



European  
Commission

# INVESTMENT SUPPORT FOR ECOSYSTEMS TOURISM

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**The Tourism ecosystem is highly diverse and complex, covering globalised and interconnected value chains.** The whole Tourism ecosystem comprises businesses that work in several sectors, including food and beverage services, on-line information and services providers (tourist offices, digital platforms, travel technology providers), travel agents and tour operators, accommodation suppliers, destination managing organisations and attractions.<sup>1</sup>

**Before the pandemic, the tourism ecosystem represented nearly 10% of total EU GDP, with 22.6 million people employed**<sup>2</sup>. Out of 3.2 million tourism businesses, 99.8% are micro, small and medium-sized enterprises. The Tourism ecosystem is highly heterogeneous, covering such interconnected sectors as food and beverage services, online information and service providers, travel agents and tour operators, accommodation suppliers, destination management organisations, attractions and passenger transport.

**Tourism is among the most impacted ecosystems by the pandemic.** With a drop of ca. 70% in revenues in 2020<sup>3</sup> and up to 11 million jobs at risk in the EU<sup>4</sup>, tourism services started 2021 at the bottom of the business confidence indicator<sup>5</sup>. However, tourism recovered significantly during the summer travel season, which usually represents 1/3 of turnover for tourism businesses. The summer of 2021 was significantly better than 2020, but turnover was still below 2019 levels and saw a high share of last-minute bookings. The EU Digital COVID-19 Certificate (EU DCC) contributed largely to this restart of tourism during the summer 2021. The fluctuation in the business confidence indicator confirm that tourism is highly sensitive to the waves of the pandemic and related measures.

1 A more detailed explanation is provided in Annex 1.

2 WTTC data from Travel & Tourism on Economic Impact

3 UNWTO (2020), 'World Tourism Barometer', Volume 18, Issue 6, October 2020

4 Behavioural changes in tourism in times of Covid-19 - Publications Office of the EU (europa.eu)

5 The [confidence indicator](#) for the industrial ecosystems provides a timely indication of the state of each ecosystem at the EU level. It is updated every month and is based on data extracted by the Joint Harmonised EU Programme of Business and Consumer Surveys.

During the pandemic crisis, the EU has supported the tourism ecosystem with financial and many other emergency measures<sup>6</sup>. The capacity of tourism businesses to invest in a more sustainable, innovative, resilient future has been significantly weakened by big economic and employment losses, uncertainty of the evolution of the pandemic and the new challenges it has brought. Both public and private funding and partnerships are important drivers for tourism recovery, transition and resilience. Therefore, the European Commission launched a co-creation process with stakeholders, EU member states and regions in order to design the [transition pathway for tourism](#) ecosystem towards green and digital transition, improving its resilience and competitiveness.

**Tourism and the Recovery and Resilience Facility (RRF):** The needs of the tourism ecosystem are targeted directly by countries' Recovery and Resilience Plans (RRPs) either in tourism dedicated components or through tourism-related measures in broader components<sup>7</sup>.

### Main figures and findings:

Number of Member States' RRP analysed: **22 (approved plans)**

5 RRP with a dedicated component for tourism:



10 RRP with tourism-related measures:



**EUR 11.35bn** (2.6% of the total RRF funding) will be invested in the Tourism ecosystem

Please note that figures for tourism presented in this fiche are based on GROW tagging methodology and ecosystem definition and take into account the 22 plans approved by the Commission, and subsequently endorsed by the Council in 2021.

Amongst the total 15 RRP with tourism dedicated measures, a significant number of actions will support the upgrade of tourism infrastructures and facilities (including small operators and establishments) with a view to increase the supply of high quality and sustainable tourism products and services. The proposed investments will support the restoration of historical and heritage sites, historical buildings and monuments and parks. **Belgium**, for example, will renovate an estimated surface area of approximately 12.000 m<sup>2</sup> in a project aiming to renovate the Palais de la Bourse of Brussels and creating a new economic, tourism and socio-cultural hub around it (estimated cost EUR 6.3m).

**A substantial number of investments will be devoted to increasing the sustainability of the tourism sector.** The planned investments will notably support the development of sustainable tourism products

6 [Travel during the coronavirus pandemic | European Commission \(europa.eu\)](#)

7 The Recovery and Resilience Plans are composed of reforms and investments, grouped into coherent components. Each component should reflect related reform and investment priorities in a policy area or related policy areas, sectors, activities or themes, aiming at tackling specific challenges, forming a coherent package with mutually reinforcing and complementary measures.

and services and the upgrade of tourism facilities and infrastructures in line with the highest standards of energy and resource efficiency. As such, **Cyprus** will promote the circular economy in hotel establishments (estimated cost EUR 1.4m). It is expected that at least 50 collaboration agreements with hotels are signed for tailored business coaching for circular economy and at least 18 hotels are audited and certified according to national standards. **Slovenia** will undertake a large programme of energy renovation and energy efficiency in 90 tourist accommodation facilities (estimated cost EUR 34.5m), whereas in **Romania**, the RRF will support the promotion of 12 tourist and cultural routes (estimated cost EUR 10.05m), as well as in the development of 3000 km of cycling routes (estimated cost EUR 247.5m).

