THE EVOLUTION IN HOLIDAY TRAVEL FACILITIES AND IN THE FLOW OF TOURISM INSIDE AND OUTSIDE THE EUROPEAN COMMUNITY

Part I: MAIN FINDINGS
THE EVOLUTION IN HOLIDAY TRAVEL FACILITIES
AND IN THE FLOW OF TOURISM
INSIDE AND OUTSIDE THE
EUROPEAN COMMUNITY

Part I: Main Findings

1993

TOURCONSULT International
TOURCONSULT Italia
EUROPEAN TRAVEL DATA CENTRE
# CONTENTS

## PART I - MAIN FINDINGS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>i</td>
</tr>
<tr>
<td>1. Introduction</td>
<td>i</td>
</tr>
<tr>
<td>2. Evolution of European Travel Demand</td>
<td>i</td>
</tr>
<tr>
<td>3. Europe as a tourist destination</td>
<td>iii</td>
</tr>
<tr>
<td>4. Market trends and product implications</td>
<td>iii</td>
</tr>
<tr>
<td>5. Possible framework for assistance</td>
<td>v</td>
</tr>
<tr>
<td>1. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Terms of Reference</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Approach to the Work</td>
<td>2</td>
</tr>
<tr>
<td>2. EVOLUTION OF EUROPEAN TRAVEL DEMAND</td>
<td>4</td>
</tr>
<tr>
<td>2.1 World Overview</td>
<td>4</td>
</tr>
<tr>
<td>2.2 European Overview</td>
<td>5</td>
</tr>
<tr>
<td>2.3 European travelling abroad</td>
<td>6</td>
</tr>
<tr>
<td>2.4 Propensity to Holiday</td>
<td>10</td>
</tr>
<tr>
<td>2.5 Shift to Foreign Holiday</td>
<td>14</td>
</tr>
<tr>
<td>2.6 Transport and Accommodation</td>
<td>15</td>
</tr>
<tr>
<td>2.7 Key Trends</td>
<td>15</td>
</tr>
<tr>
<td>3. EUROPE AS A TOURIST DESTINATION</td>
<td>20</td>
</tr>
<tr>
<td>3.1 Overview</td>
<td>20</td>
</tr>
<tr>
<td>3.2 Source Markets</td>
<td>21</td>
</tr>
<tr>
<td>3.3 Competitors</td>
<td>21</td>
</tr>
<tr>
<td>3.4 Key Trends</td>
<td>23</td>
</tr>
</tbody>
</table>
## 4. MARKET TREND & PRODUCT IMPLICATION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 General</td>
<td>25</td>
</tr>
<tr>
<td>4.2 Transport</td>
<td>27</td>
</tr>
<tr>
<td>4.3 Management</td>
<td>27</td>
</tr>
<tr>
<td>4.4 Development</td>
<td>28</td>
</tr>
<tr>
<td>4.5 The Mediterranean Coast</td>
<td>28</td>
</tr>
<tr>
<td>4.6 Innovative Products</td>
<td>30</td>
</tr>
<tr>
<td>4.7 Potential Product Developments</td>
<td>31</td>
</tr>
<tr>
<td>4.8 Conclusions on Products</td>
<td>33</td>
</tr>
</tbody>
</table>

## 5. POSSIBLE FRAMEWORK FOR ASSISTANCE

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Introduction</td>
<td>36</td>
</tr>
<tr>
<td>5.2 Findings of the Travel Research</td>
<td>36</td>
</tr>
<tr>
<td>5.3 Strategic Needs and Potential Intervention Fields</td>
<td>40</td>
</tr>
<tr>
<td>5.4 Opportuneness of specific form of aid</td>
<td>41</td>
</tr>
</tbody>
</table>
1. INTRODUCTION

The objective of this study "is to provide a prospective view of the situation regarding European Community and Non-Community tourism demand and to evaluate the impact of this evolution on the supply market". This information is intended to make it possible to assess the opportuneness of implementing specific forms of aid.

2. EVOLUTION OF EUROPEAN TRAVEL DEMAND

In the last four decades international tourism has grown dramatically, largely in response to

- economic growth and prosperity
- the development of air travel
- the widespread ownership of motor cars.

World tourism arrivals have grown from 25 million in 1950 to 429 million in 1990, and are expected to reach 637 million by the end of the century, a 48% increase in one decade. International arrivals in Europe are expected to increase from 276 million in 1990 to 338 million by 2000, an increase of 22% in one decade.

The European Travel Monitor is the only source of information on Europeans travelling abroad that is comparable across the various markets. In 1990, the ETM estimated that nearly 100 million Europeans took 230 million trips abroad, of which nearly 200 million were leisure trips:
The European Travel Markets can be broadly divided into

- Northern Europe (primarily Britain and Scandinavia)
- Central Europe (Germany and others without a Mediterranean coastline)
- Mediterranean Europe (the countries touching the Mediterranean)
- Eastern Europe (the countries in the former Communist Bloc)

The Northern Europeans have emerged as major air travellers and with a high use of the travel trade. The Central Europeans can travel abroad easily by car and are often the independent travellers, but Germany is so prominent a market that it has a substantial air market and tour operating industry. The Mediterraneans are now emerging as major international travellers, though traditionally they have taken holidays on their own Mediterranean shores. The Eastern European markets are less prosperous and in a period of momentous change which makes it difficult to be sure of future attitudes and tastes.

European travel abroad has been characterised by a number of key trends, of which the more significant are:

- the growth in second holidays and short trips. Whilst these trips have been encouraged by the tourism industry to help with occupancy and with seasonal imbalances, such growth has thrown greater burdens upon the tourism transport industry;

- the continuing shift towards air travel which has accentuated problems in air traffic control and airport congestion;

- the continuing rise in long haul travel which brings some highly effective competition to European resorts.
3. EUROPE AS A TOURIST DESTINATION

Some 11.5 million tourists came to Europe (virtually all by long-haul and air) in 1989. Two thirds of visitors came from the USA which accounts also for 75% of spending. Canada, Japan, Latin America and the Middle East represent other major source markets. Inbound tourists from outside Europe tend to focus upon a number of leading entry point cities, and also tend to heavily use hotels.

Europe is expected to continue as a major magnet for inbound tourists, but there is little doubt that formidable competition is arising in

- North America (Mega-attractions, leisure facilities)
- Far East (exceptionally good value personal services)

North America is driven by excess capacity in its own hospitality industry, whilst the far East is driven by the need for economic development.

4. MARKET TRENDS AND PRODUCT IMPLICATIONS

Market trends illustrate

- the considerable growth in the industry which requires more and more development

- the emergence of more and more behavioural and psychographic segments which demand their own particular product attributes

- the shift towards air travel and towards more frequent trips which bring greater environmental and congestion pressures.

Allied to the above is the fact that tourism is a major industry in Europe with a large number of people dependent upon it for jobs and incomes, consequently there is a pressure to ensure that the industry remains
prosperous and is able to fend off the dramatic competition which will emerge in the 1990s.

Critical problem areas in Europe can be categorised in eight categories:

1) Transport, as more and more burdens are put upon it
2) Managing tourist flows
3) Competition
4) Shift in the market mix
5) Development of Mega-attraction
6) Emerging Market Segments
7) Sun Problems
8) Development Problems

The product implications of the market trends are being covered by the private sector with a wide range of innovative products. Areas which are difficult for the private sector concern

- infrastructure, notably airports, air traffic control, high speed rail
- mega-attractions because of the difficulties of putting together sites
- the potentially special problem on parts of the Mediterranean coast which were opened up by air charter inclusive tours in the 1960s and 1970s.

