

## **PRIORITY AREAS OF DEVELOPMENT IN THE TOURISM SECTOR OF THE EU COUNTRIES**

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**Abstract:** *The study identifies priority areas for development in the tourism sector of the EU countries, namely: using the experience gained in the immediate recovery from the crisis after COVID-2019; stimulating productivity and competitiveness through cooperation between the government and the public; support for the development of small and medium-sized enterprises; promotion of sustainable tourism through the creation of new indicators of European economic development; transition of the tourism sector to digital technologies; implementation of environmental initiatives in the tourism sector; innovative development of educational programs and courses for training in the tourism sector; state funding from EU countries.*

**Keywords:** *tourism, development, EU, innovation, priorities.*

Tourism is an important component of the economy of many countries of the European Union, so the study of priority areas of development in the field of tourism is of great importance for regional and social development. The development of the tourism sector contributes to the creation of new jobs, higher incomes, increased investment, and strengthening the image of countries and the ecosystem. Rapid changes in technology, increased competition and changes in tourist demand require constant analysis and updating of tourism development strategies, as well as identification of priority areas for development in the tourism sector.

**The purpose of the study** is to identify priority areas of development in the tourism sector of the EU countries.

The following scholars have studied the development of tourism in Europe: Burda, et al., (2023), Lnenicka, et al. (2023), Lasocha, (2020), Pulina et al., (2020), Erdiaw-Kwasie, et al. (2023), Nagaj, & Žuromskaitė, (2023), François, et al. (2023), Lisiak-Zielińska, & Ziernicka-Wojtaszek, (2021), But, et al. (2023) et al.

The countries of the European continent account for 54% of all international tourist arrivals. Despite the importance and systemic nature of the tourism industry for the European economy, the European Union does not have a single official institution that would independently deal with tourism development in its member states. This function is performed by the supreme executive body of the European Union - the European Commission. The European Commission, through the activities of its structural funds, carries out activities for the development of tourism in the EU countries. The main structural funds of the European Union, which actively assist in the development of tourism, include:

- European Regional Development Fund;
- European Social Fund;
- European Fund for Agricultural Management;
- European Tourism Commission;
- European Investment Bank and others.

The European Regional Development Fund finances infrastructure development projects, invests in job creation and development projects in specific areas, and provides financial assistance to small entrepreneurs. The European Union countries are the most attractive countries for recreation, health improvement and international arrivals (But, et al., 2023). Each country attracts tourists from all over the world with its tourism potential. But one of the biggest problems with leisure tourism in the European Union is its dependence on seasonality. This worsens working conditions, leads to inadequate employment, and negatively affects the quality of tourism services and the workload of tourism infrastructure. Tourist flows to EU countries are affected by factors such as the economic environment; higher transportation and accommodation costs; extreme weather events; the Hamas/Israel conflict; staff shortages; Russia's offensive against Ukraine; other geopolitical risks; travel restrictions, including visa requirements; airport congestion, flight delays, cancellations; low consumer confidence; and COVID-2019 issues.

At the same time, tourism has the opportunity to contribute to environmental protection and poverty reduction. It should be noted that tourism is suffering losses due to environmental pollution, the effects of the global COVID-2019 pandemic, and the military actions of the Russian-Ukrainian war, so it is interested in promoting the development of mechanisms for its protection, as well as social and political security with further development priorities. By studying

the financial contribution of tourism to the European economy, it is possible to find out which EU countries make the largest contribution to the GDP of EU members due to the share of travel and tourism for the period of 2019 and 2022 (Fig. 1).

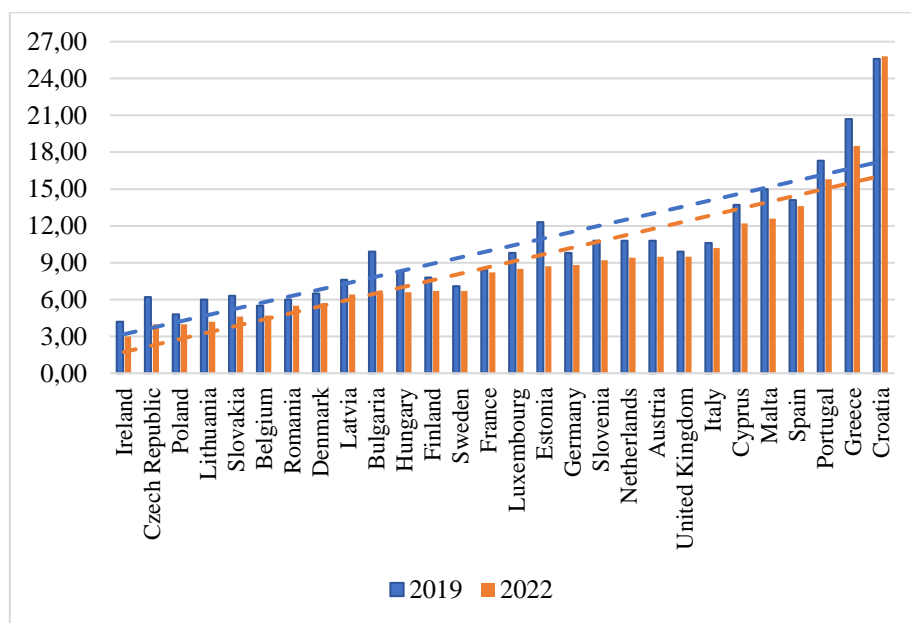


Рис. 1 – Share of travel and tourism in the total contribution to GDP of the European Union (EU-27) and the United Kingdom (UK) in 2019 and 2022 ( % ), (Statista, 2024)

