers	√	√	√	Measures related to environmental impacts of marina development and reconversion of exhausted destinations in A; funding mechanisms for coastal management in B, specific measure in C.

5.2 Assessment of impacts by measure

All measures identified in Ch.4 have been qualified on their economic, social and environmental impact. For each impact category (economic, social, environmental), a qualitative score is given in terms of in “+” (+ = low, +++ = high). Then, based on the scores for each category, an overall degree of impact is rated on a scale from 1 (low) to 3 (high). A score of 1 is given if any of the three categories was rated ‘+’ as a maximum, 2 if any of the three categories was rated ‘++’, or 3 if any of the categories was rated ‘+++’.

It is noted that for a number of actions, the direct impact will be limited (e.g. when the action concerns the execution of a study on a particular topic), but the relevance may still be high as such actions be set the ground work needed for any further implementation activities.

Table 5.2 Policy actions, relevance to the coastal and maritime tourism subsector, and estimated impacts

Policy packages- Full list of actions		Coastal and maritime tourism segment			Assessment of Impacts			Overall degree of impact
		Coastal	Cruise	Yachting and Marinas	Economic	Social	Environmental	1 = Low 3 = High
A	Policy package A: Knowledge building and increased visibility							
A1	Enhance the Joint Management Programme with the Council of Europe on cultural and religious routes – as part of the promotion of new cultural tourism routes in Europe.	X			+	+		1
A2	Enhance the image and profile of coastal and maritime tourism with communication promotion tools	X	X	X	++			2
A3	Develop a study on how to reconvert exhausted mass tourism destinations	X			+		+	1
A4	Organise a specific side-event for coastal and maritime tourism stakeholders in the framework of the Maritime Days	X	X	X	+	++	+	2
A5	Promote innovative practices for marinas development, (including tackling accessibility issues for less mobile people)			X	+	+	+	1
A6	Promote exchange of best practices on how to improve island connectivity and innovative tourism strategies for (remote) islands	X			+	+	+	1
	Total scores policy package A	5	2	3	7	5	4	
B.	Policy package B: Mainstreaming and networking							
B1	Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders		X		++	+	+	2

Policy packages- Full list of actions		Coastal and maritime tourism segment			Assessment of Impacts			Overall degree of impact
		Coastal	Cruise	Yachting and Marinas	Economic	Social	Environmental	1 = Low 3 = High
B2	Develop guidelines on how to prevent impacts on biodiversity and enhance benefits for recreation and tourism supported by protected areas	x		x	+		++	2
B3	Promote eco-tourism, using the European Eco-Management and Audit Scheme (EMAS) as a model for tourism initiatives	x			+	+	++	2
B4	Stimulate innovation and competitiveness by using ICT tools under the framework of TOURISM-Link and Business portal	X	X	X	+			1
B5	Support for networks, clusters and smart specialization development in maritime and coastal tourism	X	X	X	+	+		1
B6	Valorise existing European programmes for tourism, by adding a specific coastal and maritime strand (e.g. Calypso, 50 000 Tourists programme)	X		X	+++			3
B7	Ensure the full integration of maritime and coastal tourism interests in the development of sea-basin specific strategies, as part of Integrated Maritime Policy	X	X	X	+++	++		3
B8	Address skills requirements with regard to coastal and maritime tourism and promote mobility of tourism workers	X	X	X	+	++	+	2
B9	Promote the mainstreaming of maritime and coastal tourism in EU education and training programmes	X		X	+	++	+	2

Policy packages- Full list of actions		Coastal and maritime tourism segment			Assessment of Impacts			Overall degree of impact
		Coastal	Cruise	Yachting and Marinas	Economic	Social	Environmental	1 = Low 3 = High
B10	Develop an online guide with an overview of the main funding opportunities available for the support of maritime and coastal tourism (particularly SMEs)	x		x	++	+	+	2
B11	Implement the European tourism indicator system (ETIS) for sustainable management at destination level	x		x	+		+	
B12	Support diversification, by linking the Common Fisheries Policy to coastal and maritime tourism	x		x	++	++		
	Total scores policy package B	11	5	10	19	12	9	
C	Policy package C: Regulatory measures							
C1	Identify obstacles to the free movement of coastal and maritime tourism workers in the single market	X		x		++		2
C2	Create a (voluntary) common system of European boating licences			x	++			2
C3	Develop European (voluntary) common rules on safety equipment for nautical tourism			x	+	++	+	3
C4	Develop common (voluntary) rules for marinas infrastructure development			x	+		++	3
	Total scores policy package C	1	0	4	4	4	3	

5.3 Substantiation of impacts by policy package

As part of the substantiation of the most relevant impacts for the policy packages, this section provides a qualitative assessment of those measures that are expected to have a more significant impact (score ‘++’ or ‘+++’ in section 5.2 above). The assessment also indicates the most relevant impact areas for each measure, amongst those presented in the section above, as well as the causal logic which justifies the qualitative assessment of potential impact of the measure.

As noted in the previous section, for a number of actions the direct impact on the coastal and maritime tourism sector will be limited, but that does not necessarily make them unimportant. An example is the collection of data on coastal and maritime tourism, which is not expected to have high direct impact (and is therefore not listed in the assessment hereafter), but is considered an important preparatory step – or enabler - for other possible measures. The same applies to actions that relate to e.g. studies on particular topics such as island connectivity.

5.3.1 Impacts of policy package A

For policy package A, a substantiation of impacts is made at the level of the individual measures, for those measures for which in the previous section an impact of 2 or higher is estimated.

A2 Enhance the image and profile of coastal and maritime tourism with communication promotion tools

Impacts: As we identify a problem of visibility for many coastal destination, the improvement of communication tools would allow to better reach potentially interested visitors and allow some economic gain. Clearly the gain will depend on the capacity for delivering adequate services, so we consider this measure to have a relatively strong but not necessarily extremely strong impact.

Impact categories affected: Consumers, Competitiveness, Macroeconomic environment, Specific Regions/Sectors, International Relations.

A4 Organise a specific side-event for coastal and maritime tourism stakeholders in the framework of the Maritime Days

Impacts: The lack of exchange of good practice and knowledge sharing amongst EU regions has emerged as a relevant blockage for local enterprises and policy-makers to innovate and promote better and more reliable jobs. Although the economic benefit of such measure might be very limited, surely it would provide a support in better governance and social interactions amongst EU practitioners.

Impact categories affected: Governance, Employment and Labour.

5.3.2 Impacts of policy package B

For policy package B, a substantiation of impacts is made at the level of the individual measures. Examples are given as a means to substantiate the expected impacts direction and size.

B1- Promote a Pan-European dialogue between cruise operators, port operators and coastal tourism stakeholders

Expected outputs: a pan European dialogue will result in increased cooperation and mutual understanding of problems amongst cruise operators on the one hand and port operators and public authorities on the other hand.

Expected results: As a result of the increased cooperation, the time that cruise passengers spend on shore can be increased. The number of cruise passengers could increase if in close cooperation new destinations can be developed.

Specific impacts: Increased time on shore and an increase in the number of cruise passengers will result in increased spending on shore resulting in higher revenues for ports and the local tourism sector.

Wider impacts: Contribution to GVA and employment in port destinations and surrounding regions. A lower overall passenger satisfaction with the cruise journey as a whole could well have a bearing on the passenger's willingness to embark on future, similar, cruise journeys.

Examples: A better spread in the patterns of arrivals of cruise ships will increase passenger spending on shore. As average expenditure per passenger (by the passenger and the cruise line) is around roughly €80 when visiting a port¹⁴⁷, a 10 percent decrease due to congestion in cruise ports would in the above case of **Santorini** result in a loss of spending of around € 88.000 per day. Assuming this kind of loss takes place once a week and occurs during 12 weeks per year, the total earnings by Santorini could have been around € 1.1 million /year higher. Furthermore, such congestion, especially once becoming more frequent, may affect the overall passenger satisfaction with the cruise journey as a whole, and could well have a bearing on the passenger's willingness to embark on future, similar, cruise journeys.

B2- Develop guidelines on how to prevent impacts on biodiversity and enhance benefits for recreation and tourism supported by protected areas

Expected outputs: Guidelines distributed to MS authorities and stakeholder organisations, notably local authorities, developers and operators via web platforms and targeted communication. Exchange of best practices involving selected coastal destinations and stakeholders.

Expected results: Increased awareness of Best Environmental Management Practices¹⁴⁸ amongst local authorities, maritime and coastal tourism stakeholders (e.g. developers, transport companies, tourism operators, food and beverage providers).

Specific impacts: Improved application of Best Environmental Management Practices by selected stakeholders can lead to:

- improved local planning practices, of local governments participating;
- optimisation of transport modes, reducing emissions (e.g. use of public transport and bicycles);
- improved eco-efficiency of accommodation suppliers participating;
- reduced water consumption in accommodation establishments participating;
- reduced waste production and increased recycling amongst accommodations participating.

Wider impacts (including information required for extrapolation): The action should contribute to a gradual increased awareness to the potential negative impacts of tourism activities and development and to a gradual change towards more sustainable practices for the development and operation of tourism activities. Tourism opportunities linked to protected areas will be better explored and promoted. Ultimately this should lead to better protection of coastal and marine resources, and attraction of tourists who have increased levels of environmental consciousness.

¹⁴⁷ Sectoral Report: Cruise Industry, National Bank of Greece, August 2012, <http://www.nbg.gr/wps/portal/en/the-group/Press-Office/E-spot/Reports/content/Reports/cruise-en-2012>.

¹⁴⁸ JRC: Best Environmental Measures in Tourism: <http://susproc.jrc.ec.europa.eu/activities/emas/tourism.html>.

Example of quantification: **Lanzarote Island** (800 km² and 60,000 inhabitants) is a volcanic ecosystem with a unique landscape. The tourism growth experienced in Lanzarote between 1980 and 1992 (182,363 tourists in 1980 and 1,165,680 in 1992) put in risk the basic equilibrium of the Island and the preservation of the island's ecosystem. The Island Council (Island Public Administration) developed the Island Spatial Plan of Lanzarote, which has been operational since 1991 and defines the physical limits and criteria for environmental conservation describing the sustainable development strategy. The plan implied some active measures, amongst which the reduction in the number of hotel supply through the declassification of the 60% of tourist places initially planned (150,000 of 250,000). A second phase of the Island Spatial Plan, the "Lanzarote Biosphere Plan: a strategy for sustainable development on the island" was elaborated and the change of direction stated in it paved the way for the declaration of the Island of Lanzarote as Biosphere Reserve in 1994, inside the UNESCO Programme "Man and Biosphere". A fact which ensured a high level of protection of the environment and landscape of the island. As recently as in 2010, it has been awarded a prize of sustainable tourism by the Independent Tour operators Association of the United Kingdom and the Sustainable Tourism Association.

The importance of the plan resides in the fact that there was a high degree of cooperation between the Administration and the private sector in its elaboration. Another important feature is the high level of participation and consensus achieved regarding the Plan objectives, as well as the high level of local population's support. Amongst the reasons for this awarding has been the recognition that Lanzarote Government has been careful about the development of the island and that design and architecture are strictly controlled to blend with the landscape and cultural identity in an economy dependent on tourism. Lanzarote is now one of the pioneer destinations chosen by the Global Sustainable Tourism Council to implement the Global Sustainable Tourism Criteria within the Program "Sustainable destinations worldwide".

As far as the series of data related to expenditure are concerned, as it can be observed in the following tables, in general there has been a reduction of visits through time, however these have been, balanced out by an increase of the expenditure per person in the last years (€ 102 per day in 2009 and € 119 per day in 2012).

B3- Promote eco-tourism, using the European Eco-Management and Audit Scheme (EMAS) as a model for tourism initiatives

Expected outputs: A study into the costs and benefits of EMAS¹⁴⁹ shows that increased resource efficiency and energy savings were identified as main benefit for registered organisations.

Expected results: The expected results of increased efficiency and energy savings are financial savings and productivity improvement. The above mentioned study into the costs and benefits of EMAS also showed that the access to funding has improved. A recent study on hotels in Spain showed that those that have Environmental Management Systems in place are more profitable than those that do not¹⁵⁰.

Specific impacts: improved staff recruitment, increased market opportunities. Specific impacts of EMAS comprise improved staff recruitment and increased market opportunities. In the study into the costs and benefits of EMAS more than 50% of the respondents in the hotel and catering sector reported that as a result of EMAS more contracts have been won.

¹⁴⁹ Study on the Costs and Benefits of EMAS to Registered Organisations, Milieu Ltd and Risk and Policy Analysis Ltd, October 2009, http://ec.europa.eu/environment/emas/pdf/news/costs_and_benefits_of_emas.pdf.

¹⁵⁰ Source: EMAS in the tourism sector, May 2013, http://ec.europa.eu/environment/emas/pdf/factsheet/EMASFactsheet_Tourism.pdf.

Wider impacts (including information required for extrapolation): The measure will contribute to reduced environmental impacts by promoting sustainable practices in the tourism industry and gradually bringing sustainable 'niche tourism models' into the mainstream tourism area.

Example of quantification: The **Terceira Mar Hotel** is located in the Terceira Island of the Azores and opened in 2003. It comprises 281 beds. The management decided to implement an Environmental Management System in accordance with the ISO 14001 standard and with EMAS. As a result the resource consumption has improved in one year as follows¹⁵¹:

- water consumed per room decreased by 22.5%;
- electricity consumed per room decreased by 38.1%;
- diesel consumed per room decreased by 27.5%;
- butane consumption was reduced by 5.8%;
- the number of chemical products used in the hotel was reduced from 99 to 88, and the quantities used were reduced by 35.4%.

The costs that can be saved due to EMAS depend on the type and size of the business. In the study into the costs and benefits of EMAS the following example is given. A **small public local authority in Germany** indicated energy cost savings of 5% and resources savings of 10% following adoption of EMAS.

A **local area representative organisation in Romania** reported a 2% saving in energy. Assuming average consumption of gas and electric for micro enterprise is around 25% that of the average for medium sized users and applying average prices for industrial end-users, excluding VAT in the relevant Member State, a 2-5% cost saving equates to approximately €4,000-€10,000 for the German organisation and €3,000-€6,000 for the Romanian organisation. For small organisations energy savings could exceed €20,000 per year.¹⁵²:

Another example is the Green Tourism Business Scheme (GTBS), an instrument in achieving greater sustainability in **Scotland's** tourism. This is a voluntary environmental certification scheme for tourism enterprises established by VisitScotland in 1998. By 2004, there were 550 establishments in the scheme, including accommodation and visitor attractions. Membership has been growing at around 30 per cent per year.

The scheme is based on a menu of 150 actions that businesses can take in the fields of: energy, waste, water, wildlife, transport, supporting the local economy, management and marketing, and involving and informing customers. Some of the actions are mandatory but most are voluntary. All enterprises are required to measure and benchmark their energy and water consumption and waste production. Inspection takes place every two years. Surveys of participants have found that around 30 per cent can point to specific cost savings as a result of their involvement in the scheme and that average bedroom occupancy levels of hotels in the scheme are around 10 per cent higher than for Scotland as a whole¹⁵³.

B4 Stimulate innovation and competitiveness by using ICT tools under the framework of TOURISM Link and Business portal

Expected outputs: Providing information and sharing of best practices will lead to an improved knowledge level within the tourism sector. New developments and knowledge can diffuse more rapidly within the sector.

¹⁵¹ Source: EMAS case studies, http://ec.europa.eu/environment/emas/casestudies/terceiramar_en.pdf.

¹⁵² Source: Study on the Costs and Benefits of EMAS to Registered Organisations, Milieu Ltd and Risk and Policy Analysis Ltd, October 2009, page 73 and 74.

¹⁵³ Making tourism more sustainable, UNEP, 2005 <http://www.unep.fr/shared/publications/pdf/DTIx0592xPA-TourismPolicyEN.pdf>.

