

SUCCESSFUL PUBLIC-PRIVATE PARTNERSHIPS PROMOTION MAJOR TOURIST DESTINATIONS

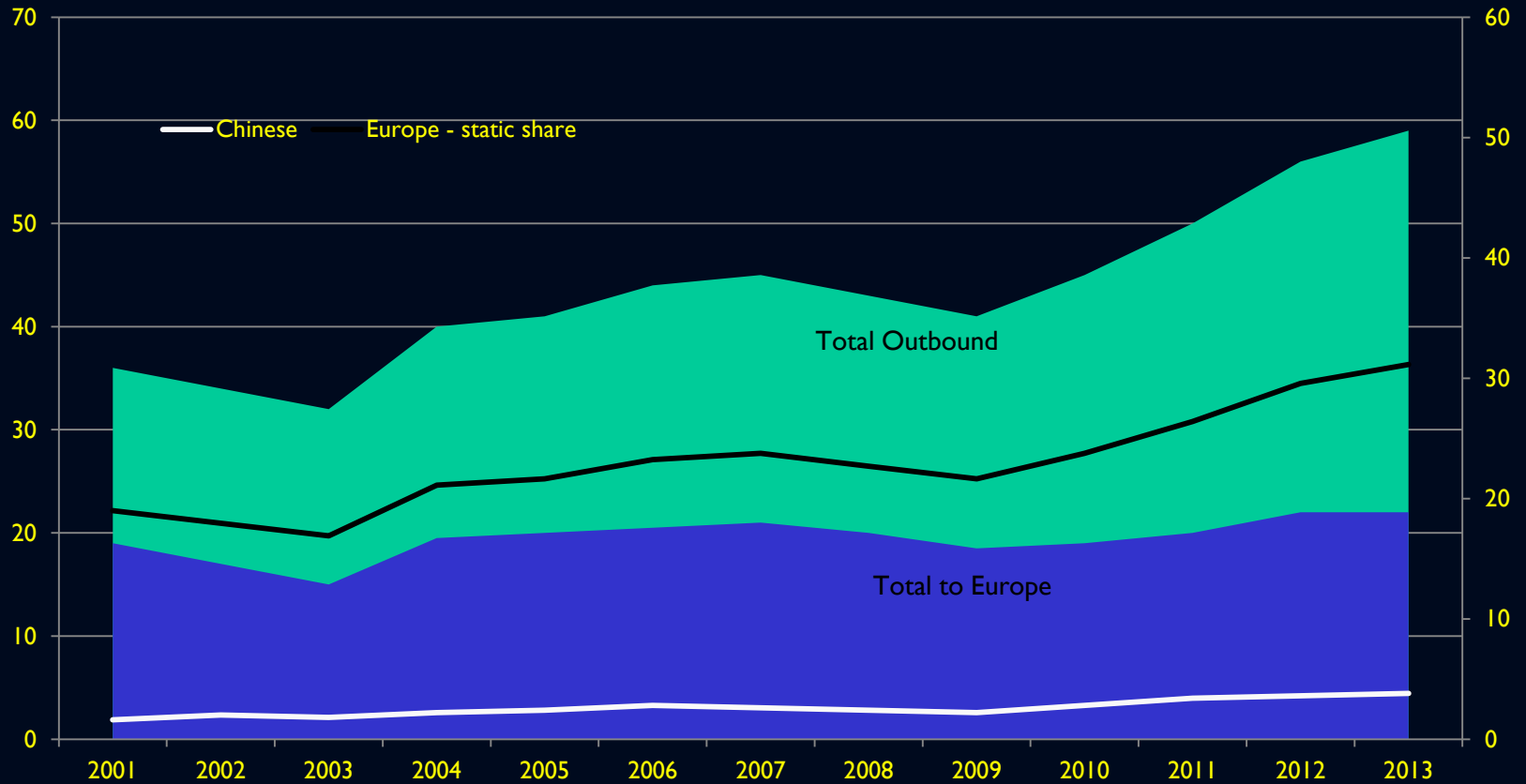
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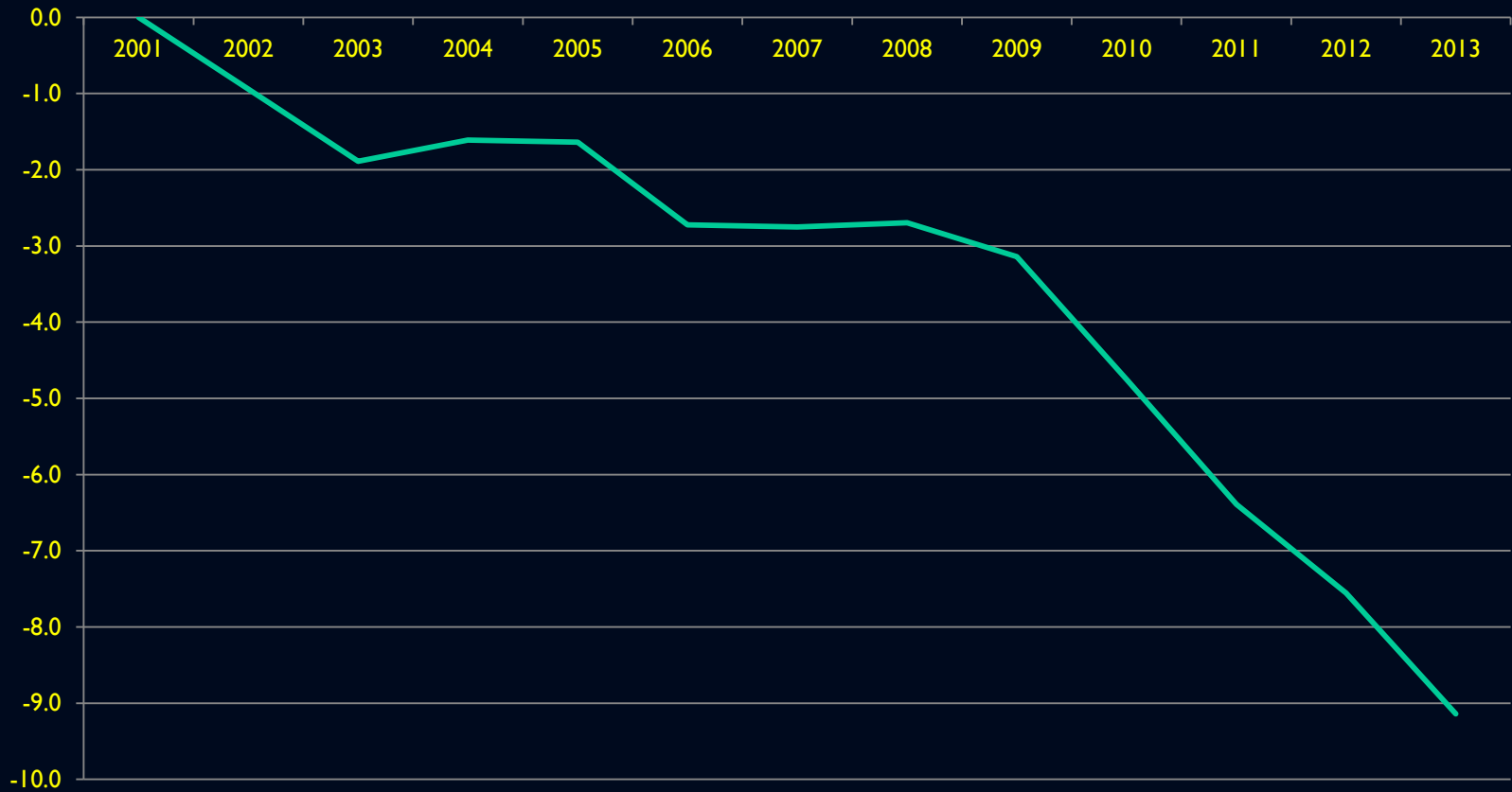
ETOA



US Arrivals in Europe



Missing US Visitors



Over 50 million visitors lost since 2000

US Canada Japan

None of these markets are mature

All of these markets have strong cultural ties to
Europe

Two Reasons

- Failure of product
- Failure of sales

Product weakness I: what do we sell?

- European Travel Economy
 - Determined and shaped by European demand
 - Inherently fragmented and ill-informed
 - Diversity a weakness
 - As well as a defining strength

Product weakness 2: what do we sell?

- Limited scope for new product and new processes
 - *“The cause of Europe’s deep fall.... is a devastating slowdown in productivity... That slowdown resulted from narrowing innovation.”*
Nobel Economics Laureate Edmund Phelps ,
2015.
- By 2020 90% of clients will be smart-phone enabled

Package Travel Directive

- Answers 1970s problems with 1980s solutions.
 - Imposed on the industry from 2020 onwards
- Europe has a siloed travel industry
 - Small markets
 - Not used to dealing internationally

Tour Operators Margin Scheme

- Sale most important “adding of value”
 - No “EU” brands
 - 95% all sales to non-EU citizens is undertaken by non-EU companies
 - EU business dominated by “white label” wholesale operators

Joint promotion of Europe

- Excellent initiative
- Takes place alongside the main issue