The above are the areas in which public sector involvement at a community-wide level could be considered.
5. POSSIBLE FRAMEWORK FOR ASSISTANCE

The critical fields where potential intervention is likely to occur are in

- development of international airport entry points in Southern Europe;
- development of regional airports and air services;
- help with mature products in some of the Mediterranean resorts;
- planning, research and statistics for the Community's tourism industry;
- promotion of the Community's tourism industry in the overseas markets - North American, Far East, etc.

The broad aims of intervention can be described as:

- easing congestion problems that would detract from the product;
- encouraging development and trying to overcome the problems that are often a hindrance to development in Europe, namely high land prices, complex planning controls and vested commercial interests;
- assisting resort areas that are in a mature and potentially declining phase of their product life-cycle.

It is difficult to know whether or not some of these problem areas are better handled at a national level or at a community-wide level. At present, insufficient information is available to make this kind of judgement.

The best approach appears to be to make highly specific studies of the particular issues in order to see where such intervention is necessary and feasible by the Community, and what type of intervention is most likely to be effective.
The specific issues which appear most suited to Community intervention are as follows:

1) a study of the air transport and airport situation looking at the needs and potential for

- more major intercontinental air entry points in Southern Europe, particularly on the Mediterranean near major resort areas
- the expansion and development of regional airports and regional air services in Europe

It has to be recognised that air transport in Europe is highly constrained, and whilst liberalisation has been pushed by the Community for many years, air transport development will remain a highly complex issue for many years.

2) A study of Mediterranean tourism, particularly in areas that were opened up by charter inclusive tours in the 1960s and 1970s. It is some of these areas which are likely to be seen as maturing products, thus requiring significant re-development. The way forward is to identify those resorts where a substantial physical planning exercise would be suitable. Thus a two-stage approach is proposed

Stage I is an overview of the Mediterranean identifying those resorts which need to be subjected to more detailed examination

Stage II would involve, for the selected resorts, a detailed planning exercise involving the identification of redevelopment initiatives, their financing and feasibility.

3) Planning, research and statistics for tourism at the Community level is just essential. There needs to be a study to establish a community tourist authority. This should cover aspects such as precise status of the authority, fields of work and funding. Added to this exercise should be the whole issue of potential promotion in overseas markets taking into account the current role of the European Travel Commission.

Opportuneness of specific forms of aid
The argument for the opportuneness for some form of aid at the community level largely relies upon the interdependence of tourism is so small an area as Europe, especially with the development of air travel, the development of mega-attractions which now far outscale individual resorts, markets and countries. Opportuneness also relates to the growing perception of problems of congestion, problems of potentially declining products and problems of achieving product excellence in an increasingly competitive market.

The approach suggested above indicates that the framework for Community intervention is largely aimed at major problem areas that cannot easily be handled at a national or local authority level. It appears best for Community involvement to be geared to these major problem areas.
FOREWORD

This report has been prepared for Tourconsult/International as a synthesis of their preliminary report which is now presented as a series of Appendices in a second volume. This has been done partly to protect confidential information from the European Travel Monitor presented in Volume II (which is not to be published, but is for client use only) and partly to present a shorter report focused upon key findings, conclusions and recommendations arising from the extensive research undertaken in the course of the study.
1. INTRODUCTION

1.1 Terms of Reference

This study is undertaken within the framework of the Action Plan to assist tourism which the Commission of the European Communities is pursuing for the realisation of studies in certain defined sectors of tourism activity.

The objective of the study, stated in the Terms of Reference,

"is to provide a prospective view of the situation regarding European Community and non-Community tourism demand and to evaluate the impact of this evolution on the supply market".

This information is intended to make it possible to assess the opportuneness of implementing specific forms of aid.

The programme of work for the Consultants should include surveys of tourism professionals in the various branches and management in the business, in order to furnish a report on the evolution of the various types of demand in the European Community. Special attention should be paid to a variety of different market segments (e.g. age categories). The report is also to include a comparative analysis of the probable evolution in tourism demand behaviour of non-EEC countries.

Finally the aim of the study is to:

" - Identify the unsuitable products, the necessary modifications to existing products to respond to this evolution, and the new tourism products which need to be created.

 - Define the framework and the modalities of specific aids".
1.2 Approach to the Work

*Interview Surveys*

The analysis of current demand was conducted both through desk research and interviews with selected tour operators, travel agents, and other experts and opinion leaders involved in the travel industry. The interviews were designed to fulfil two functions. The first was to substantiate statistical trends and patterns in travel and tourism, as identified by the national travel surveys and surveys carried out across Europe by the private sector. The second was to determine trends in the organised/partly organised travel market and the extent to which the travel trade and other sectors of the industry are meeting current demands. Discussions focused on existing and new products being developed to meet the demand according to a variety of criteria (e.g. age categories). A list of interviewees is shown in Annex B in Volume II.

*Desk Research*

This report draws on a wide range of different sources. Where possible, official statistics have been used as the primary source. Major sources have included WTO, OECD, EUROSTAT and major surveys of outbound travel from the major markets (e.g. USA, Germany, UK, Japan etc.). However these data sources have their short comings. They are frequently not comparable from destination to destination and market to market, since different methodologies are used for different data collection. For this reason, it was considered necessary to acquire data from a private sector source, the Luxembourg based European Travel Data Center (ETDC). Details of this European Travel Monitor are given in Appendix One in Volume II. The key aspect of this source is that it represents the only source of information on travel by Europeans which is comparable across the different European markets (e.g. UK, Germany, France etc).
**Comparative Analysis**

The combination of interview surveys, desk research and the acquisition of the data from the European Travel Monitor has enabled the Consultants to create a comparative analysis of the evolution in the tourism demand behaviour for the EEC and non-EEC countries. This has allowed the Consultants to review the impact upon the supply of tourism products, and to comment upon the suitability of products in the context of the evolution in demand, thus pinpointing modifications or new products that need to be developed in response to this evolution. Against this demand and supply background, the Consultants are able to put forward proposals for possible aid in bringing about required changes. The specific of the methodology for the analysis is given in Annex C of Volume II.

**Reporting Format**

The Consultants have presented the findings of this study in two volumes. The first volume is a short report which focuses upon the key findings, conclusions and recommendations arising from the extensive research undertaken in the course of the study. Volume II gives the details of this research. This manner of reporting protects some of the detailed commercially confidential information which has been presented in Volume II and is for the use of the client only. Volume I is available for widespread distribution if this is so desired.
2. EVOLUTION OF EUROPEAN TRAVEL DEMAND

2.1 World Overview

In the last four decades tourism has grown dramatically largely in response to

- the economic growth and prosperity that has occurred in the leading tourist markets since the Second World War;

- the development of air travel which has opened up travel opportunities that were not feasible in time or cost in the days of passenger liner travel by sea;

- the widespread ownership of motor cars which has made the populations in the leading tourist markets highly mobile, but perhaps more importantly, independently mobile.

Statistics on international travel indicate what an extraordinary phenomenon tourism has been. To some extent these statistics overstate the situation because often international travel is merely replacing domestic travel. However it has to be realised that prior to World War II International tourism was confined to a very small segment of the world population. It was largely limited to wealthy Americans, and the top cadre of the leading empire builders such as Britain and France. In the last four decades the emergence of international tourists amongst the mass of the population in the lading industrialised countries and indeed the newly industrialising countries (e.g. Singapore, Hong Kong) is a totally new happening.

International tourism arrivals have grown in the following manner:
When it is emphasised that the above figures represent growth at a global level, then the magnitude of a 50% uplift in just one decade can be appreciated (see Appendix 5) (for forecasts, see Appendix 7).