Expected results: Using new concepts, state of the art technologies, learning from best practices, etc. will improve professionalism of the tourism sector and will result in lower costs and higher earnings for individual companies.

Specific impacts: Improved professionalism will attract more tourists, will increase profitability and will make it easier to attract funding.

Wider impacts: The ICT - Tourism business support portal will become a one-stop-shop providing all kinds of ICT related tools, information packages (tutorials), training material and other information and making it available to all businesses and SMEs, at their convenience, wherever they are located, even in remote areas. This will enhance the competitiveness of the maritime and coastal tourism sector to attract greater visitors and resources.

Examples: Evaluations of business support by ICT tools (overview best practices, information, and training) are very scarce. Research by Rotger and Gørtz ¹⁵⁴ suggests that ‘soft’ support such as business advice made a difference in the long term survival of business start-ups. There was also a modest increase in jobs created (0,27 per firm for basic support and 0,50 for extended support) and a modest increase in long term enterprise growth for the extended (not the basic) support.

Several reports stress the importance of knowledge exchange. An OECD report¹⁵⁵ states that ‘There is a large potential for mutual learning among Member countries from existing “best practices” and the experience of past and current reform efforts’ and ‘The underlying long-term growth rates in OECD economies depend on maintaining and expanding the knowledge base (which can be done by sharing best practices-red)’. Another OECD report¹⁵⁶ states that ‘information is a key to the competitive advantage of SMEs, and it is likely to increase substantially in the future’. The report also notes that the ability of time-constrained entrepreneurs to scan databases to absorb the relevant information, even where this information can be found, is limited. Furthermore, computer literacy is likely to be lower, the smaller the enterprise. The report therefore developed four approaches to overcome these possible problems.

B5 - Support for networks, clusters and smart specialization strategies development in maritime and coastal tourism

Expected outputs: A functioning network of coastal cities, organised at sea-basin level.

Expected results: Concrete and integrated tourism project between participating cities (e.g. 3-5), such as:

- Construction of nautical routes along participating yacht harbours;
- Development of maritime cultural tourism offer, jointly with local museums participating;
- Development of coastal bike routes, jointly with accommodations participating.

Specific impacts: Increased numbers of tourists and increased number of overnight stays; increased amount of spending per day. Environmental benefits in terms of reduced transport needs, use of public transport and/or bicycles, etc.

¹⁵⁴ What are counterfactual impact evaluations teaching us about enterprise and innovation support?, Daniel Mouque, DG for Regional and urban policy Evaluation and European Semester Unit, December 2012.

¹⁵⁵ Technology, productivity and job creation: best policy practice, OECD <http://www.oecd.org/industry/ind/2759012.pdf>

¹⁵⁶ Small businesses, job creation and growth: facts, obstacles and best practices, <http://www.oecd.org/industry/smes/2090740.pdf>.

Wider impacts: This item would contribute to enhance coastal regions potential for innovation in maritime and coastal tourism, building substantial synergies and promoting competitiveness. Addressing obstacles to the nautical sector could also have substantial economic and social impacts, attracting value for the sector and creating jobs. A positive environmental impact is also expected due to the promotion of good environmental practices and sustainable forms of tourism (especially when framed within the Covenant of Mayors initiative).

Examples

Cooperation: The **Association of Castles and Museums around the Baltic Sea** was the first network connecting some of the most important monuments and sites in the Baltic Sea Region. It was founded in Malbork Castle, Poland in 1991. The idea was to provide a forum where people working with their nations' history and cultural heritage could meet, create networks and exchange knowledge and ideas. The Association is a non-political and non-profitable association which aims to promote the identity of the Baltic Sea Region and make its cultural heritage known worldwide. The countries are closely linked by their common history in spite of their sometimes difficult past. Research, restoration, education, marketing, management and tourism are the six pillars of The Association. At the moment, The Association has 44 member castles in all nine countries around the Baltic Sea.

Smart specialization strategy: In the **Balearic Islands**, the tourism sector represents almost the half of the regional GDP (43%), and generates about the 30% of the employment in the region. Maritime and coastal tourism is the main economic engine of the islands and has important linkages with other sectors. Tourism activity generates annually more than 10 billion € of incomes, and around 9 million of tourists, 80% of whom are foreigners. The Balearic Islands receives 27% of the total foreign visitants to Spain. As part of Smart Specialisation strategy, the Balearic society has tradition in the field of the new Information and Communication Technologies (ICT). There are in the region an important number of ICT companies developed as a consequence of the tourism activities tractor effect. In this context, the Association of ICT companies (GsBIT) was created in 2000. In addition, the cluster turisTEC was created in 2007. The aim of the cluster consists on connecting businesses from the ICT sector with the companies from the tourism sector. This importance of the ICT sector in the region, has contributed to achieve better indicators than the Spanish average in the field of information society: the overall growth of researchers (within companies, public sector and education) has almost doubled (98% increase) in the period 2004-2010 (from 735 to 1461), compared to an overall increase of 33% in Spain as a whole. ¹⁵⁷.

B6 Valorise existing European initiatives for tourism, by adding a specific coastal and maritime strand

Expected outputs: Adding a maritime strand to the above programmes will result in additional promotion of maritime destinations as part of the Calypso exchange model. This applies both to regions where tourism is well developed as well as to small or emerging destinations the opportunity to promote themselves to a broader range of European tourists

Expected results: A higher number of (targeted) tourists visit maritime and coastal destinations in low seasons, with increased spending as a consequence.

Specific impacts: The programme encourages longer-lasting employment in the tourism industry by making it possible to extend jobs beyond the peak season.

¹⁵⁷ [S3 Peer Review session Palma de Mallorca 7/8 February 2013.](#)

Wider impacts: This measure will have mainly economic (but also social and environmental) impacts as it will promote the sustainable competitiveness and growth of the sector.

Example of quantification: The Spanish IMSERSO project is considered a good Calypso practice¹⁵⁸. It supports the travel of seniors from the age of 65, targeting pensioners falling under the public pension system including widow's/widower pensions. This is an intra-regional social tourism programme, which aims at the well-being of seniors, and to maintaining employment levels in tourist areas during the low season. Created in 1985, it started offering 16,000 seats and it has offered 1.2 million places for 2010. Since it started, more than 10.5 million persons have taken part in this programme, which is highly popular, very positively valued and is satisfactory at all levels. A large number of the visitors are destined at coastal destinations.

The latest assessment, carried out by an independent international consultant for 2007-08, estimated the total amount of direct resources allocated (public and private payments) to be €300 million, increasing to 570 million if induced expenses are added (expenditure incurred by travellers at destination). Similarly, carrying out a savings hypothesis, the following economic impact is estimated: 1.53 euros are recovered by the State for every euro invested. According to external assessment, 13,000 direct jobs and 85,000 indirect jobs in the low season are created or maintained every year. The employment generated has a direct repercussion on the Public Administration income: Social Security payments, savings on Unemployment Benefits, Income Tax collection, Value Added Tax and others, through which the Public Administration fully recovers the amounts invested by the IMSERSO, guaranteeing the financial sustainability of this form of employment.

B7 Ensure the full integration of maritime and coastal tourism interest in the development of sea-basin specific strategies, as part of the integrated maritime policy

Expected outputs: Increased number of MSP and ICM practices where maritime and coastal tourism is involved.

Expected results: Main achievements of the ICZM practices studied to date are¹⁵⁹: Awareness raising, Information/knowledge exchange, input or development of an integrated plan or framework to tackle ICZM related issues; better coastal management processes and procedures with the emphasis on stakeholder participation; improvement of technical expertise and measures.

Specific impacts: an earlier ICZM survey¹⁶⁰ has identified that socio-economic gains are substantial, including traffic costs; an improved quality-of life; more sustainable economic activities; and landscape enhancements. Of more immediate importance appear to be the institutional and procedural benefits of ICZM initiatives: more coherent spatial planning; improved decision-making; and better partner understanding. These reflect the positive stakeholder relationships engendered by ICZM initiatives and are necessary to establish the institutional framework and activities which will encourage the emergence of sustainable economies and societies in coastal zones.

Wider impacts: The measure will contribute to better coordination and integration of the tourism policy with other policies, which will give better guarantees for sustainable growth of the tourism industry and the overall sustainable use of limited coastal and maritime resources.

¹⁵⁸ http://ec.europa.eu/enterprise/sectors/tourism/files/docs/calypso/calypso_compendium_of_good_practices_en.pdf.

¹⁵⁹ Arcadis (2011) Comparative analysis of the OURCOAST cases, for EC DG ENV <http://ec.europa.eu/ourcoast/download.cfm?fileID=1709>.

¹⁶⁰ Firm Crichton Roberts and University of Strathclyde (2000): An assessment of the socio-economic costs and benefits of integrated coastal zone management.

Example: Marine tourism as part of a wider, regional, image strategy to provide a competitive advantage in West Cork, Ireland. This case was initiated in the LEADER II programme and is an integrated development strategy primarily focused on the tourism strengths of the West Cork region embracing as part of the whole, marine tourism and protected areas. This ICM project entails the production of a sophisticated, all-embracing and detailed branding concept, based on a unique image and identity, which has been created for the region. The case embodies a core component of the area's enterprise development strategy which is also strongly linked to other priority actions in heritage, environment and community development. It embraces coastal and marine aspects of tourism and biodiversity/landscape preservation as part of a regional whole. The aim was to define a development policy on the basis of West Cork's own particular situation, in terms of its strengths and weaknesses: a territorial proposition based on the unique image and identity of the region.

The branding initiative has delivered considerable benefits to the region as a whole as well as to participating enterprises. These include coherence in regional marketing and promotion, consumer recognition and brand awareness, new enterprise and product development, increased employment, turnover and profitability, enhanced quality standards, market development and access and network development.¹⁶¹

B8 Address skills requirements with regard to coastal and maritime tourism and promote mobility of tourism workers

Expected outputs: Education results in an increase in skilled labour.

Expected results: Skilled employees are more likely to provide good customer service which leads to satisfied customers. Motivated employees will also result in less staff turnover and more efficient business processes, higher labour productivity, higher profitability as well as a higher quality of work. Furthermore, an increased likelihood that staffs trained are expected to be more committed to the development and implementation of sustainable tourism measures.

Specific impacts: Increased satisfaction of tourists will result in additional tourists within those parts of the business which have been upgraded as a part of skills initiatives.

Wider impacts: Investment in human capital is an essential condition for sustainable and competitive growth in the sector. Thus, the proposed measures will have positive economic impacts. The measures will also promote employment in the sector and mobility of workers (including in the low season), through a more suitable match between the skills available and the job offers in the marketplace. They will also provide exchange of knowledge and experience. Furthermore, the measures will have a social impact as they will enhance skills adapted to the demographic change and to persons with disabilities. More qualified skills in the sector will also raise awareness of crucial environmental challenges and incite more environmentally friendly, sustainable and responsible practices. Environmental benefits as a consequence of the (increased) development and implementation of sustainable tourism measures, amongst tourism businesses involved.

Example: In 2003 in Montenegro it was noted that in spite of the high number of registered unemployed and the high rate of unemployment, an increasingly higher number of people in tourism (15.000) were hired from outside Montenegro¹⁶². The Employment Agency identified that the educated labour force in Montenegro had low relevant competence and was of practically no

¹⁶¹ A.H. Pickaver, Coastal & Marine Union (EUCC), The Netherlands.
<http://ec.europa.eu/ourcoast/index.cfm?menuID=7&articleID=53>.

¹⁶² Development of tourism in Montenegro and future labour force needs, in Trends and skill needs in tourism, Cedefop Panorama series; 115 http://www.cedefop.europa.eu/EN/Files/5161_en.pdf.

use without additional education and training. Complaints focused on basic skills and competences: communication, use of ICT technologies, foreign languages, team work and competences among the narrowly specialised occupations such as cooks, waiters, tourist guides, front desk workers, etc. As a result, Montenegro has started to reform education.

B9 Promote the mainstreaming of maritime and coastal tourism in EU education and training programmes

Expected outputs: A streamlining of the above programmes, and increased awareness amongst target groups (students and professional of the coastal and maritime tourism sector) of the opportunities that these programmes provide. As a consequence, an increased number of participants from the target groups in the above exchange programmes.

Expected results: Increased level of skills amongst employees, including language skills, international orientation and customer orientation. Upon their deployment, this will increase more likely to provide good customer service which leads to satisfied customers. Motivated employees will also result in less staff turnover and more efficient business processes, higher labour productivity, higher profitability as well as a higher quality of work. Furthermore, an increased likelihood that staffs trained are expected to be more committed to the development and implementation of sustainable tourism measures.

Specific impacts: Increased satisfaction of tourists will result in additional tourists within those parts of the business which have been upgraded as a part of skills initiatives. Environmental benefits as a consequence of the (increased) development and implementation of sustainable tourism measures, amongst tourism businesses involved.

Wider impacts: The measure is expected to have some relevant economic as improving the quality of services provided would increase the sector's competitiveness and make its offer more attractive. It would also have positive social impacts, as it will influence the number and quality of jobs.

Example The maritime and coastal tourism sector provides a large amount of less skilled jobs, therefore exchange programmes should not only focus on youth at academic level. Therefore, the **Youth in Action** programme provides good connections to the target group. A recent survey ¹⁶³ pointed to the main benefits encountered by participants in such programmes, young adults who had stayed abroad for education or training purposes. When these young adults were asked to identify the most important benefit of spending time abroad, the largest proportion (38%) named their improved foreign language skills. About a fifth of respondents selected a greater awareness of another culture as the main benefit of their longest learning mobility period abroad; while roughly half as many respondents said they had developed a greater ability to adapt to new situations (10%) or that they had developed professional skills they did not already have (9%). Small shares of respondents listed better interpersonal skills, better academic knowledge or better opportunities for subsequent employment (each selected by 6%-7% of respondents). Almost all of the above skills are of high importance to the maritime and coastal tourism sector.

B10 Develop an online guide with an overview of the main funding opportunities available for the support of maritime and coastal tourism (particularly SMEs)

Expected outputs: Increased access of SMEs and micro-enterprises to direct funding through grants, indirect funding through national and local intermediaries and in particular loans and bank guarantees. ¹⁶⁴

¹⁶³ Flash Barometer (2011) Youth on the Move, Analytical Report. http://ec.europa.eu/public_opinion/flash/fl_319b_en.pdf.

¹⁶⁴ European Small Business Portal <http://ec.europa.eu/small-business/funding-partners-public/finance/#1>.

Expected results: Increased access to finance increases bankability of SMEs, with leverage for financing larger investments.

Specific impacts: Increased investment has direct economic and employment effects (e.g. in the construction sector), but more importantly allows maritime and coastal tourism businesses to modernise their offer, upgrade their facilities, and reduce energy costs, with increased opportunities for employment and profitability for the businesses involved.

Wider impacts: This measure would encourage SMEs to innovate and lead to an improvement in the services currently provided, potentially increasing tourist visits and spending, with employment opportunities for the localities involved.

Example of quantification: Case study **bed and breakfast apartments in Bari (Italy)**¹⁶⁵. Looking for new and diverse business opportunities is one way to improve the economy. Although Bari's historical centre is highly attractive for tourists, accommodation is limited mainly to traditional hotels. To attract a wider range of visitors, namely young people, funds have been allocated to families to refurbish and maintain bed and breakfast (B&B) accommodation. The renovated apartments sleep two to four visitors and will plug a gap in the tourist market. Supported by the Structural Funds twenty families are opening up Bari's tourist market by renovating small apartments. The project will train 5-20 families to start and run their own small businesses. They can claim up to 75% of their costs, up to approximately E12,000. The families have created an association to share the burdens of B&Bs implementation and management. This network will also make it easier for the families to share best practice. The URBAN programme is also providing economic incentives to local small businesses such as artisans, shopkeepers, bars and restaurants, and those running cultural activities. This complements the other projects and, together, the work is beginning to reverse decline in the city centre.