**Support of the digitalisation of the tourism ecosystem will help** the development of interactive applications, the digitalisation of services, historical and cultural resources to increase their accessibility up to the development of IT solution for the management of destinations and the establishment of value chains. For example, **Italy** will create a Digital Tourism Hub (estimated cost EUR 114m) that will involve at least 20 000 touristic operators. It will also develop a National Digital Data Platform (estimated cost EUR 500m) and train at least 30 000 users through the cultural heritage e-learning platform. In **Greece**, the RRF will support the Digital Transformation of the Greek National Tourism Organisation (estimated cost EUR 8m) and the creation of a new e-registry for tourism (estimated cost EUR 8m).

**In addition, Member States have also included reforms to accompany the proposed investments**, such as improving the legislative framework for the development and management of tourism infrastructure and facilities to support innovation, energy efficiency and better use of digital technologies. Through its dedicated sub-component on tourism, **Croatia** will put forward a comprehensive reform to enhance the sustainability of the tourism sector. The reform will establish an effective organisational and legal framework for managing the development of sustainable tourism. The reform will include further administrative and para-fiscal relief for the tourism sector; a new legislative framework that will allow better management of tourism development; and the development of a new model of tourism contributing to the twin transition and circular economy principles.

**Accelerating the twin transition of the Tourism ecosystem will give it a key advantage in staying ahead and in making it more resilient to disruptions.** The Recovery and Resilience Plans put forward measures for the digitalisation of tourism infrastructure, for investing in rural and remote regions to diversify the tourism offer and for designing strategies to increase the sustainability of tourism. **Spain** proposes an ambitious measure on the transformation of the tourism model towards sustainability that will support 165 local authorities in completing projects to promote “Territorial Plans for Tourism Sustainability at Destination”, with at least 35% of these funds being used for the green transition (e.g. energy efficiency, mobility).

Significant investments will also target cultural centres and the skills of the workforce. **Malta** will set up a reinforced Centre for Vocational Education excellence that is expected to bring the capacity from 700 to 2500 students to address the skills mismatches and skills shortages that have been persistent within the hospitality industry. These measures will contribute to increasing the resilience of the Tourism ecosystem.

Given its horizontal nature and its multiplying effects in the economy, the tourism ecosystem will benefit from horizontal measures and indirect investments that have a broader economic impact. For example, those related to sustainable and smart mobility and infrastructure, cultural and nature assets, digitalisation of businesses, upskilling and reskilling, protection of biodiversity and climate adaptation schemes, to name a few.

**The Tourism ecosystem can also be supported via a wide range of EU or national funding programmes other than the RRF.** EU funding support is available under 15 EU programmes. To help tourism stakeholders in finding the right EU funding programme, an online guide<sup>8</sup> has been released.

## ANNEX I – Description of the Tourism ecosystem

The Tourism ecosystem is highly diverse and complex, covering globalised and interconnected value chains. The whole Tourism ecosystem comprises businesses that work in several sectors, including food and beverage services, on-line information and services providers (tourist offices, digital platforms, travel technology providers), travel agents and tour operators, accommodation suppliers, destination managing organisations, attractions and passenger transport (for example, airlines and airports, trains, and cruises).

The activities included in the ecosystem are <sup>9</sup>:

- Land transport and transport via pipeline
- Water transport
- Air transport
- Accommodation and food service activities
- Travel agency, tour operator and other reservation service and related activities
- Office administrative, office support and other business support activities
- Creative, arts, and entertainment activities, libraries, archives, museums and other cultural activities, gambling and betting activities
- Sports activities and amusements and recreation activities

For the purpose of this fiche, the analysis has been focused on activities directly contributing to tourism activities. As such, activities related to transport (land transport, transport via pipeline, water transport and air transport) have not been tagged as part of the Tourism ecosystem. Considering the considerable investments and reforms in mobility in the RRP, counting such investments in the analysis would create the risk of providing a figure that is highly inflated by investments not fully contributing to tourism activities. These activities have therefore been considered to be more relevant for the Mobility – Transport – Automotive Ecosystem. Measures relevant to this ecosystem have been analysed in a dedicated fiche.

When measures in the RRP are referring explicitly to tourism or targeting explicitly the activities listed above (with the exception of transport activities), they have been counted as relevant for the ecosystem.

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9 As defined in the [ASMR 2021 \(SWD\(2021\)351\)](#) accompanying the communication on “[Updating the 2020 New Industrial Strategy](#)” (COM(2021)350)