2.2 European Overview

Growth in international tourism in Europe has been at a similar rate as in the world as a whole, and such growth has been for similar reasons as stated above. International tourism arrivals in Europe has been as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals in Millions</th>
<th>Growth per Decade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>16.8</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>50.4</td>
<td>+ 200 %</td>
</tr>
<tr>
<td>1970</td>
<td>113.0</td>
<td>+ 124 %</td>
</tr>
<tr>
<td>1980</td>
<td>196.0</td>
<td>+ 73 %</td>
</tr>
<tr>
<td>1990</td>
<td>276.0</td>
<td>+ 41 %</td>
</tr>
<tr>
<td>Forecast</td>
<td>338.0</td>
<td>+ 22 %</td>
</tr>
</tbody>
</table>

(see Appendix 5)
Forecasts for the decade of the 1990s indicate an uplift of approximately one quarter of the present level. Growth in Europe is expected to be at a more modest level than the world picture.

France, Spain and Italy have been the major recipients of European tourists, mainly as Northern Europeans have sought the sun in the south of the continent on the Mediterranean.

2.3 Europeans travelling abroad

The European Travel Monitor (ETM) is the only source of information on Europeans travelling abroad that is comparable across the various markets (see Appendix One). In 1990 the ETM estimated that nearly 100 million Europeans took around 230 million trips abroad. Of these nearly 200 million were trips for leisure purposes. These trips were made both to Europe and outside Europe.

The ETM covers some 24 countries in Europe which the Consultants have divided into four categories: (see Table 2.1)

1) Northern Europe

These are basically countries from Scandinavia and the British Isles. They are countries in the north whose inhabitants mostly need to cross water to reach the Mediterranean. The exception is Denmark but this country is included in this group because of its Scandinavian connections.
Table 2.1

THE EUROPEAN COUNTRIES

<table>
<thead>
<tr>
<th>NORTHERN EUROPE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Iceland</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
</tr>
<tr>
<td>GB</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CENTRAL EUROPE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEDITERRANEAN EUROPE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EASTERN EUROPE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td></td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
</tr>
<tr>
<td>Yugoslavia</td>
<td></td>
</tr>
</tbody>
</table>
Table 2.2

EUROPEAN TRAVEL ABROAD

<table>
<thead>
<tr>
<th>Source Market</th>
<th>Northern Europe</th>
<th>Central Europe</th>
<th>Medit. Europe</th>
<th>Eastern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>(15+ age group) Propensity to Travel % Domestic &amp; Abroad</td>
<td>69.5</td>
<td>68.0</td>
<td>62.5</td>
<td>36.4</td>
</tr>
<tr>
<td>Propensity to Travel Abroad %</td>
<td>33.0</td>
<td>41.7</td>
<td>16.4</td>
<td>14.7</td>
</tr>
<tr>
<td>Travellers Abroad - Millions</td>
<td>22</td>
<td>39</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>Trips Abroad - Millions</td>
<td>53</td>
<td>113</td>
<td>38</td>
<td>33</td>
</tr>
<tr>
<td>Nights Abroad - Millions</td>
<td>472</td>
<td>1078</td>
<td>409</td>
<td>224</td>
</tr>
<tr>
<td>Trips by mode of transport - Millions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Car</td>
<td>14</td>
<td>61</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>- Plane</td>
<td>30</td>
<td>30</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>- Coach</td>
<td>7</td>
<td>23</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>- Train</td>
<td>3</td>
<td>12</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: European Travel Monitor

(See Appendix One)

2) Central Europe

These are the more northerly of the countries on the continental European mainland. For inhabitants of these countries, crossing borders is exceptionally easy and can often be done using their own personal cars.
3) Mediterranean Europe

These are the countries whose inhabitants are able to access the Mediterranean within their own countries. Historically this has profoundly influenced their own travel patterns. The unusual country in this group is France, which on the one hand is in Central Europe when taking Paris into account but on the other hand is indisputably Mediterranean in its outlook on travel.

4) Eastern Europe

This group includes the six countries that were within what has been termed the Communist Block, and all of which are undergoing profound change from a command-led economy to a market orientated economy.

The Northern Europeans have a high propensity to travel but because of their distance from the Mediterranean and their need to make sea crossings their propensity to take trips abroad is lower than that of their neighbours in Central Europe (see Table 2.2). However, Northern Europe has emerged as a major market for air travel and for the involvement of the travel trade in people's travel plans, much more so than in the other three areas. This largely explains the tremendous development of the tour operating industry in both Britain and Scandinavia. In both these markets consumers have been able to enjoy a highly innovative and competitive supply of tour packages since the 1960s. Mostly these packages have been by air to Mediterranean destinations, but increasingly in the last decade the trend has been towards longer-haul travel.

Central Europeans have the highest propensity to travel abroad (42%) largely because of the ease with which they can cross frontiers in their own cars. Thus the totally independent travellers tend often to come from these markets. However Germany is such a large and wealthy market that it has an exceptionally powerful tour operating industry. The attitude in the German, and Central European tour operating industry tends to be different to that in the Northern European tour operating industry. Mainly this is because the large tour operators are wont to exercise their marketing
strength, and consequently margins tend to be higher. On the one hand this can lead to better financial performance by companies but on the other hand the consumer enjoys less of a bargain.

The travel patterns of Mediterranean Europeans are greatly influenced by their traditions of travelling to the Mediterranean within their own countries for their summer holidays. To some extent this has changed in the last decade as the Mediterranean Europeans have started to visit Northern Europe and to travel long-haul. Some of the Mediterranean countries are relatively less wealthy and relatively more distant from the hub of Europe and consequently travel costs to other European destinations can be a burden. In the less mature European markets the cost of travel is an important deterrent to foreign holidays. This is especially true for markets located at great distances from the popular holiday destinations, like Greece and Portugal, or for which surface transport is not possible without crossing water, like Ireland. This adds significantly to the overall cost of a trip.

Eastern Europeans are just emerging from a completely different political and economic situation from the rest of Europe and consequently travel patterns are at a highly uncertain stage. Trips by Eastern Europeans tend to be short and tend to focus on less expensive means of travel, largely reflecting the poor economic situation of the markets.

2.4 Propensity to Holiday

The overall propensity of Europeans to take a holiday has tended to reach a plateau in the European countries (see Appendix 2 for an overview and Appendix 3 for the level of trip-taking). In any one year there is always a significant proportion of people who do not take a holiday for a variety of reasons - age, illness, lack of money, lack of time, other things to do, work, prefer to stay at home, etc. (see Appendix Six). The main reason is lack of money. Largely this accounts for the fact that the propensity to take a holiday tends to be lower in those countries which have a lower average income per head.

Although the overall propensity to holiday has tended to each a plateau, there is an increasing propensity for people to take more than one holiday
per year. Usually the second holiday tends to be shorter in length than the first with the result that the average holiday length declines. A similar pattern occurs with the third and fourth holidays in a year. Factors which have encouraged holiday taking have been

- increasing prosperity
- growing holiday entitlements
- lower real transport costs
- changing tastes and expectations
- greater urbanisation

There has been a great interplay between these forces. For example, the propensity to take a holiday declines with age; but with increasing prosperity and more pensions, the propensity in the older age groups has risen dramatically in recent years. However, partly this represents a shift in tastes and expectations. The 60 year old of 20 years ago expected much less than the 60 year old of today, who, of course was only 40 years of age then.