5.3.3 Impacts of policy package D

For policy package D, a substantiation of impacts is made at the level of the individual measures, for those measures for which in the previous section an impact of 2 or higher is estimated.

C1 Identify obstacles to the free movement of coastal and maritime tourism workers in the single market

Impacts: Obstacles to workers mobility through overregulation have emerged as an issue for a truly single market of coastal tourism workers across the EU sea-basins. Nonetheless, because the areas of over-regulations are limited, the impact is not necessarily very strong (although might possibly be of some relevance for low-end labour force).

Impact categories affected: Governance, Employment and Labour, Social Inclusion.

C2 Create a common system of European boating licenses

Impacts: The measure aims to reduce the administrative barriers to boat use and boat rental across Member States, which will benefit both operators, authorities and consumers.

Impact categories affected: Administrative burdens, Operating costs of business/SMEs, Consumers.

¹⁶⁵ EC DG ENTR Financial support for Tourism and Commerce;
http://ec.europa.eu/enterprise/sectors/tourism/files/studies/structural_funds/sf_greece_en.pdf.

C3 Develop European (voluntary) common rules on safety equipment for nautical tourism

Impacts: Security is emerging as a key element to ensure sustainable growth, particularly for the nautical sector. The lack of common rules might hinder such development and therefore the measure might have a strong positive impact.

Impact categories affected: Governance, Security.

C4 Develop common (voluntary) rules for marinas infrastructure development

Impacts: Lack of clear direction and requirements on how to improve the infrastructures of local marinas has emerged as a main limit to ensure an adequate level of standards in services across the EU sea-basins. A dedicated action is therefore expected to have potentially relevant positive impacts.

Impact categories affected: Environ. Consequences, Transport and Energy, Water Quality.

5.3.4 Assessment of specific impacts at the level of policy packages

In this section, a selection of the most relevant aspects (chapter 5.1) of the three impact categories will be elaborated in further detail.

Impacts on the number and the quality of jobs

Availability of skilled workers and quality of jobs offered in the coastal tourism sector has been identified as a concern (Ch.3). A number of measures proposed under the three policy packages aim to address this concern. These include measures directly addressing skills requirements, as well as measures that aim to promote the image of coastal and maritime tourism thus indirectly raising the visibility and attractiveness of employment in this sector. The effectiveness of these measures is scored positive on its social impacts. Policy package B is preferred in this respect as it includes more specific impacts and contains measures particularly addressing quality of jobs aspects, whereas policy package C will also have some impacts notably through the reduction of obstacles for free movement of workers. Policy package A is not likely to affect this aspect substantially since the measures are not targeting (quality of) jobs in particular and/or are to be considered preparatory steps only (studies, knowledge exchange).

Impacts on consumers

Consumers in the context of this study are considered to be the people 'consuming' tourism, e.g. visitors of coastal tourism destinations, nautical tourists or cruise passengers. In principle, they will benefit from all measures proposed under the various policy packages, as each of them contributes to an improvement of the coastal and maritime tourism 'product'. Affordability is an important consideration here, especially in times of crisis. Therefore, care should be taken to keep sufficient offer and choice, including that for budget-conscious travellers. Since the measures under policy package B are expected to have the largest contribution to demand growth and quality/efficiency of response of the industry as well as on the sustainability levels of the tourism offer, policy package B is assessed to have the highest overall consumer impacts.

Impacts on SMEs

In the context of the coastal and maritime tourism sector, it is important to assess the impacts of proposed measures on Small and Medium Enterprises, especially because of the large share of SMEs active in this sector. As shown in Ch.3 the fragmentation and uncoordinated nature of the industry causes a limited ability to respond to a changing environment. Therefore, a number of measures proposed under the policy packages are particularly addressing SMEs. While under policy package A and C no particular attention is given to SMEs, they do benefit from the measures

proposed. However one may expect larger companies to be able to better build on the proposed actions than SMEs. Under policy package B a number of measures specifically targeting SMEs, including improved promotion and access to funding, cause this package to be delivering the most positive impact to SMEs.

Impacts on technological development and innovation

All in all, the coastal tourism sector is a service industry with a relatively low level of technology and innovation. For the maritime tourism sector, however, technology and innovation is fairly important, for instance in the development of light-weight material used in nautical sports or the technology required for cruise ships to meet environmental and safety regulations.

None of the measures proposed under the three policy packages directly target technological development or innovation aspects, however on a more general level smart specialisation and clustering is promoted which also aim to strengthen innovation. Indirectly, by setting clear regulations or by e.g. promoting green demand, the development of technology is also supported.

Impacts on firms in terms of investment, operating costs, products and services

The ability to invest is a concern within coastal and maritime tourism particularly in those segments that face large variations in demand causing unreliable income flows. This in combination with the large share of SMEs that have limited access to external funding hampers the necessary investments, as elaborated in Ch.3. A number of measures proposed address this aspect, aiming to increase access to funding, increase demand and reduce volatility. Also several measures target the development of new tourism products with higher margins. By all means, an increase of demand is considered the best promoter of investment, costs and quality of service as it provides the basis for entrepreneurial reward. Overall, policy package B is expected to deliver the highest overall impact on coastal and maritime tourism demand, whereas this package also contains a number of measures that specifically target access to funding. Policy package C has a lower impact on coastal and maritime tourism as such than policy package B, but impacts on investment are still considered to be positive due to several specific measures aiming to reduce administrative costs.

Impacts on international trade and cross-border investments

Since tourism can be considered mainly as a service industry, no direct impacts on international trade are expected. Also no direct impacts of cross-border investment into the EU or from the EU into third countries are expected directly from the measures proposed. Indirectly however a growth in demand may attract foreign investors as well. The policy packages do however positively affect intra-EU cross-border investments, through measures that promote cooperation and exchange of information as well as measures increasing information on funding access.

Impacts on developing countries

Depending on the definition of developing countries, the population of these countries – having low average incomes – are not considered to be a target group for the EU as a tourism destination. However they can be competitor countries as tourist destinations themselves, and as shown in Ch.3 EU tourists have been visiting overseas (rich or poor) countries more and more. Measures to promote EU coastal and maritime tourism hence would initially negatively affect third countries by re-attracting EU tourists, and by increasing competitive edge against these countries.

Macro-economic impacts

A number of EU countries affected by the economic crisis are strongly dependent on coastal and maritime tourism. Promoting the growth of this sector will therefore contribute to increased demand for coastal and maritime tourism, raising employment levels as well as job quality, and as such

serving economic growth. These impacts will be strongest in the package with highest economic impact, e.g. policy package B.

Impacts on public authorities

A number of measures are addressed to public authorities, at local, regional or national level, especially under policy package B. The measures proposed aim to support governments by providing tools or support mechanisms that should increase their effectiveness. As such, the impact on public authorities is considered positive.

Impacts on the environment

Measures targeting a refocus of exhausted areas, through the regeneration of the tourism product, will not only benefit the economy but more so even the environment, by reducing the negative externalities and/or by raising the provision of sustainable tourism products. Furthermore, measures related to coastal zone management directly target the quality of this area, indirectly benefiting the social and economic domain. Most of these generic measures are found under policy package B. Under policy package C, very specific measures targeting the environment are included, which address particular pressures such as waste and marina development practices. While likely more effective on a local scale, the overall impact of these is considered lower than the generic measures included under policy package B.

Impacts on fundamental rights

This concerns the impacts on the rights, freedoms and principles contained in the Charter of Fundamental Rights of the European Union. The policy packages are expected not to have any impact on the dignity, freedom, equality, solidarity, citizens' rights, and justice as mentioned in the Charter.

5.4 Comparing the Policy packages (Effectiveness, Efficiency, Coherence)

On the basis of the above, we have assessed the economic, social and environmental impacts per policy package by simply adding up the scores of the individual measures. Also the average score per measure is calculated.

Effectiveness can be defined as the impacts realised in relation to the efforts taken to achieve them: the more impact per unit of effort, the more effective a measure would be. However the specific required effort for implementing the proposed measures is not known. Hence, as a simplified assumption we have assumed measures the effectiveness per policy package in terms of the impacts relative to the number of measures included. The results are listed in the next table.

Table 5.3 Comparing the policy packages

Policy package (nr. measures)	Tourism sector			Assessment of general impacts			Effectiveness	
	of	Coastal	Cruise	Yachting Marinas	Economic (average impact per measure)	Social (average impact per measure)		Environmental (average impact per measure)
A (6)		5	2	3	7 (1,16)	5 (0,83)	4 (0,67)	2,67
B (12)		11	5	10	19 (1,58)	12 (1,00)	9 (0,75)	3,33
C (4)		1	0	4	4 (1)	4 (1,00)	3 (0,75)	2,75

Policy package B contains the largest number of measures, 12 in total. Of these 11 measures, 12 (92%) are expected to be relevant for the coastal tourism and 10 (84%) for the yachting and marinas sector. Policy package B is also expected to have strong relevance for the cruise sector. Policy package C does not involve any measure that is expected to be of relevance to the cruise sector, for policy package A this amounts to only two measures. Policy package C has however the largest relevance for the yachting sector.

Overall, policy package B has the highest impact on all three categories. When measured in terms of impact per measure, policy package B is most effective as regards economic and environmental impacts, while policy package B and C show the highest impact per measure in the social domain. In terms of overall effectiveness, policy package B scores the highest.

Economic impacts

Economic impacts comprise a wide range of impacts (see section 5.1). Since policy package A aims at knowledge building and an increase of the visibility of the tourism sector the economic impacts are expected to comprise only minor impacts on consumers/households and on the macroeconomic environment: the tourism sector can learn from best practices resulting in increased quality for consumers and improved visibility of the sector can lead to higher tourism volumes. Since the measures in policy package A however only aim at knowledge exchange and promotion of the sector, it is expected that the economic impacts will be relatively low.

The economic impacts of policy package B are expected to be higher compared to policy package A. Whereas in package A, measures are of a preparatory nature (studies, best practices), package B is more focused on measures targeting specific problems. As a result it is expected that economic impacts will also comprise impacts for public authorities, SME operations and innovation/research. For instance an overview of EU funding instruments currently available for the development and support of coastal and maritime tourism with support for SMEs (measure B10) can help in finding financial resources, particularly for SMEs. Direct contributions to SMEs could be beneficial in supporting innovations and improvement in the currently provided services. For the (local) public authorities the possibility to use EU funding could have positive budgetary effects.

The average economic impact per measure in policy package C is expected to be lower compared to policy packages A and B. In terms of economic impacts of the measures under package C, the introduction of a common system for European boating licenses (C2) may result in substantial impacts within the yachting segment. All other measures in policy package C are however expected to have no or only minor economic impacts (but have more substantial social and environmental impacts).

Social impacts

The social impacts are expected to comprise for the greatest part impacts on employment and labour (new jobs) and governance/participation (involvement of stakeholders), while indirectly accessibility and inclusion is supported.

The largest overall social impacts are expected to arise in policy package B: the 12 measures under this policy package have to total score of 12 on social impacts. In terms of efficiency, policy packages B and C score the same with an average impact score of 1,005 per measure. Social impacts are difficult to assess without further operationalization, because the scope of the problems is in most cases not known. As mentioned in chapter 4, for example uniform safety requirements pose in theory a problem for visiting yachtsmen and as such may discourage international trips. In practice the scope of this problem and its impacts are not known. Moreover, this problem has also been resolved in Portugal at a practical level by stating that visiting leisure craft that stay in

Portuguese waters for less than 180 days do not have to apply to Portuguese standards. This means that in theory the regulatory package C could have relatively substantial social impacts but that these will need to be proved in in practice.

Environmental impacts

The main environmental impacts of the measures in each of the policy packages comprise impacts on the water and soil quality, water quantity, biodiversity, and air emissions. Most of the measures under the three policy packages address these elements indirectly. Even the measures specifically focused on environmental impacts take a wider approach (e.g. environmental protection, education, etc.).

Of all three policy packages, policy package B is expected to provide the highest overall environmental impacts. Looking at the individual score per measure it can be concluded that the average environmental impacts per measure are slightly higher in policy package A than in policy package B. Compared to the economic impacts; the overall environmental impacts are estimated to be lower. This is due to the fact that a relatively large share of the measures is expected to have no environmental impacts at all.

Effectiveness

Policy package B has the highest expected effectiveness when measured in total impact relative to the number of measures included (though this approach disregards the differences in efforts associated to the various measures. Furthermore, when comparing the three packages, policy package B contains measures that have the broadest overall scope, e.g. that are addressing all three segments within coastal and maritime tourism. Package A is expected to be the least effective, due to limited direct impacts expected from measures such as sharing best practices, performance of studies, produce guidance documents, setting up dialogues, etc.. Knowledge exchange alone cannot address the main problems and shortcomings identified under the baseline scenario since they only help in spreading information on figures and best practices. It is also very likely that guidance documents will be used as a 'pick as you like' list due to the non-binding nature and resulting in only limited impacts. The provision of data and guidance documents alone will therefore not contribute significantly to solve the identified problems (but would be useful to complement other measures).

On the other hand, as noted earlier, a number of measures under policy package A as well as B may not have large direct impacts, but are necessary preparatory actions to be able to define follow-up strategies. In that sense, assuming their involved effort is fairly limited, they can be considered effective.

6 Conclusions and monitoring arrangements

6.1 Conclusions

This study has demonstrated the importance of maritime and coastal tourism for the EU as a whole. Even more so, it is an economic activity which is of crucial importance to certain Member States, coastal regions and localities, in particular islands. The economic, financial and budgetary crisis has rather increased the importance of coastal and maritime tourism compared to other economic activities. Nevertheless, the problem analysis has led to a range of challenges which are largely specific to maritime and coastal tourism: a sustainable maritime and coastal tourism sector respects the natural resources on which it is built and calls for a long-term approach. It requires local strategies which focus not only on tourists but also on value, both in terms of turnover as well as in terms of environmental and social values. It also requires investments needed to increase the attractiveness of the tourism offer, and a strong need exists for creating and capturing value locally. Actions are needed, if only for the fact that the sector has by far the highest numbers of employment amongst the Blue Growth activities – which are far from guaranteed for the future.

Firstly, we strongly recommend maritime and coastal tourism actors to review their business models and to make the necessary efforts to consider moving to 'higher value' models – which respect natural resources as well as social values. One strategy is to upgrade 'low-profile' tourism to 'niche' tourism. Another strategy is to upgrade specific mass tourism destinations, and make better use of the (cultural and natural) values available.

Due to their fragmented nature, maritime and coastal tourism actors are not expected to achieve such transformations fully on their own, and policy support is to be considered. Therefore, we strongly recommend local, regional and national actors to take the interests and needs of maritime and coastal tourism into account when drawing up policies and plans. Furthermore, integration of maritime and coastal tourism into overall tourism policies is quintessential. Integrated maritime policy, coastal management plans as well as macro-regional strategies provide unique vehicles to take the interests of maritime and coastal tourism into account.

We strongly recommend the EC to support and complement this transformation process as well as the appropriate national, regional and local policies, even though we recognise that the path to follow will be a very narrow one: initiatives need to be well-tailored and fit-for-purpose, and respond to the enormous variety of maritime and coastal tourism realities on the ground. Of the measures reviewed, those grouped under Policy package A are less convincing to us, as they are mostly of a short-term nature, whilst the underlying problems are rather structural. Furthermore, the measures proposed appear to be far from proportional to the problems at hand.

Policy package C provides a longer term perspective, and a more regulatory approach would in theory facilitate markets to be strengthened. Nevertheless, the review of regulatory measures has pointed to only few of such bottlenecks which are within the remit of the EC. Furthermore, a range of measures are already being taken forward by the EC (e.g. Visa regime, Bathing Waters Directive, Water Framework Directive, Port Reception Facilities Directive, Marine Strategy Framework Directive). Hence, the justification and feasibility of Policy package C is questioned, while its real impacts are expected to be limited.