In 2022, the share of travel and tourism in total GDP in the European Union (EU27) and the United Kingdom, with the exception of Croatia, remained below the levels reported before the coronavirus COVID-19 pandemic. Overall, Croatia was the EU country where travel and tourism accounted for the largest share of gross domestic product in 2022. Therefore, it should be noted that the development of EU countries is driven by the volume of GDP from travel and tourism.

According to Eurostat, the number of tourist overnight stays in EU countries in the first half of 2023 rose to a record level over the past decade. It should be noted that compared to 2022, the number of overnight stays increased in all EU countries, except Hungary, where a decrease of 0.3% was noted. Cyprus (39.3%), Malta (30.5%), and Slovakia (28.7%) showed particularly high growth (EC, 2024), which also indicates a recovery in tourism after the global COVID-2019 pandemic.

Thus, tourism has demonstrated resilience and innovation to minimize the COVID-2019 crisis. As of the beginning of 2024, the EU tourism industry has recovered by 94% compared to 2019 (UNWTO, 2024). Tourism has begun to undergo transformational processes that focus on the efficient use of energy, land and water. To this end, local control over the consumption of natural tourism resources is encouraged. As visitors constantly demand new and improved enjoyable tourism experiences, social justice is taken into account and encouraged. The development of EU countries depends on the development of tourism in these countries and benefits the host community and the country. To develop tourism in underdeveloped EU tourism countries, attention should be paid to ensuring quality working conditions and adequate remuneration for tourism workers. Tourism development in the EU is facilitated by tourism development projects that include a strong local focus. And the main goal of EU tourism development is to improve, not deteriorate, the natural environment.

We believe it is necessary to investigate the problems of volatility in tourism demand in the EU. Demand for tourism fluctuates greatly due to changes in the economic, financial and political situation. The sector needs to adapt to demographic changes and develop its offer to attract the growing number of elderly people. Tourists from other countries coming on vacation in the low season also have significant potential, the European Commission recently reviewed the visa code and proposed to simplify procedures for travelers from other countries. In addition, coastal and maritime tourism should be addressed within the framework of the current "elderly" and "accessibility" initiatives, as well as within the framework of the "European destinations of excellence". Communication and promotion initiatives targeting specific non-European countries could also be developed.

Due to the ongoing economic crisis, most SMEs in the tourism sector have limited or no access to credit for investment and innovation. This is partly due to the fact that EU tourism enterprises do not sufficiently exploit synergies, leading to fragmentation and limited economic benefits. Sharing best practices between Member States, regions and stakeholders is

important. Collaboration between research institutes, museums, tourism companies and other stakeholders should be encouraged to develop innovative and sustainable products that meet visitor expectations.

Since the development of tourism in the EU countries has experienced different times of its rise and fall, the evolution of its development directions from 2010 to 2024 is studied (Fig. 2).