PROSPERITY

In looking forward a decade, it appears reasonable to suggest that Europe could be somewhere between a fifth and a quarter better off than it is now, i.e. people will have 20-25% as much again to spend. But the relative impact on holiday expenditure is even greater because spending increasingly goes on non-essentials rather than essentials. However, the holiday industry should not underestimate the appeal of other leisure industries.

HOLIDAY ENTITLEMENTS

In general holiday entitlements are now regarded as relatively generous. Further gains in non-working time tend to be associated with flexible working hours and longer weekends/short breaks rather than with more weeks of holiday entitlement. The concept of long term sabbaticals does not seem to have found favour in Europe as it has in countries such as the USA and Australia.
REAL TRANSPORT COSTS

Transport costs continue to decline in real terms. Transport vehicles continue to become more efficient, and reduce the passenger mile costs. Despite the flurries in the fuel prices, it seems likely that real costs will continue to decline.

TASTES AND EXPECTATION

There has been a massive shift in expectations and tastes in Europe in the last fifteen years. It seems likely that a similar shift will occur in the next decade. Many of these shifts will be associated with changes in standards expected in holiday destinations. These can be briefly summarised as

- a shift in the need to better facilities and improved standards of accommodation - bathrooms, TV's, recreational facilities, quality fittings, better public facilities, etc.

- a shift in the need for cleanliness, as people become more disturbed by the threats of illness and disease;

- a shift away from activities that will be perceived as potentially unhealthy, i.e. casual sex, excessive drinking, excessive eating, etc.;

- a shift away from destinations that are perceived as being high in crime and disorder;

- a shift away from environmentally unattractive areas, e.g. those with pollution, with excessive traffic, overcrowding, etc.
Table 2.3 - EEC HOLIDAYS ABROAD

Question: Where did you go?

- On holiday in your country
- In another country in the European Community
- Somewhere else in Europe (Switzerland, Austria, Scandinavia, Russia etc...)
- Outside Europe

<table>
<thead>
<tr>
<th>WHERE ABROAD</th>
<th>Total abroad</th>
<th>Another E.C. country</th>
<th>Somewhere else Europe</th>
<th>Outside Europe</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BELGIQUE</td>
<td>56</td>
<td>47</td>
<td>6</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>DANMARK</td>
<td>44</td>
<td>25</td>
<td>20</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>DEUTSCHLAND</td>
<td>60</td>
<td>34</td>
<td>24</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>ELLAS</td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>(1)</td>
</tr>
<tr>
<td>ESPANA</td>
<td>8</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>FRANCE</td>
<td>16</td>
<td>11</td>
<td>2</td>
<td>4</td>
<td>(1)</td>
</tr>
<tr>
<td>IRELAND</td>
<td>51</td>
<td>38</td>
<td>8</td>
<td>5</td>
<td>(1)</td>
</tr>
<tr>
<td>ITALIA</td>
<td>13</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>LUXEMBOURG</td>
<td>94</td>
<td>69</td>
<td>18</td>
<td>9</td>
<td>(1)</td>
</tr>
<tr>
<td>NEDERLAND</td>
<td>64</td>
<td>46</td>
<td>17</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>PORTUGAL</td>
<td>8</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>35</td>
<td>21</td>
<td>10</td>
<td>5</td>
<td>(1)</td>
</tr>
<tr>
<td>CE12</td>
<td>32</td>
<td>20</td>
<td>10</td>
<td>3</td>
<td>(1)</td>
</tr>
</tbody>
</table>

(1) Total way exceed proportion shown in the first column because some respondents have visited E.C. countries.

Source: European Travel Commission
URBANISATION

The propensity to take holidays is much higher in urban areas than in rural areas, and generally the larger the conurbation the higher the propensity. However, Northern and Central Europe is already highly urbanised, and most of the further shift to urbanised areas will come in Mediterranean Europe. Urbanisation is of great importance because when a destination sells to a particular country, it in fact sells to a particular conurbation, plus its catchment area within that country, rather than to the country itself.

2.5 Shift to Foreign Holiday

Because of geographical location, it is much easier to the residents of some European countries to travel abroad on holiday than for others, and in addition it can be much cheaper for some to reach and cross a frontier. Consequently a holiday abroad is far from a homogeneous quantitative unit.

Bearing in mind this caveat there has been a general shift towards foreign holidays. Reductions in the real costs of transport, improved communications and infrastructure, and changing tastes and expectations have all played a part in encouraging this shift from domestic holidays to foreign holidays. As a result of this shift, occasionally the domestic tourist industry in parts of Europe has suffered economically, notably the traditional seaside resorts in Northern and Central Europe.

In 1985, nearly one third of EEC adult holiday makers went abroad (see Table 2.3). These figures do not include the non-EEC countries, notably Sweden and Switzerland.

A comparable figure for 1990 from the European Travel Monitor indicates foreign leisure trips of around 140 million in 1990. Assuming leisure trips are broadly similar to holiday trips, then there has been a substantial growth in foreign holiday trips in the late 1980s, even though the overall propensities to travel have not risen appreciably.
2.6 Transport and Accommodation

Transport

There has been a general shift towards the plane and away from the train and the motor car as the means of transport for the main holiday. In 1985, of EEC adult holiday-makers, some 13% used the plane. In 1990, the European Travel Monitor estimated that 35% of European trips (leisure and business, by travellers 15+) involved plane travel.

Accommodation

There has been a general shift away from serviced accommodation into self-catering accommodation. The latter is cheaper and more flexible and tends to be used by holiday-makers as they become more confident about their destination.

Some markets tend to have a strong tradition of using hotels, e.g. UK and Germany, whilst others have a strong tradition in camping and caravaning, e.g. Netherlands and France.

The use of air travel by European holiday-makers tends to be strongly linked with the use of hotels. In part this reflects the strength of the tour operating industry.

2.7 Key Trends

European travel abroad continues to grow dynamically (despite economic recession). There are a number of trends which are shaping the tourism industry and which are having, and will have, a strong impact on the supply side in Europe. Foremost amongst these are:

1) Second holidays and short breaks of one-three nights are increasing at a much faster rate than main holiday trips.
This trend has far-reaching ramifications for transport and of marketing in tourism. Partly this trend has been brought about by the tourism industry itself, which has set up many exciting and innovative packages to fill off-peak capacity and to compensate for unexpected down-turns. This last aspect has become a feature of the tourism industry in recent years as political and economic volatility becomes endemic. The Gulf War, economic recession, wild currency fluctuations, which of course dramatically affects the perceived prices of different products to different markets, all put responsive marketing management action at a premium. However the key point is that more trips puts greater burdens upon the European tourist transport industry.

2) Long-haul travel continues to gain at the expense of holidays to short & medium-haul destinations.

To some extent there is a problem with definitions here. Short-haul was broadly seen as Europe or the Mediterranean. Long-haul was broadly seen as beyond Europe. Medium haul could perhaps be described as destinations such as Egypt or Jordan. However increasingly destinations such as East Africa and America tend to offer themselves as medium-haul. However the implications of the trend to long-haul (and medium-haul) could not be more serious for the European tourist industry. It takes important business away from Europe and it widens the horizons of European travellers, to some extent changing their tastes. It greatly adds to the competitive forces facing the European tourist industry. It is some what analogous to the initial entry of Japanese electronics goods into the European markets back in the 1960s.

3) Whilst car-based travel still dominates the European outbound leisure travel market, it continues to lose ground, mainly in favour of air travel.

The rise of air travel has been one of the features of the last two decades, much of that being associated with wide-bodied jets. This trend has opened up the Mediterranean coast and islands, often some distance from major population concentrations. The trend has also
taken Europeans further afield but equally it has brought Non-Europeans to visit Europe. Of course increased air travel throws more and more burdens upon air traffic control and upon a limited number of airports. Extraordinarily, there are often occasions when airlines are able to exercise their marketing strength through the slot which they occupy at a crowded airport rather than through any excellence in their actual service.