Policy package B appears to be the right path to EC support for maritime and coastal tourism. The strength of this policy package arises from the fact that many of the measures proposed have a potential leverage effect on local stakeholders. This package acknowledges best that EC policies regarding maritime and coastal tourism need to be aligned with those from Member States, regions and localities. This package is also most powerful in terms of mobilising funds, and can help in providing access to finance, so critical for SMEs in this sector, especially those in Member States with vulnerable macro-economic perspectives. It also acknowledges and uses existing infrastructure, institutions and initiatives, rather than developing completely new instruments. This policy package also fits fully with the achievements booked in Integrated Maritime Policy as well as existing tourism initiatives rolled out by the EC. When elaborating this package, we recommend to include the more performing measures from policy package A. When implementing these measures, active cooperation with interested Member States, regions and localities is needed. Furthermore, cooperation will be required from economic operators, notably cruise operators.

6.2 Monitoring and evaluation arrangements

Monitoring arrangements aim to allow policy makers to check if implementation is 'on track' and to what extent the policy actions are achieving the foreseen objectives.¹⁶⁶ To this end, we have considered it relevant to identify relevant indicators, possible sources as well as the time frame that could be used to gather these data.

Furthermore we use three categories of indicators in the monitoring set-up, related to 1) The process of implementing the policy packages, 2) the direct outputs that they deliver and 3) the results in terms of impacts in the sector targeted (coastal and maritime tourism). In addition, it is proposed to monitor a number of context indicators as they may be explanatory for external factors influencing the results.

Indicators, sources and timeframe

The main indicators, sources and timeframe for setting up a system for the monitoring of the policy progress are provided in the table hereafter. We consider process, outputs, results and context indicators in a way which can be manageable on the basis of data availability (an element discussed later on in this chapter). Indicators and sources are not exhaustive and should be further tailor-made depending on the specific initiatives and the details of the policy package selected. Also the system can be further expanded based on the success in establishing strong synergies amongst available data-sources at the different level of governance (EU, Member States and Regions).

As regards data availability, a number of initiatives already ongoing will lead to better availability of tourism related data in the (near) future, which will be to the benefit of the monitoring arrangements as well (higher quality of data, better coverage). The most relevant amongst these are also mentioned later on in this chapter.

¹⁶⁶ European Commission, 2009, Impact Assessment Guidelines, p.49 (SEC(2009)92, 15 January 2009).

Table 6.1 Monitoring indicators, sources and timeframe

	Relevant Policy Packages			Monitoring System		
	Package A	Package B	Package C	Indicators	Sources	Timeframe
Process	√	√	√	Number of activated initiatives	Collected internally through surveys or other systematic requests to participants	After each relevant meeting
	√	√	√	Percentage of satisfied participants		
	√	√	√	Number of those stakeholders attending or indirectly involved		
	√	√		Number of individual reached through the promoted campaign (within and outside the EU)		
			√	Budgets committed following initiating measures	Official Journal of the EC	After each relevant decision
			√	Legislative decisions taken following initiating measures		
Outputs	√	√		Number of participants willing to experiment knowledge/information promoted	Targeted surveys and systemic request of information for those participating to the initiatives	After each relevant meeting and then yearly
	√	√	√	Number of stakeholders joining initiatives activated through the promoted measures		
	√	√	√	Repartition of such initiatives by type of impact expected (economic, social, environmental)		
	√	√		% of participants who has enhanced profiles and visibility of their location due to the initiatives promoted		
	√	√	√	% of participants promoting joint initiative between coastal and maritime bodies/enterprises		
	√	√		Number of cheaper fares initiatives activated as a consequence of the promoted activities		
	√	√		Increased perception of the sector by workers and other relevant stakeholders as a result of the promoted initiatives		
	√	√		Number of individuals and organisations involved in the educational exchange initiatives promoted		
			√	Number of member States adopting common rules or standard practices promoted		
Results	√	√	√	Economic Number of new SMEs created as a result of the promoted initiatives	Collected internally through surveys or other systematic requests to participants	Yearly after completion of initiatives planned
	√	√	√	% of increased visitors in involved locations as a result of the promoted		

	Relevant Policy Packages			Monitoring System		
	Package A	Package B	Package C	Indicators	Sources	Timeframe
				initiatives (% non EU)	through time	
	√	√	√	% of such visits outside seasonal periods in involved locations		
	√	√	√	% of increased spending per capita in involved locations as a result of the promoted initiatives (% non EU)	Based on local statistics (when available)	
	√	√	√	Social Number of individuals and/or organisations having access to the innovative knowledge and practices promoted	Through the introduction of coordinated monitoring systems across involved locations	
	√	√	√	Number of individuals who have increased in skills and professional qualifications in involved locations		
		√	√	% of workers in the sectors moving to work in foreign EU Member States		
	√	√	√	Number of locations with improved accessibility for disabled individuals as a consequence of the promoted measures		
	√	√	√	Environmental % of successfully regenerated infrastructures due to initiative and measures promoted		
	√	√	√	Reduction of water and energy consumption as a result of the promoted measures		
Context				Trends of global regions (US, BRICS, etc.) in coastal and maritime tourism and EU overall tourism: - spending per capita, - visits through the year (EU vs other – distinguishing their origin) - environment footprint - employment / GVA	EUROSTAT UNWTO Macro-regions sources	Yearly

Data needs and structures available

As discussed in chapter 3.3 one limitation for policymakers is the difficulty in properly quantifying and monitoring the evolution of the sector. Such problem is expected to pose severe limitations to a thorough monitoring of sector performance in relation with the broader context, as suggested in the previous monitoring system. Some of the actions within the proposed measures (particularly in policy package B) are therefore vital if a proper monitoring system at the EU level has to be established.

At this stage might be relevant to consider joint initiatives amongst the main involved DGs at the European Commission and other relevant institutions to support at least the convergence of existing datasets and data systems available across EU Institutions and EU Member States. This is particularly the case for coastal tourism data, as well as for integrated coastal and maritime trends, forecasts and analytical breakdown of demand and supply patterns.

Amongst the most relevant system and institutions to be involved are at least the following:

- Eurostat system¹⁶⁷ – collecting data for tourism across the EU although not yet for coastal tourism.
- DG Enterprise system for tourism indicators¹⁶⁸ – acting on a voluntary basis and focusing on local data.
- Ongoing initiative across the EU Commission and other EU institutions¹⁶⁹ to collect skill/job related data.
- International dataset also used for this report, such as the UNWTO¹⁷⁰ amongst others.
- Local statistical sources – almost every EU region and Member State collect coastal tourism data.

The above initiatives involve an implementation process which can realistically take 3 to 5 years, in order to reach a level which has some operational use. It is highly recommended to immediately act in the direction of a synergetic collection of available data as soon as possible, so to avoid problematic delays in such strategic priority. Meanwhile ad-hoc systems should be put in place so to collect the qualitative and quantitative data needed for the monitoring system, as highlighted above.

Evaluation arrangements

Although the financial implications for the proposed measures are limited, the Commission should still carry some evaluation, possibly through to the following initiatives:

- An independent external ex-post evaluation of the various measures implemented.
- An interim evaluation can be considered so to address whether the direction and the features of the measures identified is pertinent and adequate though time.

Due to the high level of interaction and synergies amongst DGs it is recommended that the Steering Committee for such evaluations is composed at least of a joint panel with members from DG Mare, DG Enterprise and DG Environment. Possibly participants can be invited from DG Regio and DG Employment for relevant areas covered by the planned measures in terms of regional specialisation, as well as skills and employment needs.

Finally, given the limited role for the Commission in the area (Chapter 3.9), a thorough communication should be maintained throughout the evaluation process with other relevant institutions and possibly with relevant stakeholders at the EU, Member States and the regional levels.

¹⁶⁷ <http://epp.eurostat.ec.europa.eu/portal/page/portal/tourism/introduction>.

¹⁶⁸ http://ec.europa.eu/enterprise/sectors/tourism/sustainable-tourism/indicators/index_en.htm.

¹⁶⁹ <http://www.cedefop.europa.eu/EN/about-cedefop/projects/identifying-skill-needs-in-sectors-and-enterprises/index.aspx>.

¹⁷⁰ <http://www2.unwto.org/>.

7 Bibliography

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Annex I Other findings, methodology and sources

EU-wide perspective

As there are no aggregate statistics available of the GVA and employment of the coastal & maritime tourism sector as a whole, a combination of sources was used to estimate the GVA and employment in the maritime and coastal tourism sector. Eurostat is the primary source of data, but when Eurostat has no specific or insufficient information available, complementary sources are used. Below, the steps taken to get to these figures are explained.

Coastal tourism sector

Preferably we would like to have information about employment and GVA in the tourism sector on NUTS-3 level, which enables us to select those regions that are defined as coastal by Eurostat. Unfortunately, Eurostat does not provide this information. Therefore, other sources are used to indicate the size and importance of the coastal tourism sector.

Source: Policy Research Corporation 2008 report

Policy Research Corporation has published a report in 2008 on *'The role of Maritime Clusters to enhance the strength and development of European maritime sectors'*. In this report an annex is given (Annex 3) on *'Overview of employment and value added in the sea-related sectors in the EU's member states and Norway'*. This annex includes columns on employment in coastal tourism, summarizing up to 2.385.505 employees in the coastal tourism sector in 2006. However, they also accounted for coastal tourism in Norway (being 25.881 employees). When subtracting the data of Norway, the total employment in coastal tourism in the EU member states amounts to **2.359.625** employees in 2006 (Croatia not included), as shown by Table A1.1 (sorted on descending share). Spain, Italy and the United Kingdom covered more than half of the total employment in coastal tourism of the EU member states in 2006.

Table A1.1 Employees in coastal tourism sector in 2006¹⁷¹

Coastal tourism sector	# employees in 2006	% of total sector
Spain	651,116	27.6%
Italy	468,612	19.9%
United Kingdom	336,786	14.3%
France	207,634	8.8%
Greece	165,291	7.0%
Portugal	108,147	4.6%
Bulgaria	72,653	3.1%
Germany	70,385	3.0%
Netherlands	52,968	2.2%
Denmark	47,950	2.0%
Romania	45,610	1.9%
Cyprus	30,555	1.3%
Ireland	21,158	0.9%

¹⁷¹ Policy Research Corporation (2008), *The role of maritime clusters to enhance the strength and development of maritime sectors – Annexes*, Annex 3.

Coastal tourism sector	# employees in 2006	% of total sector
Sweden	18,061	0.8%
Malta	11,000	0.5%
Belgium	9,707	0.4%
Poland	9,795	0.4%
Estonia	7,198	0.3%
Lithuania	6,350	0.3%
Latvia	5,976	0.3%
Slovenia	7,393	0.3%
Finland	5,280	0.2%
Total	2,359,625	100%

Source: Policy Research Corporation, 2008.

Before to continue with this data, some remarks on the assumptions and methodology in the PRC 2008 methodology report¹⁷² needs to be given:

- Coastal tourism is defined by PRC as '*Tourism within 10km from the coast*', which is a relatively narrow definition compared to the coastal NUTS-3 regions of Eurostat¹⁷³;
- The definition of coastal tourism is based on a study of Ecotec¹⁷⁴ in 2006 which stated that '*coastal tourism includes employment in all tourist facilities within a zone of 50km from the coastline*'. PRC has decreased this zone to 10km, because otherwise large cities that are also tourist destinations are taken into account that are not or very little related to coastal tourism.
- To calculate this employment in coastal tourism within the 10km zone from the coast, the location of hotels was used (according to PRC this was mainly based upon Yellow Pages¹⁷⁵) complemented with employment data from Eurostat (Labour Force Surveys). The PRC report provides no insights in further assumptions on employees per hotel and which other touristic facilities next to hotels were incorporated.
- Assuming that PRC stuck to the first part of the definition (defining coastal tourism as 'employment in all tourist facilities'), not only hotels and restaurants are included in the data but also other touristic facilities. Since Eurostat only provides data on hotels & restaurants, it is not clear how PRC estimated employment for other parts of coastal tourism, and where they got their data from.
- The methodology report of PRC says that '*cruise tourism is included in coastal (and marine) tourism and recreation, because of the large share of hotels and restaurant personnel on board of cruise ships*'. However, in annex 3 of the PRC 2008 report they used a separate column for employment in cruise tourism. Therefore, we assume that the column 'coastal tourism' of Annex 3 in the PRC 2008 report does not include employment in cruise tourism.

Complementing PRC data with Eurostat indicators

Despite of the lack of information about GVA and employment in coastal regions, Eurostat is used for other assumptions. As we only have the 2006 figures on employment in coastal tourism now (the PRC estimates date from this year), assumptions are needed to determine the GVA of the coastal tourism and to determine the annual growth in GVA and employment in more recent years (as the PRC exercise was a 'one-time' only study and has not been repeated since).

¹⁷² Policy Research Corporation (2008), 'The role of maritime clusters to enhance the strength and development of maritime sectors – Overview of the applied research methodology'.

¹⁷³ Eurostat: A coastal region of the EU is a statistical region defined at NUTS level 3 of the geographical classification that has a coastline or more than half of its population living less than 50 km from the sea.

¹⁷⁴ Ecotec (2006), 'Employment trends in all sectors related to the sea or using sea resources'.

¹⁷⁵ A telephone and address directory listing commercial organizations (PRC, 2008).

First of all, some insights will be given about the 'relative size' of the employment data. Eurostat publishes information on total employment in EU member states and the total European Union. With this information the relative size of employment in the coastal tourism sector can be determined, as shown in Table A1.2 (sorted on descending share).

Table A1.2 Relative size of the employment in coastal tourism in the EU member state in 2006 (ranking by share)

	# employees in coastal tourism	Total employment member state	EU Share of coastal tourism (%) in total employment
Cyprus	30,555	357,300	8.6%
Malta	11,000	152,400	7.2%
Greece	165,291	4,452,300	3.7%
Spain	651,116	19,747,700	3.3%
Bulgaria	72,653	3,110,000	2.3%
Portugal	108,147	5,159,500	2.1%
Italy	468,612	22,988,200	2.0%
Denmark	47,950	2,805,400	1.7%
United Kingdom	336,786	28,931,300	1.2%
Estonia	7,198	646,300	1.1%
Ireland	21,158	2,038,600	1.0%
France	207,634	25,640,200	0.8%
Slovenia	7,393	961,200	0.8%
Netherlands	52,968	8,260,900	0.6%
Latvia	5,976	1,087,100	0.5%
Romania	45,610	9,291,200	0.5%
Lithuania	6,350	1,499,000	0.4%
Sweden	18,061	4,429,400	0.4%
Belgium	9,707	4,264,000	0.2%
Germany	70,385	37,379,300	0.2%
Finland	5,280	2,443,500	0.2%
Poland	9,795	14,443,600	0.1%
European Union	2,359,625	214,718,800	1.1%

Source: Policy Research Corporation (2008), Eurostat.

As shown by Table A1.2, employment in the coastal tourism sector sums up to 1.1% of total employment in the European Union. There are major differences between member states; Cyprus, Malta, Greece and Spain have a much larger shares of coastal tourism in total employment than member states that are less tourist-oriented like Poland, Belgium and Germany.

In the Blue Growth study, the 1.1% share of coastal tourism in total employment was used as a proxy to determine the GVA of the tourism sector (assuming this share to be more or less the same). This 1.1% of total GVA in the European Union equalizes € 121 bln and a labour productivity of €51.279 per employee in 2006. This €51.279 is higher than the average GVA/employee in 2006 in the European Union. Also we assume that the average GVA/employee in the tourism sector is lower than in many other sectors, so likely below this average. Although, knowing that the definition of coastal tourism probably hasn't included all services and facilities related to tourism and therefore might be an underestimation, we decided to use the average labour productivity

(GVA/employee) in the EU of 2006 (and further) to estimate the GVA of the (coastal) tourism sector. The average GVA/employee in the EU between 2006 and 2011 is shown by Table A1.3.