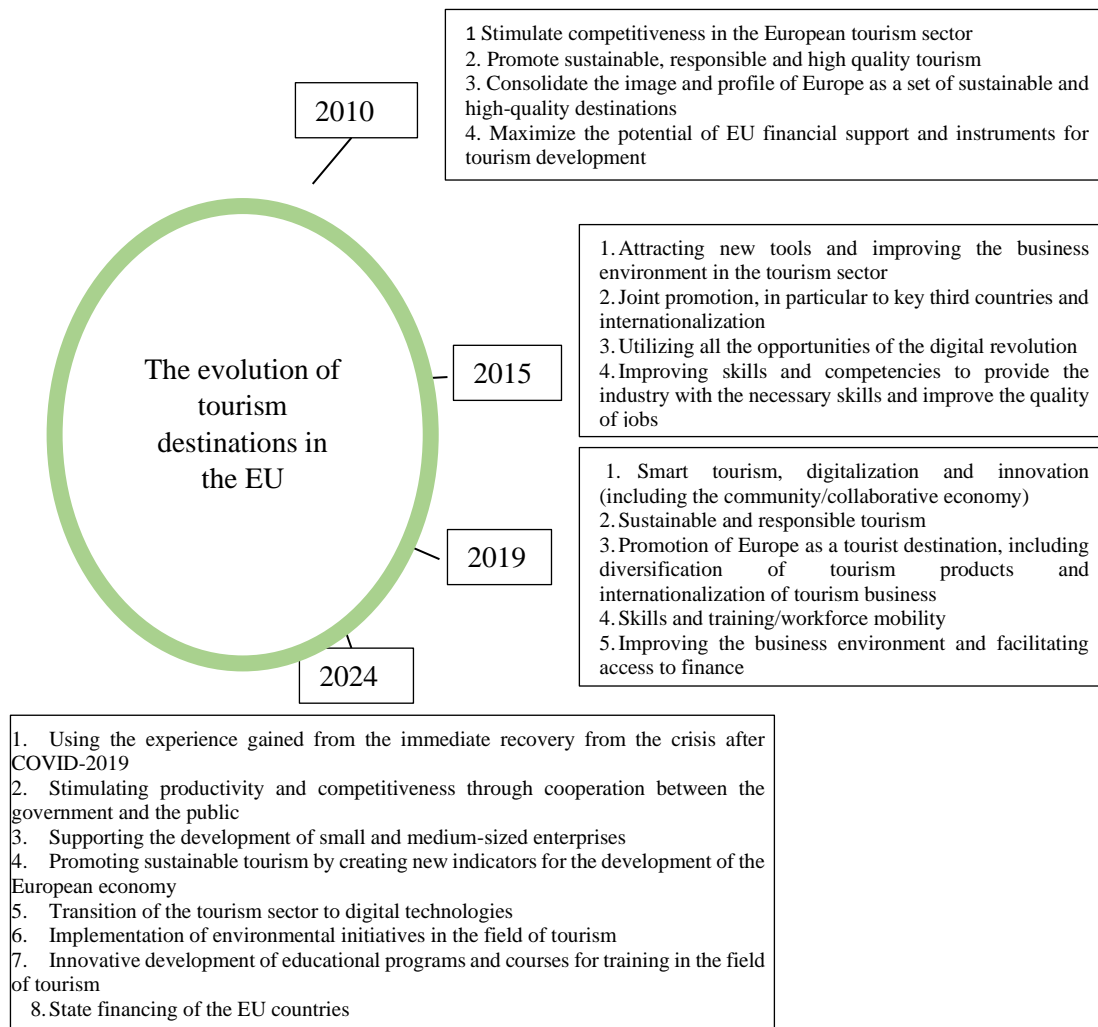


Figure 2 – Evolution of tourism development directions in the EU (authors' elaboration)

As you can see, the European Commission is constantly updating its priority areas in the field of tourism. For example, in 2023, the European Commission opened a new call for proposals under the Digital Europe work programs for 2023-2024 aimed at strengthening digital capacity across the EU. Among the prospects in Europe for 2024 is the expectation of an increase in tourist flows, as China lifts covid restrictions on group travel abroad. Currently, the border is open for travel to France, Portugal, the United Kingdom, and Germany. In addition, according to a survey conducted by IPK International, a consulting company specializing in the study of the global travel market, more than 80% of respondents in China said they plan to travel abroad in the next 12 months. At the same time, it is noted that Europe, not Asia, is of the greatest interest among them (Vizit Ukraine GS, (2024).

When studying the stimulation of tourism productivity and competitiveness in the EU, we note that it is carried out through:

1. The European Commission's desire to eliminate gaps in the availability of tourism data.
2. Development of tourism orientation, where appropriate, in EU tourism initiatives, including advertising and communication campaigns.
3. Facilitating pan-European dialogue by tourism stakeholders.
4. Supporting the development of transnational and interregional partnerships, networks, clusters and smart specialization strategies.

The European Commission invites Member States, regional and local authorities and the tourism industry as a whole to: engage and actively participate in the creation of networks, clusters and smart specialization strategies. Develop more

targeted packages for specific markets, such as the elderly or people with disabilities.

When examining the promotion of skills and innovation, it can be said that innovative development in tourism is driven by a sustained increase in investment in people. For this purpose, the EU's targeted policy attracts a sufficient number of qualified personnel for training by taking into account the needs of the sector in EU programs. This support is caused by low career opportunities due to the seasonality of work. Such support in the EU is aimed at ensuring a highly skilled, service-oriented, multilingual human capital.

The new Erasmus+ program, which supports transnational strategic partnerships between education, training and youth organizations, is a priority for tourism development in the EU. New industry-specific curricula and innovative forms of vocational training will benefit the sector, which is encouraged to interact and cooperate with higher education institutions through "knowledge alliances."

Consequently, the EU Commission regularly monitors the process of targeted actions in line with EU policy to ensure that measures to promote tourism in the EU are implemented. The European Commission regularly reports to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and evaluates their results. Thus, among the priority areas of development in the field of tourism in the EU countries are: using the experience gained from the immediate recovery from the crisis after COVID-2019; stimulating productivity and competitiveness through cooperation between government and the public; supporting the development of small and medium-sized enterprises; promoting sustainable tourism by creating new indicators of European economic development; transition of the tourism sector to digital technologies; implementation of environmental initiatives in the field of tourism; innovative development of educational programs and courses for training in the field of tourism; state funding from EU countries.

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