4) Growth to non-sun short & medium-haul destinations has begun to out-pace that to the traditional Mediterranean "sun, sand and sea" resorts.

Again this is an exceptionally serious trend for the those Mediterranean resorts developed since the 1960s. Primarily this affects Spain, Portugal Greece where charter inclusive tours opened up new coastlines often far from population centres. This had two impacts

- firstly, the resorts were a long way from their markets
- secondly, the resorts were highly dependent upon tourism

This leaves an exceptional dependence upon tourism linked with an exceptional distance from market sources even for other types of tourism.

5) Summer holiday travel has been growing more slowly than winter travel in the 1980s.

The significance of this trend is that the traditional summer holiday in a Mediterranean destination has reached the mature phase of its growth, indeed may even be into a declining product phase. This means that new investment, new product packaging and redevelopment is going to be needed in the near future.
6) Growth in Mediterranean European Outbound Travel

Whilst the level of trip taking is much lower in Southern Europe because the Mediterranean countries are popular holiday destinations in their own right, offering plenty of sunshine and opportunities for beach holidays - which are still the favourite choice of holidays for the majority of Europeans traditions are changing as witnessed by the growth from a number of the Southern European markets. In part this reflects
- economic growth
- a shift in fashion and tastes as Southern Europeans come to see Northern and Central Europe, and
- the general growth in long-haul travel which tends to be focused on the up-market segments and where potential exists primarily in the big cities. This has important implications for marketing.

To some extent the growth in outbound travel is a misfortune for their own tourism industries.

7) There has been a lowering in the average length of stay especially with the development of second and shorter-break holidays.

8) Demand for activity holidays has been growing, as has sporting and health consciousness.

9) Quality is becoming a higher priority - even if it means spending more for a holiday.

10) Rail travels expected to register much higher growth as a result of the expansion of high-speed networks and the opening of the Channel Tunnel.

11) Shifts in tastes, attitudes and purchasing power has led to a whole range of emerging distinctive market segments. These include:
- 55K+ Age Group
- Eco-tourism as a response to environmental issues
- Special Interest Segments
- A variety of Psychographic segments

These market segments have come to expect particular attributes to their products. The proliferation in market segments has a profound impact upon supply.

12) Changing demographics will also have an impact on travel demand. In the 1980s, there were fewer marriages and couples had fewer children. In larger cities now, single person households account for as much as 50% of all households. More wives are working now, too, so that younger couples can afford to travel more than they used to. The rising level of education is also of significance. Around 60% of school-leavers have completed their college entrance examinations and the number of students attending institutes of higher education has tripled since the 1970s.

But perhaps the greatest changes in the market are not so much demographic as psychological in nature. Personal values, such as having relaxation and self-fulfilment, are becoming more important according to the travel trade. These and other trends identified by the experts were discussed in Chapter 4.

With increasing leisure time - a shorter working week, more part-time employment and more flexible working hours - the average European consumer of tomorrow and therefore, the average European holiday-maker, will have very little in common with his counterpart of 20 or even ten years ago.

(For qualitative assessment of trends, see Appendix Four).
3. EUROPE AS A TOURIST DESTINATION

3.1 Overview

Europe as a destination for tourists from outside of Europe continues to grow year by year. In 1989 the total number of visitors to Europe from outside the region was 11.5 million spending in Europe nearly $16 billion. It is a big business for Europe made more significant because of its concentration in a number of locations and sectors of the industry. These locations and sectors are introduced below.

Firstly, inbound travel to Europe is nearly all long-distance and it is nearly all undertaken by air travel. This means that it tends to be focused upon a number of leading cities in Europe which also have major international airports e.g. London, Paris, Frankfurt, Rome etc. Whilst air travel is the only practicable method of travel for long-haul destinations, it does mean that this business is highly competitive, because it is as easy for a Los Angeles tourist to fly across the Pacific to Asia/Oceania as it is for him to fly across the Atlantic to Europe. Consequently it is potentially open to widespread penetration by competitors. Also, despite the efforts of airport operators, airport congestion is becoming a significant detractor from the enjoyment of the travel experience. In addition, the concentration upon relatively few entry points means that city congestion (in hotels, in restaurants, in shops, in attractions) for tourists is also becoming a detractor, particularly when this is allied with substantial price rises as smart operators see an imbalance between supply and demand.

Secondly, this inbound tourist business is highly linked to the use of hotel accommodation, even though there are significant segments visiting and staying with friends and relatives (VFR segment). Because of the concentration in relatively few locations and in hotels, when linked with the difficulties in developing new hotels in crowded and high property-cost locations, this has meant that accommodation costs have tended to rise relative to the other components of the travel package. By general contrast, air transport costs have reduced in real terms, shopping items have reduced in relative & real terms as have entertainment costs.
Thirdly, the inbound business is not highly seasonal which makes it exceptionally attractive to the suppliers of tourism services (i.e. airlines, hotels etc.).

### 3.2 Source Markets

Inbound tourism to Europe is intimately linked with the main source market of the USA. Two thirds of inbound tourists come from the USA (7.5 million in 1990) and 75% of spending. US visitors are spending $1750 per person per trip. Canada, Japan, Latin America, Australia and the Middle East represent other major source markets.

North America and Australia are markets with long family ties to Europe, notably the UK. As a result some of the travel involves visiting friends and relatives. But most significant for these markets are the heritage aspects of Europe.

The Japanese are visiting Europe also to see the heritage but equally to see Europe which is perceived as the leader unsophisticated entertainment and shopping.

Perhaps most importantly, none of the source markets is visiting Europe for a sea & sun experience.

### 3.3 Competitors

Europe has been able to take advantage of its comparative lead in heritage and make a substantial penetration in these various source markets.

However it has to be recognised that there is potentially formidable competition arising in at least two areas of the worked, namely The Far East (particularly in China, Japan and South East Asia) and North America.

North America has emerged as a market leader in Mega-attractions e.g. Disney-World. The market for visiting these attractions is indeed a world-
wide market. Of course, the USA has been able to build upon its highly advanced domestic market and its very high quality tourism and leisure facilities. Added to this it has many of the world's leading airlines all of which are anxious to increase passenger numbers and revenues. Competition is driving the industry in North America where there is substantial over-capacity in the hotel industry. One answer to these problems of under-occupancy is to attract the overseas markets, notably Europe and Japan. The USA is also perfectly able to embark upon this and it has highly capable and sophisticated marketing expertise and all the latest technology. The emergence of North America, particularly the USA, as a major international tourist destination actively seeking overseas tourists, is going to be one of the dominant features of international tourism through the 1990s.

This will have a significant impact upon the European market which is thinking of taking a long-haul holiday. It will also have a significant impact upon other major source markets for Europe as a destination (e.g. Japan).

Interestingly, the USA is trying to identify itself as a medium-haul product in the European market in order to induce a product differentiation between itself and destinations which could genuinely be described as long-haul (e.g. Australia).

The second big competitor for Europe will be the emerging Far Eastern destinations. Unlike America, which is not really a heritage destination despite the excellence of the presentation of the heritage which it has, the Far East is a notable heritage destination with many cultural and ancestral themes which have been important to shaping the present worked. Again, unlike America, the Far East is highly densely populated and lacks easily developable land sites but it does have a large amount of inexpensive labour which allows it to offer quality personal services at a modest price. Personal services are particularly important in the tourism, leisure and hotel businesses. The Far East is likely to become highly competitive to Europe. In addition, in the Far East there is a willingness to invest in the massive attractions and facilities that are needed for international tourism. Notable examples are investments such as Changi Airport in Singapore, the magnificent hotels developed in places such as Tokyo. Again the 1990s will
not only see North America emerge as a "big player" in the tourist markets but also it will see several countries in the Far East offering tremendous value and quality products.