Table A1.3 GVA, employment and average GVA/employee of all sectors in the EU between 2006 and 2011

	2006	2007	2008	2009	2010	2011
GVA (mlns)	€10.422.856	€11.056.153	€11.161.595	€10.554.493	€10.980.625	€11.281.607
Employment	216.179	220.335	221.308	216.846	217.008	217.733
GVA/employee	€48.214	€50.179	€50.435	€48.673	€50.600	€51.814

Source: Eurostat.

By using the average GVA/employee, the GVA of the coastal tourism sector becomes **€113.8 bn** in 2006.

There is no data available about the GVA and employment in coastal tourism after 2006; the PRC study has not been repeated. Thus, an assumption needs to be made about the annual growth in employment in coastal tourism. Assuming that the number of tourist nights per employee will not change significantly over time (as it is a relatively labour intensive sector), the annual growth in nights spent by tourists in coastal NUTS-2 regions¹⁷⁶ is used as a proxy for the annual growth in employment. Table A1.4 shows the annual growth in nights spent by tourists in EU Member States.

Table A1.4 Annual growth in nights spent by tourists in coastal NUTS-2 regions of the EU member states

% Growth	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Belgium	2.5%	-0.1%	-3.7%	5.1%	4.8%
Bulgaria	-0.5%	-0.5%	-16.6%	9.1%	18.7%
Cyprus	-0.4%	0.0%	-9.6%	6.1%	3.5%
Germany	-7.0%	2.8%	2.9%	0.9%	1.4%
Denmark	2.9%	-0.1%	-5.5%	2.5%	3.9%
Estonia	2.9%	-1.5%	-10.4%	14.0%	14.9%
Spain	0.0%	-1.8%	-7.5%	4.5%	7.2%
Finland	4.8%	2.3%	-4.6%	3.7%	3.8%
France	-0.3%	-0.2%	0.2%	33.7%	2.6%
Greece	13.5%	0.3%	28.5%	-0.4%	3.5%
Ireland	n.a.	n.a.	n.a.	n.a.	n.a.
Italy	4.2%	-0.7%	-2.0%	0.9%	2.7%
Lithuania	11.2%	-0.4%	-21.6%	9.6%	17.0%
Latvia	6.8%	5.3%	-27.4%	11.4%	16.2%
Malta	9.1%	-2.0%	-12.8%	9.5%	1.6%
Netherlands	5.5%	-5.3%	0.9%	2.0%	-0.4%
Poland	6.8%	2.9%	-3.9%	-2.4%	3.3%
Portugal	5.7%	-2.0%	-5.3%	3.0%	3.3%
Romania	9.1%	0.4%	-16.8%	-15.6%	8.5%
Sweden	1.9%	-4.2%	1.8%	1.1%	1.1%
Slovenia	7.3%	11.0%	-3.5%	-1.5%	5.2%
United Kingdom	-2.0%	-5.3%	6.1%	-15.4%	-1.9%
EU total*	1.1%	-1.6%	-0.6%	3.7%	3.4%

* Those EU member states that have coastal regions.- Source: Eurostat.

¹⁷⁶ Eurostat provides no information on the nights spent in NUTS-3 regions, therefore data on NUTS-2 regions is chosen.

With the % presented by Table A1.4, the employment figures of coastal tourism until 2011 can be estimated. Table A1.5 presents the employment in coastal tourism in the different member states (those with coastal regions) and the total employment in coastal tourism in the European Union.

Table A1.5 Estimation of employment in coastal tourism in EU member states between 2006 and 2011

Employment (x1000)	2006	2007	2008	2009	2010	2011
Belgium	9.7	10.0	9.9	9.6	10.1	10.6
Bulgaria	72.7	72.3	72.0	60.0	65.4	77.7
Cyprus	30.6	30.4	30.4	27.5	29.2	30.2
Germany	70.4	65.5	67.3	69.3	69.9	70.9
Denmark	48.0	49.4	49.3	46.6	47.7	49.6
Estonia	7.2	7.4	7.3	6.5	7.4	8.6
Spain	651.1	650.8	639.3	591.0	617.6	662.4
Finland	5.3	5.5	5.7	5.4	5.6	5.8
France	207.6	206.9	206.6	207.0	276.8	284.0
Greece	165.3	187.7	188.3	242.0	240.9	249.3
Ireland*	21.2	21.4	21.0	20.9	21.7	22.4
Italy	468.6	488.1	484.6	475.1	479.4	492.2
Lithuania	6.4	7.1	7.0	5.5	6.0	7.1
Latvia	6.0	6.4	6.7	4.9	5.4	6.3
Malta	11.0	12.0	11.8	10.3	11.2	11.4
Netherlands	53.0	55.9	52.9	53.4	54.5	54.2
Poland	9.8	10.5	10.8	10.4	10.1	10.4
Portugal	108.1	114.3	112.0	106.1	109.3	112.9
Romania	45.6	49.7	50.0	41.6	35.1	38.1
Sweden	18.1	18.4	17.6	17.9	18.1	18.3
Slovenia	7.4	7.9	8.8	8.5	8.4	8.8
United Kingdom	336.8	330.1	312.6	331.6	280.6	275.4
Total EU coastal tourism	2,359.6	2,407.7	2,371.9	2,351.0	2,410.6	2,506.6

* As there was no information available of nights spent by tourists in coastal regions in Ireland, the average growth of nights spent by tourists in coastal regions of all other EU member states was applied.
Source: Ecorys estimations based on data Eurostat and PRC (2008).

These estimations together with the data about GVA/employee of Table A1.3, enable us to calculate the GVA of the coastal tourism sector of the years after 2006 (shown by Table A1.6).

Table A1.6 Employment and GVA in the coastal tourism sector between 2006 and 2011.

Coastal tourism	2006	2007	2008	2009	2010	2011
Employment coastal tourism (x1000)	2,360	2,408	2,372	2,351	2,411	2,507
GVA coastal tourism (€ bln)	113.8	120.8	119.6	114.4	122.0	129.9

Source: Ecorys estimations based on data Eurostat and PRC (2008).

To get a feeling about the relative size of the coastal tourism sector and its importance, the employment and GVA in the coastal tourism sector should be compared to aggregate statistics. For example the total employment and GVA in coastal regions or the employment and GVA in the total tourism sector.

Preferably we compare the employment in coastal tourism to the total employment in coastal regions. Eurostat has some data available about employment on NUTS-3 level, but 2006 is most recent year that has (almost) complete data on employment in coastal regions. In the years 2007-2009 data of Italy is missing and there is no data at all available on NUTS-3 level of the period 2010-2011. Furthermore, Eurostat defined no 'tourism' sector; the NACE rev.2 category 'Wholesale and retail trade, transport, accommodation and food service activities' will include most of the tourism sector but includes a lot more activities that are not related to tourism as well.

Besides that, the definition of 'coastal tourism' used by PRC (2008) was narrowed to a zone of 10km and Eurostat uses a much broader definition of 'coastal' (as explained before). Therefore, we cannot compare our coastal tourism figures to the total employment figures of the differentiating 'coastal' regions.

Compare estimations with data of the World Travel & Tourism Council

However, to get an indication of the importance of the coastal tourism to the total tourism sector in the European Union, the data published by the World Travel & Tourism Council can be of use. In their Economic Impact report of 2012¹⁷⁷, the WTTC stated that the tourism sector in the EU accounted for 7.3 mln direct jobs in 2011. This means that coastal tourism covers with its 2.5 mln jobs about **34%** of total employment in tourism in the European Union in 2011.

An important remark on the employment estimations on direct jobs of the WTTC, is the definition of direct employment they used: 'This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.' This definition is probably broader than the direct jobs as accounted for in the PRC 2008 report, which means that the 34% appears to be an underestimation of the share of coastal tourism in total tourism employment. Also on the basis of number of nights spent in coastal regions compared to the EU total, clearly this would be an underestimation.

Cruise sector

The European Cruise Council annually reports the economic performances of the cruise sector, including the GVA and employment figures. Different reports¹⁷⁸ are used to compile the GVA and employment data for the cruise sector between 2006 and 2011, shown by Table A1.7.

Table A1.7 GVA and employment in cruise sector between 2006 and 2011 (GVA in bln € employment in 1000 jobs)

	2006	2007	2008	2009	2010	2011
Direct GVA	4.2	5.2	5.8	5.6	5.8	6.4
Indirect GVA	6.1	7.3	8.0	8.0	8.1	8.0
Total GVA	10.3	12.5	13.7	13.6	14.0	14.5
Direct employment	57	74	85	89	96	100
Indirect employment	160	197	213	196	200	203
Total employment	217	271	298	285	296	303

Source: adapted from European Cruise Council.

Notes to the table:

- Source of all figures: European Cruise Council (ECC), several reports (see footnote on previous page).

¹⁷⁷ WTTC (2012), 'Travel & Tourism Economic Impact 2012 – European Union'.

¹⁷⁸ ECC (2012), Annual report 2011/2012; ECC (2011), Annual report 2010/2011; ECC (2012), The Cruise Industry – 2012 Edition, ECC (2011), The Cruise Industry – 2011 Edition, ECC (2010), The Cruise Industry – 2010 Edition, ECC (2009), The Cruise Industry – 2009 Edition; ECC, PowerPoint presentation Robert Ashdown.

- ECC figures include Norway, Switzerland and Iceland. In the table the ECC figures have been adapted to exclude Norway. Figures for Switzerland and Iceland are not separately reported and are thus still included in the table, however the effect can be expected to be minimal.
- Figures for GVA have been reworked to a division between direct and indirect expenditure.
- Direct GVA includes passenger and crew spending, cruise employee compensation and cruise line expenditure on wholesale & retail, transportation and personal services and government.
- Indirect GVA includes shipbuilding and repair and all cruise line expenditure on manufacturing, and financial and business services. Expenditures on shipbuilding and repair outside of the EU have been deleted.
- Figures for direct and indirect/induced employment for 2008 to 2011 have been reworked from ECC data.
- Figures for direct and indirect/induced employment for 2006 and 2007 have been estimated using the totals for these years and by applying the average development rates for direct versus indirect/induced employment in the years 2008-2011.
- Direct employment includes wholesale & retail trade, hospitality, transportation, personal services & government, cruise line employees.
- Indirect employment includes: manufacturing, shipbuilding and repair, financial and business services to cruise companies. It also includes induced employment; i.e. employment generated by the impacted employees on household goods and services. From the data available it is not possible to make a distinction between indirect and induced employment.

Table A1.7 shows that the European Cruise industry is a growing industry. In the years 2006-2011 total gross value added and total employment increased by 41% and 40% respectively. Direct employment even grew with 75% in the 5 years from 2006-2011. This growth is much higher compared to the growth figures in the coastal tourism sector.

Boating/yachting sector

Ecotec (2006)¹⁷⁹ has estimated the GVA and employment in recreational boating in 2003, this is the same data as presented in the Blue Growth study. Ecotec based their calculations on a study of the British Marine Federation¹⁸⁰.

The data used in the Blue Growth study also included employment figures of non-coastal member states like Austria and Slovakia. Here, the employment of these non-coastal countries is subtracted from the total employment of 253,000. This results in a total employment of 251,720 in 2003.¹⁸¹ More recent data shows that the nautical industry counts about 37.000 companies with a direct employment of **234.000** people in 2011. It needs to be pointed out that the employment used to be already much higher, but about 46.000 jobs have been lost since 2009 as a consequence of the economic crisis. Furthermore, the branch had an annual turnover of about 20 bln. € in 2011 which has been also reduced heavily due to the Crisis (minus 3 - 4.5 bln €). The losses in employment and turnover took mainly place in the industrial part of the industry and not in the renting, repair and marinas area.¹⁸²

Therefore it makes sense to also look at the construction sector itself as in table 10. We can see that in 2010, almost 200.000 persons were still employed in the building of ships and boats sector. The rather small difference of only about 40.000 persons employed in comparison to the data from the nautical industry is due to the fact that this data includes all kinds of shipbuilding and not only smaller boats for the nautical segment. Nevertheless the following table shows that the UK, Italy,

¹⁷⁹ Ecotec (2006), *Employment and trends in all sectors related to the sea or using sea resources*.

¹⁸⁰ British Marine Federation (2005), *European Overview 2004 – Leisure Marine Industry at Your Fingertips*.

¹⁸¹ Ecorys (2012): Scenarios and drivers for Sustainable Growth from the Oceans, Seas and Coasts.

¹⁸² CCM/103 (2013): Nautical industry see: <http://www.eesc.europa.eu/?i=portal.en.ccmi-opinions.24258>.

France and Germany account for more than 50% of all employment in the construction of ships and boats sector.

Table A1.8 Employment in building of ships and boats sector by member state, 2010

Country	2003**	%	2010**	%
United Kingdom	67,889	12%	33,925	17%
Italy	97,685	17%	28,270	15%
France	63,522	11%	20,079	10%
Germany	69,423	12%	19,479	10%
Romania	37,654	7%	17,470	9%
Poland	50,954	9%	13,146	7%
Spain	51,986	9%	12,368	6%
Netherlands	24,001	4%	11,978	6%
Croatia	n/a	n/a	11,740	6%
Finland	14,117	2%	7517*	4%
Greece	9,600	2%	3741*	2%
Sweden	12,703	2%	3,397	2%
Denmark	9,109	2%	2,525	1%
Bulgaria	n/a	n/a	2244*	1%
Portugal	16,033	3%	1,991	1%
Latvia	3,940	1%	849	0%
Estonia	2,129	0%	603	0%
Czech Republic	n/a	n/a	588*	0%
Lithuania	8,854	2%	523	0%
Belgium	6,453	1%	325*	0%
Slovenia	3,674	1%	313	0%
Hungary	8,390	1%	250	0%
Austria	3,691	1%	190	0%
Cyprus	323	0%	38	0%
Luxembourg	n/a	n/a	0	0%
Ireland	1,090	0%	n/a	n/a
Slovakia	4,013	1%	n/a	n/a
Malta	3,119	1%	n/a	n/a
Total	570,352	100%	193,549	100 %

*...Ecorys estimation based on previous years and overall trends

** Large differences between the numbers for 2003 and 2010 are also due to a change from NACE 1.1 to NACE 2. For 2003 we followed the Correspondence table provided by Eurostat which suggests to us NACE 1.1 codes 35.11, 36.11 for Nace 2. 30.11 and Nace 1.1 35.12 for Nace 2 30.12. This choice should provide a definition as close as possible, but does not correspond one by one.

Source: Eurostat SBS.

Data on subsectors is not available for more recent figures. Employment figures for the sub-sectors included in the estimations done by Ecotec (2006) are shown by Table A1.9 together with their share in the total employment in 2003.

Table A1.9 Subsectors of employment in boating/yachting sector with share in total employment (2003)

Subsectors of employment 2003	Share (%)	Employment
Trade & services	58%	145,998
Boatbuilding	17%	42,792
Marine engine	10%	25,172

Subsectors of employment 2003	Share (%)	Employment
Equipment	15%	37,758
Total	100%	251,720

Source: Ecotec (2006).

The Ecotec study also indicates the GVA of the sector in 2003; € 23.4 bln. This € 23.4 bn is corrected for the inclusion of non-coastal member states with the same ratio as the employment data, and therefore becomes **€ 23.3 bn** in 2003. Given the fact that more recent employment data provides similar results, we can assume that also the GVA remains at a similar level.

Economic importance total coastal & maritime sector

The previous sections estimated the economic impact of the coastal tourism sector, the cruise sector and the yachting/boating sector in the European Union. Table A1.10 and Table A1.11 summarize these three sectors into the total Gross Added Value and the employment in total coastal & maritime tourism sector.

Table A1.10 Employment in coastal & maritime tourism sector between 2006 and 2011

Employment (x1000)	2006	2007	2008	2009	2010	2011
Employment coastal tourism sector	2,360	2,408	2,372	2,351	2,411	2,507
Employment cruise sector	217	271	298	285	296	303
Employment yachting/boating sector	291	306	321	337	354	372
Total employment coastal & maritime tourism	2,868	2,985	2,991	2,973	3,061	3,182

Source: Ecorys estimations based on data Eurostat, PRC (2008), ECC (2011,2012) and Ecotec (2006).