The competitive environment for the European tourist industry is going to be much fiercer in the next two decades than it has been in the past two decades for these two reasons

- America is going to be a much more active player in the European market and other source markets than in the past largely driven by its own high level of capacity;

- the Far East is going to emerge as a formidable competitor with a powerful heritage combined with a very good quality and value product notably in realms such as hotels, shopping and general leisure services. Tourism will be driven by the need for economic development in several Far Eastern countries.

3.4 Key Trends

Larger and larger numbers are visiting Europe, in accord with overall trends in world tourism. Key trends in the inbound market to Europe are:

1) The shift in source markets. There will be a clear shift towards a greater number from the non-traditional market for Europe. The USA, Whilst still important, perhaps even dominant, will concede share more and more to others such as Japan, Korea, etc.

2) Whilst Americans can be encouraged to travel around Europe and to leave the key centres of attraction, the new emerging source markets will tend to travel in larger numbers together, to want a high level of activity, to want to shop at previously unparalleled levels. The need for more organisation and management at key centres of attraction will be at a premium.
3) Competition in these source markets will be fierce. The demands of the markets will be for the high quality standards - accommodation, catering, entertainment and shopping. These markets are able to select other destinations easily.

In this context Europe will have to worry about a number of potential product problem areas, as follows:

- Airport Congestion
- The impossibility of flying inexpensively around Europe concentration on a number of locations
- High prices which are tending to arise because of the concentration on a number of locations
- Difficulties in developing hotels in some city centres
- Management of heritage locations in some congested areas

Maintaining quality will be essential.
4. MARKET TRENDS & PRODUCT IMPLICATION

4.1 General

There are at least eight major trends in the market place which are going to dramatically affect the European tourism industry at a community-wide level. These are trends to which it is going to be essential for the industry and the authorities to respond unless they are prepared to lose the opportunities which a thriving tourist industry can bring.

Tourism is an activity with substantial and pervasive economic and social consequences and for this reason it cannot just be ignored.

The eight major trends are as follows:

1) growth is expected to come through more frequent trips rather than through longer lengths of stay. The consequence is that a much greater emphasis comes to be placed upon TRANSPORT and the handling of tourists at terminals than in the past;

2) more and more emphasis is going to be put upon air terminals as the shift continues to larger aircraft, and similar trends towards congestion will occur at specific tourist points. The consequence is that more than ever there is going to have to be an understanding of how to MANAGE TOURIST FLOWS, perhaps even by using pricing incentives more skilfully than in the past;

3) COMPETITION from USA and from the Far East as tourist destinations not only for Europeans but for tourists from source markets all over the world is going to intensify at a dramatic rate. The need for excellence in the European product will be as never before;

4) as more Europeans go long-haul in larger numbers and as inbound tourists come in greater numbers so the balance between European tourists and NON-EUROPEANS in many areas will start to shift. The consequence is that the industry has to gear its efforts more and more
towards visitors from countries much less familiar with European ways than say the Americans;

5) there is a substantial trend towards bigger and bigger attractions that are now described as MEGA-ATTRACTIONS, e.g. Euro-Desney. These attractions are being set up with a potential customer profile from tourist markets all around the world, from Sydney, to Tokyo, to Los Angeles, to London, to Bahrain etc. Clearly, such attractions have profound implications for the planning authorities;

6) there are several EMERGING MARKET SEGMENTS which are already deeply affecting the European tourist industry. The most obvious example is the retired or semi-retired market, often called the over 55s. Other emerging segments are the various behavioural segments, often called psychographic segmentation. Much of this segmentation is associated with the tremendous shifts in tastes, attitudes and acceptable behavioural norms, much of which has been fuelled by the great changes in communications e.g. television.

7) there is occurring a significant shift in attitude towards excessive SUN-TANNING. This will greatly affect the Mediterranean tourism product which will have to organise facilities to allow customers to undertake other activities in their extra hours no longer in the sun;

8) and finally, despite the threats of competition, it looks likely that the European industry will continue to grow at a substantial rate through the next decade and this growth will bring about a substantial need for NEW DEVELOPMENT AND REDEVELOPMENT. Again this will have profound implications for the planning authorities.

Each of these trends and their implications for product development are explored further in the following sub-sections. Each of the trends has been elaborated as critical problem areas and the associated development needs to alleviate the problem in Table 4.1. A product strategy is described in Appendix 8.
4.2 Transport

An integrated High Speed Road network is clearly a priority.

The extensive rail network is an unusual feature of Europe unmatched in the extent of its network by anywhere else except perhaps for Japan, and even then many of the early Japanese railway development was by Europeans. This apparent comparative advantage has been little developed for tourism purposes. With the notable exception of products such as the Orient Express, the Scotsman and the many steam enthusiasts lines, the main railway authorities have shown a minimal interest in tourism. Many other authorities have been much more interested even if the benefits are more in good publicity rather than vast revenues from tourists (e.g. Blue Train, Johannesburg-Cape Town).

On the air travel side, alleviation of airport congestion and air traffic control are obvious priorities. From a strategic viewpoint it appears essential.

a) to try to develop regional airports and regional air services in Europe.

b) to try to open up Mediterranean Europe as an access point for international tourist visitors by air.

4.3 Management

Management of tourism in Europe is going to have to maintain its high standards in the face of the great competition coming in the 1990s. Key challenges will concern

- managing tourist flows at key attractions
- managing tourist flows at terminals
- heritage and conservation management
- maintaining standards and product excellence

Management training will remain a key priority.
4.4 Development

Development is a key need for Europe. Development will have to embrace:

- Mega-attractions and Theme Parks
- Shopping Centres
- Activity and Sports Centres
- Facilities for emerging market segments, e.g. 55+, eco-tourism, special interests, activity groups, etc.

Some of the larger attractions will have to be developed with a world market in view. Often development is difficult in Europe because of high land prices, strong planning controls, and problems of integration between countries and between different modes of transport or other services.

4.5 The Mediterranean Coast

The combination of trends of:

- more long haul travel by Europeans
- more foreign travel by Mediterranean Europeans
- the shift in attitude towards sun-tanning

suggest that the traditional "sea, sun and sand" holiday on the Mediterranean has reached a mature phase in its product lifecycle. Whilst for many Mediterranean destinations this will not present any problems because they will be able to redevelop and diversify without difficulty, some resorts, particularly those a long way from source markets, are likely to run into some difficulties. To some extent, there is an analogy with the difficulties that affected traditional Northern European resorts when there was a shift to Mediterranean sun destinations. But in some ways this will be more difficult for some Mediterranean resorts where dependence on tourism is very high.
## TABLE 4.1
CRITICAL PROBLEM AREAS AND STRATEGIC NEEDS TO HANDLE EVOLVING DEMAND