Table A1.11 Gross Added Value in coastal & maritime tourism sector between 2006 and 2011

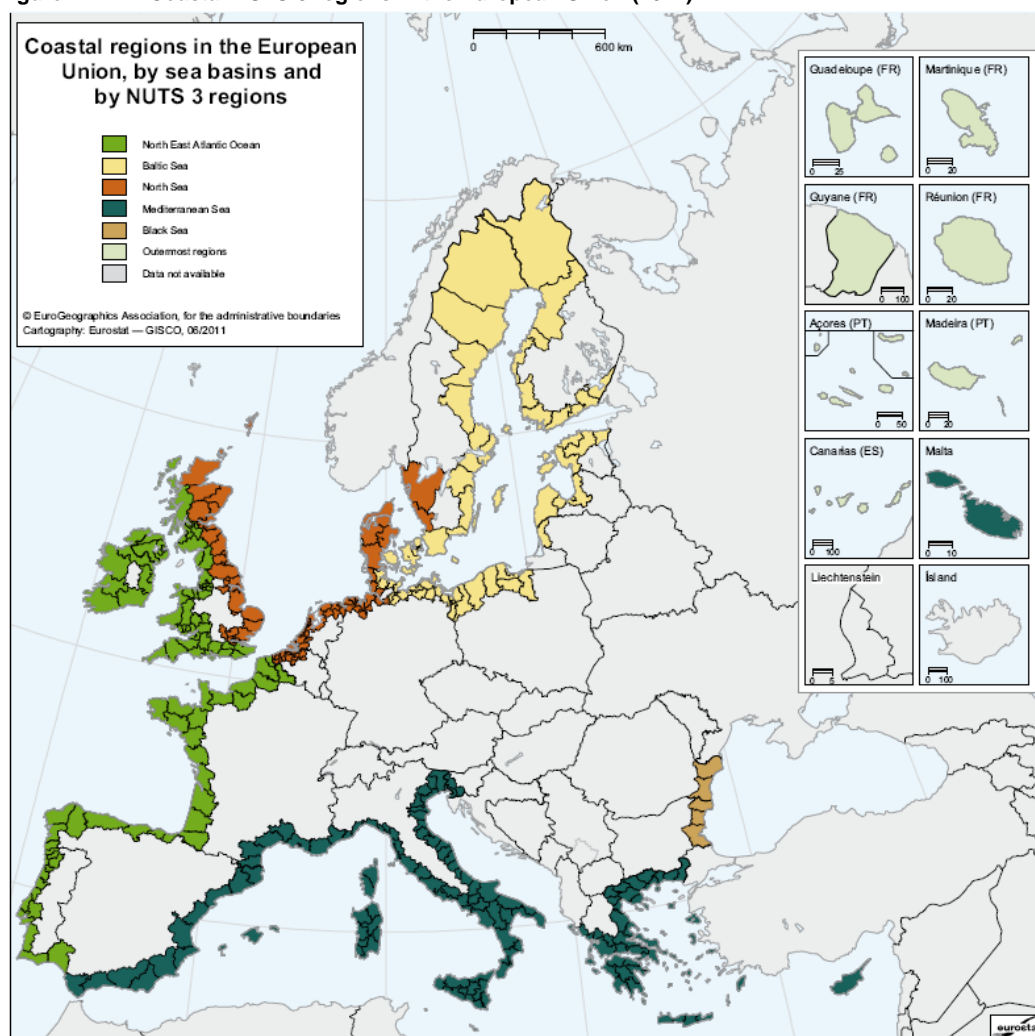
Gross Added Value (blns)	2006	2007	2008	2009	2010	2011
GVA coastal tourism sector	113.8	120.8	119.6	114.4	122.0	129.9
GVA cruise sector	10.3	12.5	13.7	13.6	14.0	14.5
GVA yachting/boating sector (x1000)	28.2	30.8	32.5	32.9	36.0	38.7
Total GVA coastal & maritime tourism sector	152.3	164.1	165.8	161.0	171.9	183.0

Source: Ecorys estimations based on data Eurostat, PRC (2008), ECC (2011,2012) and Ecotec (2006).

Sea-basin perspective

The economic importance of coastal tourism varies per sea-basin. Therefore, the indicators described in the previous section are here presented from the sea-basin perspective in order to show the differences between the five sea-basins; North sea, Black sea, Baltic sea, Mediterranean sea and the Northeast Atlantic ocean. Eurostat has assigned NUTS-3 regions to these different sea-basins, see Figure A1.1.

Figure A1.1 Coastal NUTS-3 regions in the European Union (2011)



Source: Eurostat.

GVA and employment per sea-basin

Coastal tourism

There is no information available on NUTS-3 level about GVA and employment in coastal tourism, as shown by previous sections. We do have information about the nights spent by tourists in the different NUTS-3 regions and can therefore distinguish the nights spent by tourists per sea-basin. This distribution of number of nights spent by tourists along sea-basins is applied to GVA and employment in order to give an indication of the GVA and employment per sea-basin in 2011. Figure A1.2 shows the same percentages of 2011 as applied to GVA and employment in Table A1.12.

Table A1.12 GVA and employment in coastal tourism in 2011 per sea-basin (indication)

Per sea-basin in 2011	Share (%)	Employment (x1000)	GVA (bln)
Baltic Sea	9%	226	11.7
North Sea	16%	401	20.8
North-East Atlantic Ocean	20%	501	26.0
Mediterranean Sea	48%	1.203	62.3
Black Sea	1%	25	1.3
Outermost Regions	6%	150	7.8

Per sea-basin in 2011	Share (%)	Employment (x1000)	GVA (bln)
Total	100%	2,507	129.9

Source: Ecorys estimations based in Eurostat.

Cruise tourism

A division of GVA and employment by sea-basin has been made for 2011, based on information derived from the ECC reports. In this respect, it is important to note that direct expenditure and employment mostly accrue to the sea-basin in which the cruises take place, whereas indirect expenditure and employment can accrue elsewhere (i.e. in the countries with large cruise shipbuilding industry, or where most employees originate from). Results are given in Table A1.13.

Table A1.13 GVA and employment in cruise sector between 2006 and 2011, per basin (GVA in bln €, employment in 1000 jobs)

	Baltic Sea	North Sea	Atlantic Ocean	Mediterr. Sea	Black Sea	Totals
Direct GVA	0.5	0.9	0.6	4.4	0.0	6.4
Indirect GVA	1.2	1.0	1.2	4.6	0.0	8.0
Total GVA	1.7	1.9	1.8	9.0	0.0	14.5
Direct employment	6	27	9	57	1	100
Indirect employment	30	56	18	98	0	203
Total employment	36	83	28	155	1	303

Source: adapted from European Cruise Council.

Notes to the table:

- Source of all figures: European Cruise Council (ECC), several reports (See footnote on previous page).
- The table only gives approximations based on a sample of data, actual figures may slightly differ as the full database of figures per country was not available to Ecorys.
- Definitions of basins in terms of passengers (applied to allocate direct GVA from passengers and cruise line spending and all direct employment except cruise line employees):
 - Baltic (includes Gulf of Bothnia, Gulf of Finland and Kattegat): Sweden, Finland, Estonia, Latvia, Lithuania, Poland, 50% of Germany, 80% of Denmark.
 - North Sea: Netherlands, Belgium, 20% of Denmark, 50% of Germany, 75% of UK.
 - Atlantic (includes English Channel): Ireland, Portugal, 10% of Spain, 25% of UK and 30% of France.
 - Mediterranean (includes Adriatic and Aegean): Gibraltar, Malta, Cyprus, Greece, Italy, Slovenia, 90% of Spain, 70% of France.
 - Black Sea: Bulgaria, Romania.
- Definitions of basins in terms of shipbuilding (applied to allocate indirect GVA from shipbuilding and indirect employment related to shipbuilding):
 - Baltic: Finland, 50% of Germany;
 - North Sea: 50% of Germany;
 - Atlantic: France (the cruise ship yards are all on the Atlantic Coast);
 - Mediterranean: Italy;
 - Black Sea: no yards;
 - Note: category of other countries ignored as it is not specified.
- Definitions of basins in terms of cruise line employees (applied to allocate direct GVA from cruise line employee compensation and direct employment at cruise liners):
 - Baltic: 50% of Germany;
 - North Sea: Netherlands, 90% of UK, 50% of Germany;

- Atlantic: Ireland, Portugal, 10% of UK, 10% of Spain, 30% of France;
- Mediterranean: Italy, 90% of Spain, 70% of France;
- Black Sea: Romania, Bulgaria;
- Note: not mentioned countries ignored as these are not specified.
- Definitions of basins in terms of overall economic spending (applied to allocate indirect GVA from cruise line purchases and all indirect employment except that from shipbuilding):
 - Baltic: Sweden, Finland, 50% of Germany, 80% of Denmark;
 - North Sea: Netherlands, 90% of UK, 50% of Germany, 20% Denmark;
 - Atlantic: Portugal, 10% of UK, 10% of Spain, 30% of France;
 - Mediterranean: Gibraltar, Malta, Cyprus, Greece, Italy. 90% of Spain, 70% of France;
 - Black Sea: not separately mentioned;
 - Note: not mentioned countries ignored as these are not specified.

Boating/yachting sector

There is no information available on NUTS-3 level about GVA and employment in boating/yachting sector, as shown by previous sections. We only have data about GVA and employment on member state level. As there is no indicator available on sea-basin level that might give an indication of the distribution of employment and GVA in boating/yachting sector along sea-basins, we just assigned the member states (partly) to a sea-basin to get an indication of the employment and GVA per sea-basin¹⁸³.

Table A1.14 GVA and employment in boating/yachting sector in 2011 per sea-basin (indication)

Per sea-basin in 2011	Employment (x1000)	GVA (bln)
Baltic Sea	44,198	4.6
North Sea	80,374	8.4
North-East Atlantic Ocean	64,476	6.7
Mediterranean Sea	182,857	19.0
Black Sea*	0	0
Total	371,905	38.7

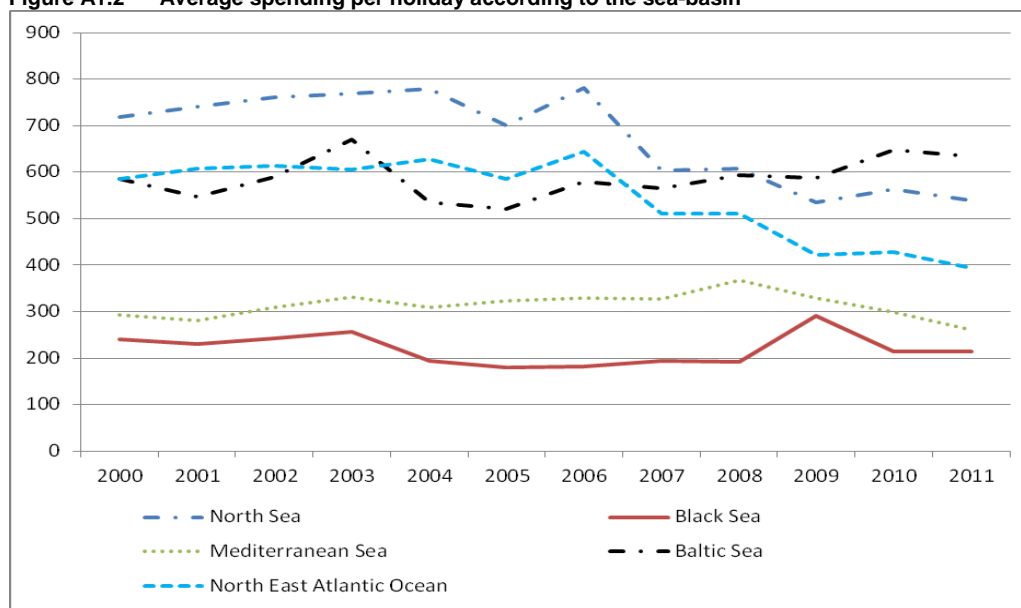
* No data available about marinas in the Black sea basin.
Source: Ecorys estimations based in Eurostat.

Tourism demand per sea-basin

The differences in the sea-basins are reflected in the spending behaviour. This depends very much on the different price levels between North and South as well as East and West. Figure A1.2 shows the development in nominal average spending per holiday across sea-basins.

¹⁸³ Since Sweden, Denmark, Germany, United Kingdom, France and Spain border to two sea-basins, we simply divided the data of these member states by two (as we do not know what the exact shares in sea-basins are).

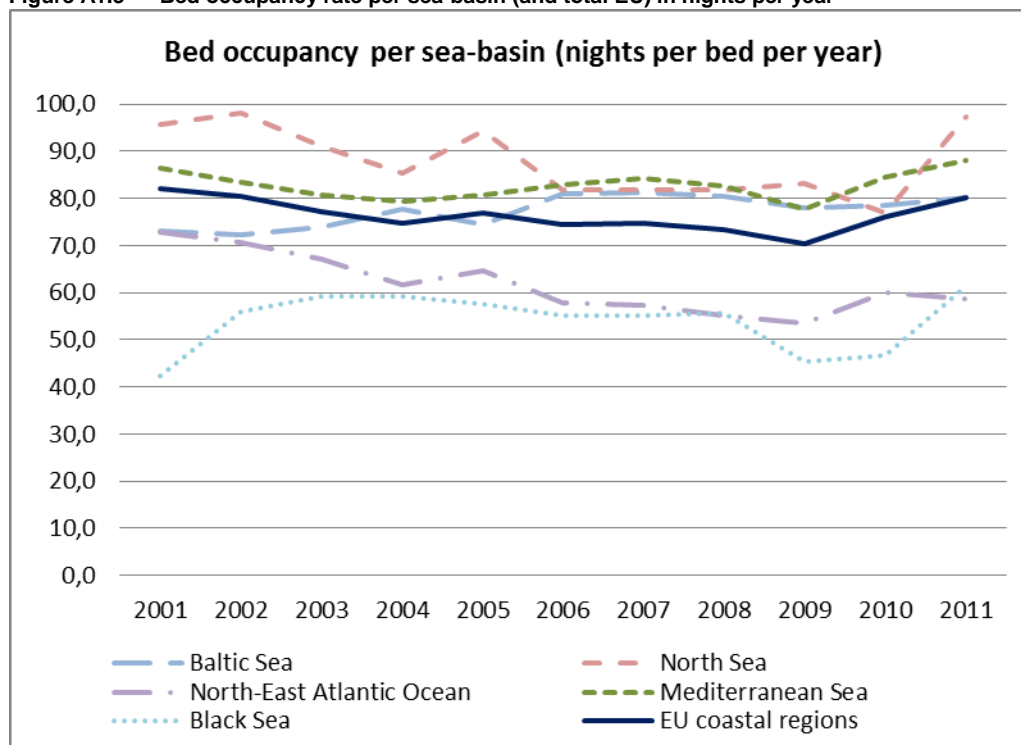
Figure A1.2 Average spending per holiday according to the sea-basin¹⁸⁴



Source: Ecorys estimations built on Eurostat database.

When looking at the bed occupancy per year, the bed places in the North Sea and Mediterranean sea-basins turn out to be most occupied during the year. The Black sea and Northeast Atlantic sea-basins have on average low bed occupancy rates, as shown by Figure A1.3.

Figure A1.3 Bed occupancy rate per sea-basin (and total EU) in nights per year



Source: Ecorys/Eurostat.

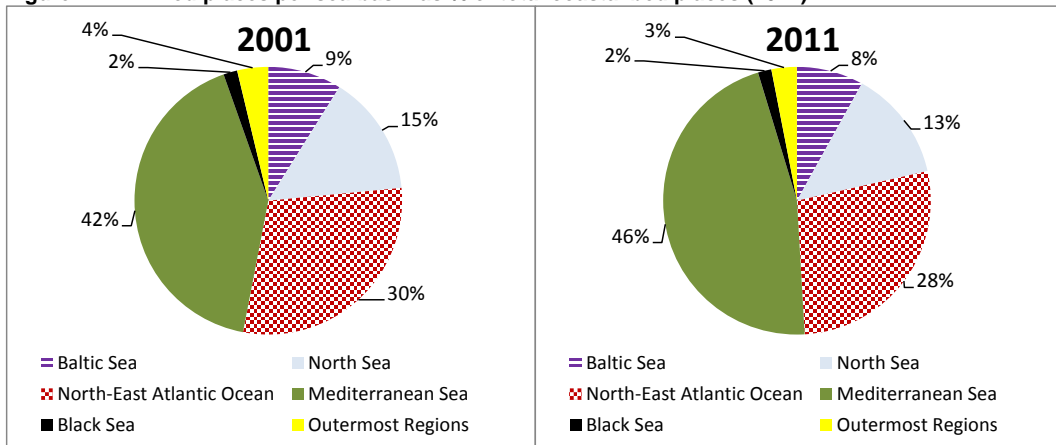
Tourism supply per sea-basin

The relative importance of the Mediterranean sea-basin is also reflected in its share of bed capacity. Between 2001 en 2011 the share of the Mediterranean sea-basin in total coastal bed places in the European member states increased from 42% to 46%, mainly at the cost of the

¹⁸⁴ Average spending per holiday is calculated by dividing the total spending by the number of arrivals.

Northeast Atlantic sea-basin and the North Sea-basin. In 2011 there were more than 16 mln bed places in the coastal EU-regions.

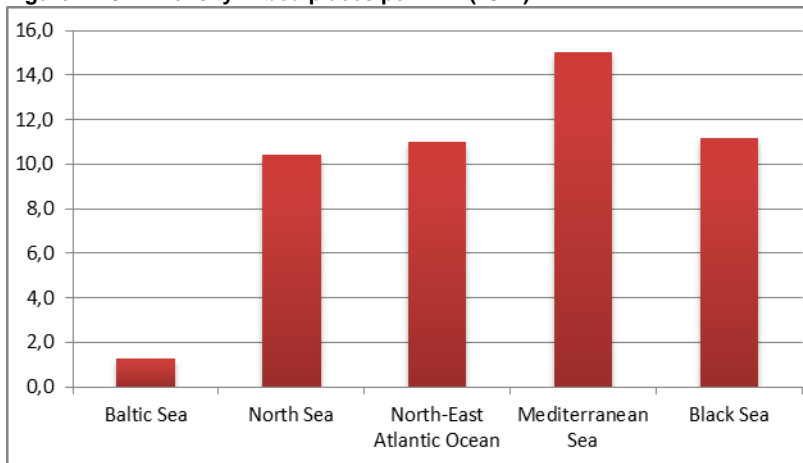
Figure A1.4 Bed places per sea-basin as % of total coastal bed places (2011)



Source: Eurostat.

The importance of coastal tourism in the Mediterranean, but also in many other places, is also reflected in the density of tourist accommodations in these regions (see Figure A1.4 and Figure A1.5). Furthermore the differences in length of season are reflected in different bed occupancy ratios, which tend to be higher in warmer countries.

Figure A1.5 Density in bed places per km2 (2011)



Sources: Eurostat/Ecorys.

Annex II Assumptions

Area/level	Specifically	Explanation of the issue	Proposal/Assumption
Geographic coverage	Sea-basin	Certain countries or regions do not only belong to one sea-basin. This can lead to double counting.	Data on countries or regions which are located at more than one sea-basin are divided by the number of sea-basins they are bordering (e.g. France/Denmark/Spain are divided by two).
	Member State level	MS level includes in many cases big areas which are not coastal or maritime. It is therefore difficult to assess what development is due to the coast and what is due to the rest	We assume that all NUTS3 regions are equal. We calculate the share of NUTS3 regions with coastline of the total amount of NUTS3 regions. We use this percentage of the available data.
	NUTS 2 level	NUTS 2 level is more precise than MS level, but often still includes areas which are mainly not or not at all coastal.	The selection of NUTS2 regions defined as coastal is based on the NUTS3 coastal regions and differs therefore only marginally in very few cases and can therefore be seen as equally informative. We make it explicit if capitals or other big cities might bias the results.

Area/level	Specifically	Explanation of the issue	Proposal/Assumption
	NUTS 3 level	NUTS 3 level is very precise, but can still include e.g. certain capitals which can not be counted as coastal tourism regions.	Keep NUTS3. We need to point out if the results might be biased by certain capitals. Nevertheless, dropping them could also bias the results as we leave in other big cities (e.g. Barcelona).
Data series	Time	Data is available, but not for all years. These gaps can lead to misinterpretations when summing up.	<p>There are two situations which can be solved in two different ways.</p> <ul style="list-style-type: none"> - Recent data is available on a very precise level (as mentioned by Eurostat): In this case we use the trend of the available level and calculate backwards from the most recent data. - There are partially gaps in the most precise level. In this case we look at the share of the most recent available year of the bigger unit (e.g. use 2011 NUTS 2 divided by the MS level in 2011) and fill the gaps with the same share.

Area/level	Specifically	Explanation of the issue	Proposal/Assumption
	Domain	To calculate certain indicators datasets of various sources might be necessary. These often do not define “objects” the same way.	If the definition is qualitatively declared “similar”, we still do the calculations, but point out to use the results with caution. If the definitions differ strongly, we cannot calculate further indicators.
Data availability	Lack of data	For certain indicators, there is no overall data available.	If possible we use regional data and provide “case studies” to give an indication of a potential development (=bottom-up). If no data at all is available, it needs to be pointed out. Impacts can then only be assessed qualitatively.
Currency conversion	Exchange rate	Certain data sets are published in other currencies than euro (mostly \$). The change in the exchange rate over time can bias the results.	Use annual average exchange rates for conversion from USD to EURO.

Area/level	Specifically	Explanation of the issue	Proposal/Assumption
Price level adjustment	Inflation	Inflation gives the impression that expenditure is increasing over time. This can lead to wrong conclusions	Check if datasets provide nominal values or already are already adjusted. If not corrected, point out the potential bias when interpreting the results. As an indication average Euro inflation can help for interpretation.

Annex III Expected developments for (maritime and coastal) tourism

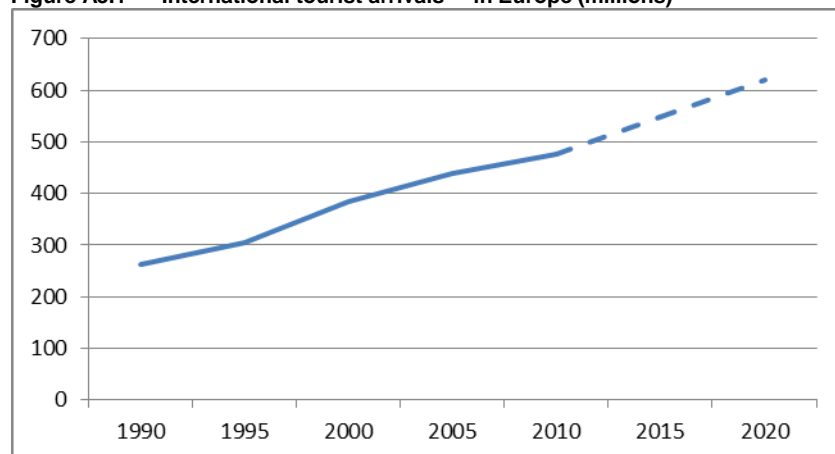
Forecast tourist arrivals European Union and coastal regions in 2020

In this section we translate the general UNWTO¹⁸⁵ international tourist arrival forecasts for Europe together with the historical data in Eurostat on tourist arrivals, into a forecast for the total tourist sector¹⁸⁶ and the coastal tourist sector in the European Union in 2020. In the next section we break these figures further down into forecasts for the different sea basins.

Forecast International tourist arrivals in Europe

The development of the baseline scenario starts with the UNWTO forecasts of International tourist¹⁸⁷ arrivals. UNWTO has made an estimation of the international tourist arrivals in 2020 for Europe and four separate European regions (figure A3.1 and A3.2).

Figure A3.1 International tourist arrivals¹⁸⁸ in Europe (millions)



Source: UNWTO (Tourism 2020 Vision).

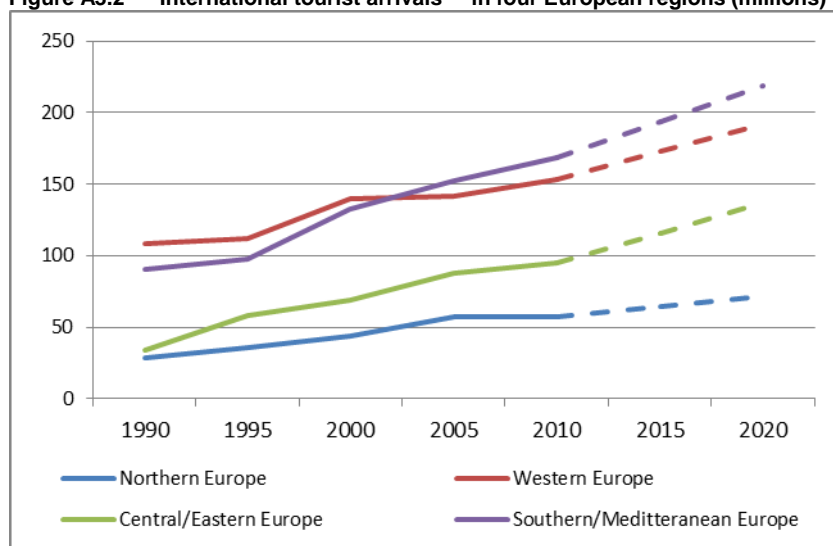
¹⁸⁵ UNWTO is the World Tourism Organization.

¹⁸⁶ Including cruise tourism and boating/yachting.

¹⁸⁷ International tourists are tourists that are no residents of the country of destination.

¹⁸⁸ Data available for overall tourists not just coastal regions.

Figure A3.2 International tourist arrivals¹⁸⁹ in four European regions (millions)



Source: UNWTO (Tourism 2020 Vision).

Generally, the UNWTO has forecasted the demand for tourism to increase annually with 2.7% between 2010-2020. This concerns the forecast for whole Europe, not only the European Union.

Box A3.1 UNWTO forecast

Explanation of the estimations on tourism forecast in 'Tourism towards 2030; a global overview' (UNWTO, 2012).

Key indicator for tourism demand is the number of international tourist arrivals as reported by destination countries (international tourists that stay overnight). This appears to be the only indicator with a long, consistent series for all regions.

The international tourist arrival estimations are based on a matrix with data regarding international tourist arrivals around the world for the period 1980 – 2010, as reported by destination countries. The forecasted number of arrivals are generated by use of the historical trends in tourist arrival data and relating these trends to explanatory factors. The key predictors used in the model are:

GDP measured in purchasing power parity (PPP), as a measure of traveler affluence and business travel potential (which incorporates demographic growth, increase of living standards, change of economic structure, spread of educations, urbanization, etc.);

Cost of transport;

One-off factors (particular external shocks such as 9/11 terrorist attack and the SARS outbreak).

Main assumptions made on the development of these key predictors:

Gross Domestic Product: Assumptions for GDP growth up to 2016 reflect the projections of the International Monetary Fund (IMF) and for the period 2016-2030 the forecast by Oxford Economics is used to estimate regional GDP growth.

Economic output: In each of the regions economic output is expected to continue growing until 2030 (prolonging the trend of the past decades). The values of the last decades do include the impact of the 2008-2009 'Great Recession'.

Transport costs: Costs of air transport are assumed to cease declining and grow at an average annual rate of 1.1% per year. Costs of surface travel will continue to increase faster than air travel, with an accelerating rate of increase from 2024 onwards. Total weighted cost of transport assumed to grow on average annually with 1.4% per year.

¹⁸⁹ Data available for overall tourists not just coastal regions.

Real costs: Increases in real costs are assumed to be no more than 1% real growth per year to 2020, but increasing more quickly between 2020 and 2030.

Forecast International tourist arrivals in European Union

Through comparison of the UNWTO figures of international arrivals in Europe with the Eurostat figures of international arrivals in the European Union, the EU/Europe ratio of international arrivals was found. It turns out that approximately 57% of the international tourist arrivals in Europe have their destination in one of the EU member states (including Croatia).

If we assume that the expected growth rates for Europe are more or less the same as for the European Union (and therefore state that the EU/Europe ratio of international arrivals of 57% remains the same), the expected tourist arrivals in the EU member states can be determined. As Eurostat also provides data of 2011, the growth rates are projected from 2012 on. Table A3.1 shows the expected international tourist arrivals in the European Union in 2020.

Table A3.1 Forecast of international tourist arrivals¹⁹⁰ in the EU in 2020 (millions)

	2011	2020
European Union (incl. Croatia)	291	370

Source: Ecorys calculations, based on UNWTO/Eurostat.

Forecast domestic tourist arrivals in European Union

Having the numbers of international arrivals in the European Union, we now need to determine the number of domestic tourist arrivals. Eurostat data has shown that in the period 2004-2011 on average 35% of all tourists are international tourists (with 65% being domestic tourists). However, major differences between countries are found. For example, larger countries like Germany, France and the United Kingdom have a relatively small share of international tourists where in smaller countries like Cyprus, Malta and Luxembourg up to 90% of their tourists are foreign.

The Eurostat data regarding domestic tourist arrivals of 2011¹⁹¹ are used to develop a forecast for 2020. As the UNWTO provided no forecasts about domestic tourist arrivals, we assumed a prolongation of the annual growth of 2.0% until 2020 (this was the average annual growth between 2003-2011 in the European Union¹⁹², according to Eurostat data).

Table A3.2 indicates the distinction into the forecast of international and domestic tourist arrivals in the European Union. The percentages and absolute numbers are shown in table A3.2 and A3.3.

Table A3.2 Forecasted annual growth percentages¹⁹³ between 2010-2020 in EU

	2010-2020
International tourists	2.7%
Domestic tourists	2.0%

Source: Ecorys calculations, based on UNWTO /Eurostat.

Table A3.3 Forecast of total tourist arrivals in 2020 (millions) in the EU

	2011	2020
Total number of tourists EU	795	971
International tourists	291	370
Domestic tourists	504	601

Source: Ecorys calculations, based on UNWTO /Eurostat.

¹⁹⁰ Data estimated for coastal regions.

¹⁹¹ This concerns only 'overnight tourists' as these figures are based on the arrivals in touristic accommodations.

¹⁹² Except for Malta and Ireland; no continuous data was available for these countries.

¹⁹³ Data estimated for coastal regions.

Forecast tourist arrivals in coastal NUTS-2 regions of European Union

Due to the lack of data about touristic arrivals in NUTS-3 regions in Eurostat, the forecasts of touristic arrivals in coastal regions are limited to coastal NUTS-2 regions. However, most coastal NUTS-2 regions coincide with the coastal NUTS-3 regions, so no major differences are expected.

In 2011, 435 million tourists arrived in coastal NUTS-2 regions, of which approximately 266 were domestic tourists and 169 were international tourists.

Previous sections show the growth in touristic arrivals in the European Unions as a whole. Trends in arrivals in coastal regions might deviate from the overall trend of the European Union. Therefore, another forecast is made based on the historical trend in touristic arrivals in coastal NUTS-2 regions. It appeared that between 2000 and 2011, the number of domestic tourist arrivals grew annually with 1.5% and the number of international tourist arrivals with 1.9%. In consistency with the UNWTO forecasts for the total European Union, we assumed that this trend continues till 2020. The table below provides an overview of the different growth rates.