<table>
<thead>
<tr>
<th>CRITICAL PROBLEM AREAS</th>
<th>STRATEGIC NEEDS IN PRODUCT DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1) TRANSPORT</strong></td>
<td></td>
</tr>
<tr>
<td>Airport Congestion</td>
<td>Development of regional airports in Europe and regional air services</td>
</tr>
<tr>
<td>Air Traffic Control</td>
<td>Development of integrated air traffic control systems to eliminate continual delays</td>
</tr>
<tr>
<td>Air Services &amp; air fares</td>
<td>Development of round Europe air tickets at competitive prices</td>
</tr>
<tr>
<td>Air Entry Points</td>
<td>Development of Southern European air entry airports for long-haul travel into Europe</td>
</tr>
<tr>
<td>High speed rail</td>
<td>Widespread development of intra-European services</td>
</tr>
<tr>
<td><strong>2) MANAGING TOURIST FLOWS</strong></td>
<td></td>
</tr>
<tr>
<td>Tourist Attractions</td>
<td>Heritage Conservation &amp; Management</td>
</tr>
<tr>
<td><strong>3) COMPETITION</strong></td>
<td></td>
</tr>
<tr>
<td>Competition from USA</td>
<td>Development of excellence in products</td>
</tr>
<tr>
<td>FAR EAST</td>
<td></td>
</tr>
<tr>
<td><strong>4) SHIFT IN MARKET MIX</strong></td>
<td></td>
</tr>
<tr>
<td>Increase in Non-Europeans in European resorts</td>
<td>Need for services to cater for less European orientated visitors</td>
</tr>
<tr>
<td></td>
<td>Signs, guides</td>
</tr>
<tr>
<td><strong>5) MEGA-ATTRACTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Theme Parks</td>
<td>Development of such attractions often with a world-wide market in mind</td>
</tr>
<tr>
<td>Shopping Centres</td>
<td></td>
</tr>
<tr>
<td>Sports facilities</td>
<td></td>
</tr>
<tr>
<td><strong>6) EMERGING MARKET SEGMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>55+</td>
<td>Development of suitable facilities</td>
</tr>
<tr>
<td>Activity &amp; Sports Centres</td>
<td></td>
</tr>
<tr>
<td>Health Consciousness</td>
<td></td>
</tr>
<tr>
<td>Eco-Tourism</td>
<td></td>
</tr>
<tr>
<td><strong>7) SUN PROBLEMS</strong></td>
<td></td>
</tr>
<tr>
<td>Maturing/Declining Products in parts of Mediterranean</td>
<td>Need to establish new airport entry points in Southern Europe for long-haul source markets</td>
</tr>
<tr>
<td></td>
<td>Need for new facilities in most resort areas</td>
</tr>
<tr>
<td><strong>8) DEVELOPMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Land costs</td>
<td>Need to handle this with proper forward planning</td>
</tr>
<tr>
<td>Planning delays</td>
<td></td>
</tr>
</tbody>
</table>
4.6 Innovative Products

Contrary to popular opinion, there has been a wide range of new products and programmes introduced on the market over the last few years in Europe. These have both helped to stimulate travel and tourism to less developed regions and to encourage a better off-season utilisation of facilities.

However, most of these new products have been targeted at people who already travel at least once a year away from home for holidays or other leisure purposes. Few have addressed the issue of people not travelling at all.

The result has been an increase in number of trips per person travelling and notably, an increase in trips abroad. But the share of Europe's population that does not travel has changed very little.

Examples of some of the innovative products are listed in Table 4.2. The tourism industry is one of the most innovative and imaginative in the world. The leading tourism industry firms are continually introducing innovative products.

A critical problem for Europe is that, unlike the USA, it is not yet impracticality a single market. In the USA it is easy for a business to think in terms of an American market and indeed a global market. Leading Japanese firms (not in tourism) have thought in terms of a global market place since the 1960s. For European firms there are still many difficulties in putting together tourism products that can be marketed throughout the European Community. The impact of this is more seriously felt in the development of mega-attractions, which have to consider a wide geographic profile of customers.

The big push towards greater and greater segmentation along behavioural and psychographic lines as compared with straightforward economic and social groupings, is going to lead to more and more specialised products. However, such products have to be developed within the private sector. For example, it is only the imaginative private entrepreneur that can conceive
of a country mansion where special weekend packages enable visitors to play out a murder theme by Agatha Christie, or whatever. Not only has the product to be designed, but then it has to be marketed into those specialist segments who want that type of tourist experience.

4.7 Potential Product Developments

Some of the main products which can be developed to further enhance the departure of European citizens both in the main tourism season and off-season are described below:

**Accommodation**

The trends in the future seem to indicate that there will be a need to

- more one star hotels
- less average products
- more five star hotels

There is a very strong trend towards minimum standard hotels covering the whole of Europe. These hotels of which an example already exists as the ACCOR/IBIS/MERCURE chain would have minimum standards but have one bed of good quality (queen or double size), excellent hygienic conditions, and a shower with hot and cold water; but no phone or television. In a word, high productivity and low service products. It can be envisaged a need of 1000 new Euro-lodges.

At the extreme opposite, following the trend of polarization in consumption, there is a need for new top class five star hotels with a large number of facilities inside and outside the main premise.

In between the one star and five star hotels, there should be accommodation facilities to cater to more and more individual groups with a specialization or destination, e.g. forest hotels, fishery hotels, motorcycling hotels, biking hotels.
In summary, there should be more hotels for more target groups (sailor, fishermen, etc.) as every consumer has more segments to fulfil in one year. The European hotels which had five main segments at the beginning of this century and have may be one hundred segments today, will arrive to one thousand segments int he future. The number of segments are consequently ever fanning out.

These trends will in the long run possibly reduce the present three star and middle class hotels. Family hotels will possibly decline in the cities and individual hotels risk decline unless they enter into a chain and reservation system. All hotels will need a special appear and it is likely that we will assist in the creation of e.g. the European Forest hotel chain, the European Romantic hotel chain, the European Fisherman hotel chain. As said family hotels follow the trend in transportation and will be on a network. As for health resort hotels the trend will go from the medical (tecnopractic) accommodation facilities to health holidays with a fun and recreational scope.

Resorts

A further trend is toward fun parks with good entertainment during the day. This will also change the professional role of tour guides who will no more be the classic guide of the past, reading Bedeker, but who will be a modern fairyteller, not only giving facts but also making the visit to monuments and historical sites an event.

Resorts in the future will be developed like a film. That is, an event which co-involves those who are part of the tour with the surrounding site.

The resorts will also create a hotel atmosphere and what is much more important will be to create not only good superstructures but also and mainly a good leisure time organisation. A further trend will be towards artificial resorts, i.e. resorts which are independent from the type of nature and environment surrounding it. In the past of course tourism was dependent on the nature and type of physical
surrounding. In the future we may well go towards an artificial leisure world with tropical atmospheres, vegetation, climate and exotic plants.

Already some examples of this exist such as the Tropical Pyramid in Vienna, a glass pyramid higher than 40 metres which has a tropical climate constantly 25°C, with exotic plants, a 3000 square metre swimming pool and a variety of sports activities as in open air.

So with this new artificial leisure world the competition of traditional resorts will be tougher and tougher mainly where sea pollution and excessive pressure will drive tourists away.

4.8 Conclusions on Products

The research has thrown up a whole series of potential product problem areas, which have been categorised in Table 4.1. Much of the product development in Europe has to be linked to improvements in transport, notably airports, air traffic control and high speed rail networks. In essence there needs to be European networks rather than individual country networks. In bound tourists from outside Europe need easy communications. Many existing developments are helping to bring this about (e.g. Channel Tunnel).

Several of the product developments have to be geared to maintaining quality, indeed ensuring excellence in the products. Here, both private sector and public sector are involved. It is clear that in Europe there are a number of comparative disadvantages which will have to be overcome.

These disadvantages concern:

- difficulties in putting together Mega-attractions
- high land prices and land shortages
- high labour costs
- severe congestion
Whilst the private sector can do its best to overcome some of these disadvantages, it is incumbent upon the public sector to play its part in preparing infrastructure and in implementing appropriate planning controls.