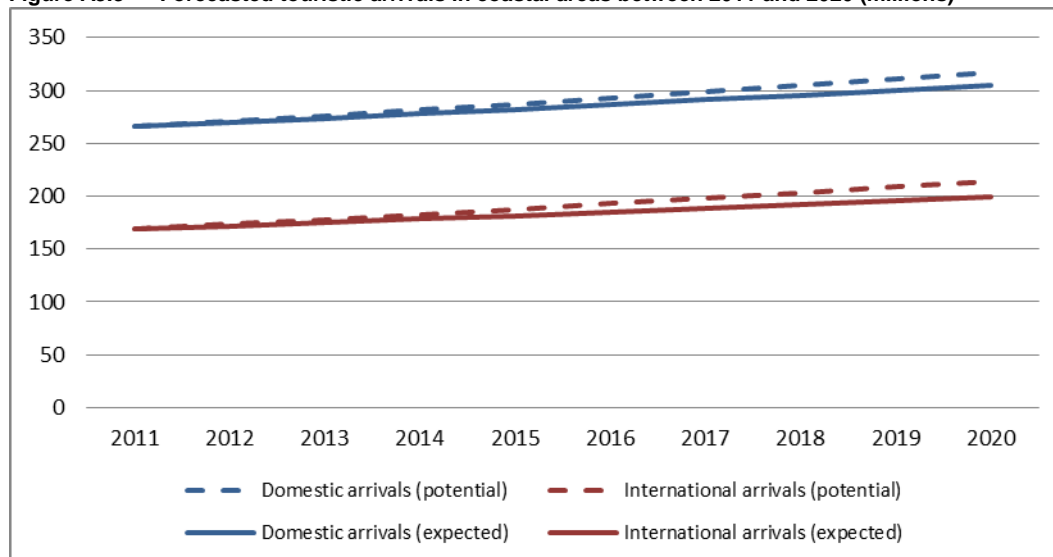
Table A3.4 Forecasts of touristic arrivals in the European Union (total) and its coastal areas

Geographic level	Tourists	2011-2020
European Union	Domestic	2.0%
European Union	International	2.7%
Coastal NUTS-2 regions	Domestic	1.5%
Coastal NUTS-2 regions	International	1.9%

Source: Ecorys estimations based on historical data from Eurostat and forecasts of the UNWTO.

Now we have two different estimations on growth in tourist arrivals, one based on the UNWTO forecasts and one based on the historical trend on arrivals in coastal regions. The former will be presented as the 'upper limit' and therefore represents the growth potential of tourist arrivals in coastal regions. The latter is the 'lower limit' and presents the expected growth in tourist arrivals in coastal regions (as shown by figure A3.3 and table A3.5).

Figure A3.3 Forecasted touristic arrivals in coastal areas between 2011 and 2020 (millions)



Source: Ecorys estimations based on Eurostat and UNWTO).

Table A3.5 Expected and potential number of touristic arrivals in 2020 together with the annual growth

		Arrivals 2011	Annual Growth	Arrivals 2020
Domestic tourists	Potential	266	2.0%	317
	Expected		1.5%	305
International tourists	Potential	169	2.7%	214
	Expected		1.9%	200
Total tourists	Potential	435	2.3%	531
	Expected		1.7%	504

Source: Ecorys estimations based on Eurostat and UNWTO.

Forecast duration of stay and expenditures

Despite the growing number of arrivals, the duration of stay and expenditures per arrival are decreasing. Between 2000 and 2011, the duration of stay declined on average annually with 0.7% from 3.8 nights in 2000 to 3.5 nights in 2011. The expenditures per night decreased annually by 3.5% from 101 Euro per night in 2000 to 68 Euro per night in 2011 (price level 2000¹⁹⁴).

Forecast duration of stay

The decline in duration of stay of 0.7% annually is not expected to continue very long. As we look at the annual changes of 5-year periods (Table A3.6), a distinct stabilization is observed in the last 5 to 6 years. Therefore we assume the duration of stay to stabilize on the 2011 level until 2020.

Table A3.6 Average annual change in duration of stay in EU coastal areas per 5-year period

5-year period	'00-'05	'01-'06	'02-'07	'03-'08	'04-'09	'05-'10	'06-'11
Average annual growth	-1.47%	-1.40%	-1.20%	-1.27%	-1.17%	0.00%	-0.09%

Source: Eurostat.

Forecast expenditures per night

Real expenditures per night have decreased with 33 Euros between 2000 and 2011 (price level 2000). The year-to-year annual growth figures differ heavily, which makes it difficult to predict the development till 2020. The economic crisis had a major influence on the decline in expenditures between 2007 and 2011. Since the crisis has not come to an end yet, though we expect the European economy to stabilize at some moment in the near future, we assume the nominal expenditures per night to decline another 5 euros to 2020 (price level 2011).

Table A3.7 presents the forecast in duration of stay and expenditures per night based on the assumptions described above. An annual inflation of 2% is assumed to estimate the real spending per night.

Table A3.7 Forecast duration of stay, expenditures per night in coastal areas until 2020 (price level 2011)

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Duration of stay	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Nominal spending per night	€ 86.4	€ 85.9	€ 85.3	€ 84.8	€ 84.2	€ 83.6	€ 83.1	€ 82.5	€ 82.0	€ 81.4
Real spending per night	€ 86.4	€ 84.1	€ 82.5	€ 80.9	€ 79.3	€ 77.8	€ 76.2	€ 74.8	€ 73.3	€ 67.8

Source: Ecorys estimations based on Eurostat.

¹⁹⁴ Based on an average inflation of 2% (EURO17 countries).

Forecast total tourist expenditures

In the previous sections, the forecast in tourist arrivals, duration of stay and expenditures per night until 2020 are estimated. With these data, the total expenditures in coastal regions can be determined. Regarding tourist arrivals, the expected tourist arrivals (lower estimate based on trend from historical data) are taken.

Table A3.8 Forecast of total tourist expenditures between 2011 and 2020

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Duration of stay (days)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Nominal spending per night in coastal areas	€ 86.4	€ 85.9	€ 85.3	€ 84.8	€ 84.2	€ 83.6	€ 83.1	€ 82.5	€ 82.0	€ 81.4
Real spending per night	€ 86.4	€ 84.1	€ 81.9	€ 79.7	€ 77.6	€ 75.6	€ 73.5	€ 71.6	€ 69.7	€ 67.8
Touristic arrivals (millions)	434.6	442	449	457	464	472	480	488	496	504
Total tourist expenditures (billion)	€ 131	€ 129	€ 128	€ 127	€ 125	€ 124	€ 123	€ 122	€ 120	€ 119
Annual growth in expenditures	-	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.1%	-1.1%
Real spending per arrival in coastal areas	€ 300.9	€ 293.0	€ 285.2	€ 277.7	€ 270.3	€ 263.1	€ 256.1	€ 249.3	€ 242.6	€ 236.1

The estimations are shown in Figure A3.44 and Figure A3.5, together with the historical trend from 2005 on to provide more insight about the development over time.

Figure A3.4 Total tourist arrivals and expenditures between 2005 and 2020

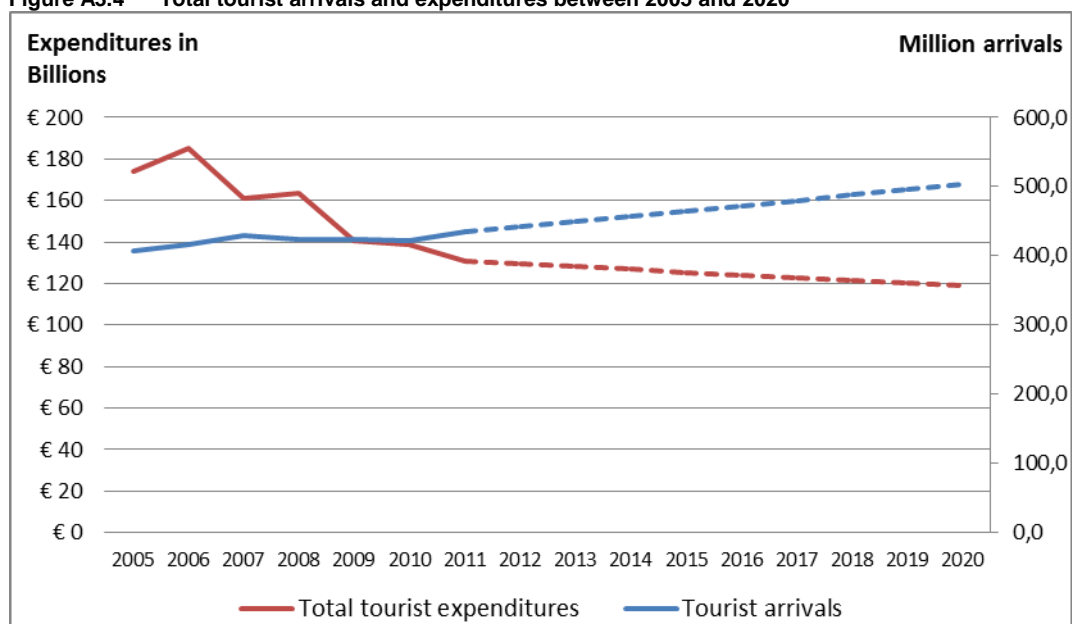
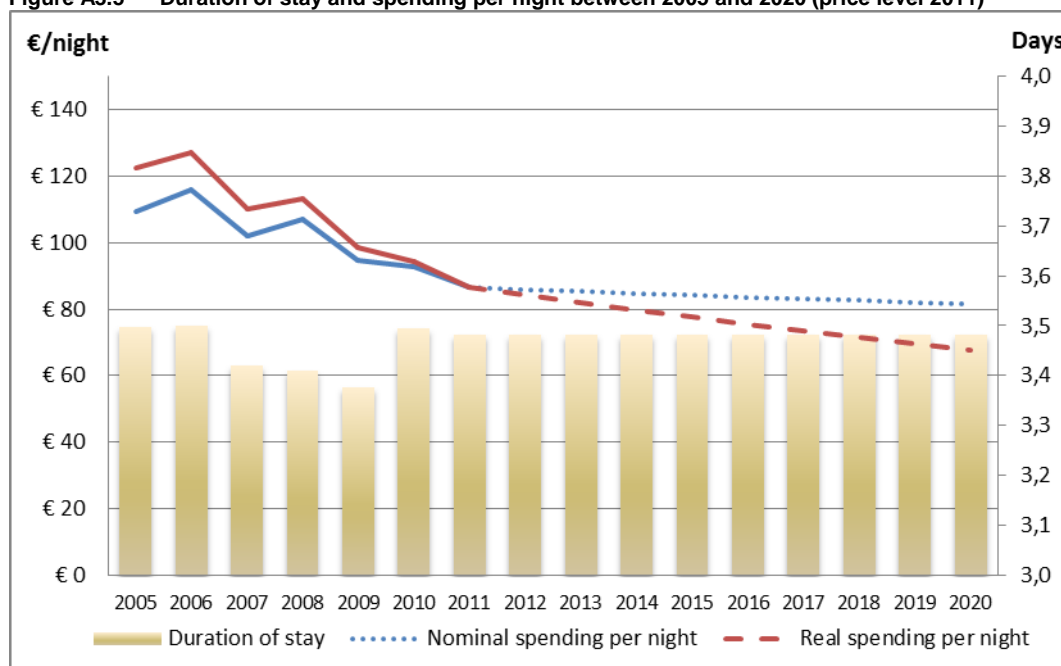


Figure A3.5 Duration of stay and spending per night between 2005 and 2020 (price level 2011)



Forecast tourist arrivals sea basins

Following the same approach in estimating the tourist arrivals and spending as in previous sections, we determine in this section the forecast in tourist arrivals for two groups of sea basins:

- Mediterranean sea + Black sea;
- Other European sea basins.

However, no distinction between international and domestic tourist arrivals are made here.

The UNWTO has defined different growth figures for four European regions, as shown by Table A3.9. The growth figure of Southern/Mediterranean Europe is used as a proxy of the potential (upper limit) growth of the Mediterranean and Black sea basin. The growth of Northern and Western Europe is used for the potential growth estimations of the other European sea basins.

Table A3.9 UNWTO annual growth estimations of four European regions

European regions	Annual growth 2010-2020
Northern Europe	2.2%
Western Europe	2.2%
Central/Eastern Europe	3.7%
Southern/Mediterranean Europe	2.6%

Source: UNWTO (2012), Tourism towards 2030; a global overview.

Similar to previous sections, these UNWTO figures are presented as the ‘upper limit’ and therefore represent the growth potential of tourist arrivals in the different sea basins.

We use the historical data in tourist arrivals to define the ‘lower limit’, being the expected growth in tourist arrivals per sea basin. These growth figures are based on tourist arrivals in the period 2000-2010¹⁹⁵ and are, together with the UNWTO growth figures, shown in Table A3.10.

¹⁹⁵ 2011 is left out in the average growth estimations, for consistency reasons.

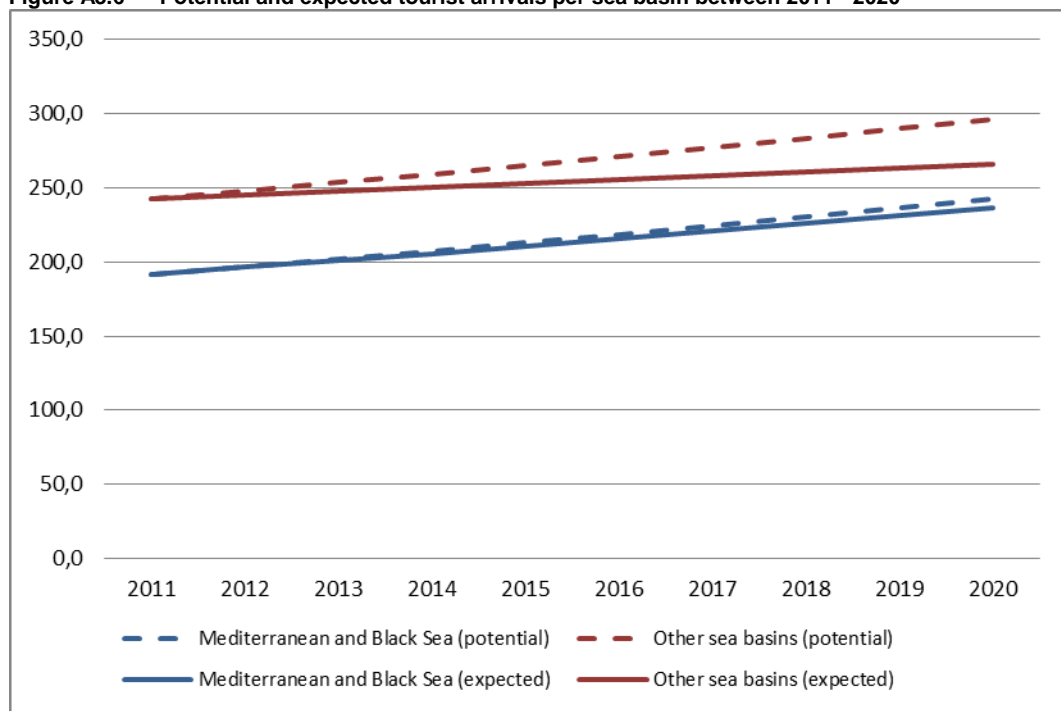
Table A3.10 Forecast tourist arrivals in annual growth and total arrivals until 2020

Sea basin	Forecast	Annual growth 2011-2020	Tourist arrivals 2011	Tourist arrivals 2020
Mediterranean sea + Black Sea	Expected	2.4%	191.9	237
Mediterranean sea + Black Sea	Potential	2.6%	191.9	243
Other sea basins	Expected	1.0%	242.7	266
Other sea basins	Potential	2.2%	242.7	296

Source: UNWTO (2012), Eurostat (2013).

Figure A3.6 shows the forecast in expected and potential tourism arrivals for the Mediterranean sea + Black sea and other sea basins.

Figure A3.6 Potential and expected tourist arrivals per sea basin between 2011 - 2020



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