Emerging market segments, identified by the private sector, will continue to shape product development and the packaging of the products. These more specialised market segments need to be reached in a greater and greater variety of geographic locations. In the USA, it is much easier for a hotel in Las Vegas to market a weekend package for a leading entertainer/performer to Seattle, New York and Miami, and find customers in these niches, than a comparable operation in Europe. Differences in language and culture in Europe make it all a much more subtle procedure.

In one area of Europe, namely that part of the Mediterranean which was opened up with air charter inclusive tourist in the 1960s, there is likely to be a problem of product maturity, which will require redevelopment of old facilities, and new development of additional facilities. Current market trends will make it difficult for some of the resorts to cope with securing capital to achieve a transition to new roles. It is here that there seems to be a case for public sector involvement at a community level.
Table 4.2 - EXAMPLES OF INNOVATIVE TOURISM PRODUCTS

<table>
<thead>
<tr>
<th>Packages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Interest Packages (rural, health, cultural, eco-tourism, sports, urban and heritage tourism)</td>
</tr>
<tr>
<td>Retired Packages</td>
</tr>
<tr>
<td>Youth Educational Packages (language)</td>
</tr>
<tr>
<td>Special Theme Weekend Packages</td>
</tr>
<tr>
<td>Low Income and Disabled Travellers Packages</td>
</tr>
<tr>
<td>Social Tourism</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brochure - shifting to Video-text Systems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resorts</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Weather Centres</td>
</tr>
<tr>
<td>All Season - Mountain Resorts</td>
</tr>
<tr>
<td>Rural Tourism</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoor Sports Facilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Tickets</td>
</tr>
<tr>
<td>New High Quality Coaches</td>
</tr>
<tr>
<td>TGV Trains</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tourist Attractions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living Heritage and Visitor Interpretation</td>
</tr>
<tr>
<td>Heritage Conservation</td>
</tr>
<tr>
<td>Animation - Living Museums</td>
</tr>
<tr>
<td>Mega-attractions (Euro Disney)</td>
</tr>
<tr>
<td>Speciality Shopping Centres</td>
</tr>
<tr>
<td>Theme Parks</td>
</tr>
<tr>
<td>Craft/Ethnic Product Displays</td>
</tr>
<tr>
<td>Mini Countries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Themes and Anniversaries</td>
</tr>
<tr>
<td>Cultural Presentation</td>
</tr>
<tr>
<td>Sporting Events</td>
</tr>
</tbody>
</table>
OUTLINE OF MEGATRENDS OF TOURISM IN EUROPE: TOWARDS A NEW EQUILIBRIUM?

- Incentivate demand
- Balance/equilibrium of demand

TOURIST DEMAND

Spontaneous consumer demand

REGULATION BY EEC
PUBLIC POLICIES FOR THE TOURISM SECTOR

REGULATION BY THE MARKET

Products to maximise industrial objectives (Including Profit & Shares)

Support & reorientation of supply

TOURISM SUPPLY
OUTLINE OF MEGATRENDS OF TOURISM IN EUROPE: TOWARDS A NEW EQUILIBRIUM?

REGULATION BY EEC
PUBLIC POLICIES FOR THE TOURISM SECTOR

GUIDING TRENDS IN THE 90s
- Higher Segmentation (of Demand)
- Emotional and Mental Aspects/
  (New Orientation of Demand)

(1) Less Average Products (Polarisation)
(2) Higher Specialisation of Supply
(3) Network
(4) High Tech - High Touch
(5) Artificial Resorts
OUTLINE OF MEGATRENDS OF TOURISM IN EUROPE: TOWARDS A NEW EQUILIBRIUM?

REGULATION BY EEC
PUBLIC POLICIES FOR THE TOURISM SECTOR

Social and Cultural Perspectives
- Incentives (monetary, fiscal, etc.) to individuals & organisations
- Information and reorientation policy
- Policies of incentivisation of holiday consumer's representative bodies
- Promotional body to work closely with EEC as umbrella organisation for both the private and public sector

Environmental & Industrial Democracy Perspectives
- Incentives/disincentives for tourism industry
- Policies to incentivise for products strictly adapted to the new social and cultural demand
- Anti-trust policies
- Policies of information and reorientation

TOURIST DEMAND

REGULATION BY THE MARKET

TOURISM SUPPLY
OUTLINE OF MEGATRENDS OF TOURISM IN EUROPE: TOWARDS A NEW EQUILIBRIUM?

REGULATION BY EEC
PUBLIC POLICIES FOR THE TOURISM SECTOR

SUPERNATIONAL POLICY MAKING DECISIONS (see 5)

AID TO THE DECISION MAKERS (5)

REGULATION BY THE MARKET

CULTURAL & SOCIAL

TOURIST DEMAND

TOURISM SUPPLY

INDUSTRIAL

REQUESTS

REQUESTS
5. POSSIBLE FRAMEWORK FOR ASSISTANCE

5.1 Introduction

In the previous sections a number of critical problem areas have been highlighted which need to be tackled in a cooperative manner by the different countries within the European Community. Tourism is a particularly international business. Somewhere such as Europe, where borders are easily driven over and even more easily flown over in a matter of 2-3 hours at the most, now has to think in terms of cooperative international solutions rather then national solutions in an industry such as tourism. For this reason the Consultants have focused their recommendations regarding potential assistance upon problems which need to be solved at a community-wide level rather than at a national level. In this way the recommendations fall into line with the concept of subsidiarity whereby community authorities embark upon only those activities which cannot best be carried out by national authorities but are rather best carried out by community authorities.

Before embarking upon the recommendations with respect to potential assistance, the Consultants set out the key findings from the research with the travel trade. The actual recommendations have been drawn up based upon the research carried out with the European travel trade but also they are based upon the Consultants' long experience with international tourism all around the world (at least 70 countries). To draw upon this long experience has been necessary because the travel trade often refrain from highlighting problems which they perceive as potentially demanding to future business.

5.2 Findings of the Travel Research

The findings of the study research with respect to aid to the tourism industry are summarised in Appendix Nine. Essentially these observations reflect the views of the travel trade. Key points are that any aid should be focused upon
- promotion of the European Community outside of the Community
- assistance to the less developed and poorer regions of the Community
- encouraging quality standards in the tourism industry in the Community
- supporting the staggering of school holidays in the Community
- bringing about Community-wide schemes to improve tourism, such as the Euro-rail pass, Eurocheques
- developing technology especially in the area of computer reservation systems
- assistance to disadvantaged groups and developing social tourism
### TABLE 5.1 - STRATEGIC NEEDS AND POTENTIAL INTERVENTION

<table>
<thead>
<tr>
<th>STRATEGIC NEEDS IN PRODUCT DEVELOPMENT</th>
<th>SCOPE FOR POTENTIAL INTERVENTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Airports and Services</td>
<td>There is a need for intervention because of the resistance of airlines and existing main entry/hub airport operators.</td>
</tr>
<tr>
<td>Air Traffic Control</td>
<td>This is a highly specialised area already coordinated at a European level.</td>
</tr>
<tr>
<td>Development of entry points in Southern Europe</td>
<td>There is a need for intervention because of the resistance of airlines and existing main entry/hub airport operators.</td>
</tr>
<tr>
<td>High Speed Rail</td>
<td>This is a highly specialised area already coordinated at a European level.</td>
</tr>
<tr>
<td>Heritage, Conservation &amp; Management of Traffic Flows</td>
<td>The encouragement of a Europe-wide approach is needed.</td>
</tr>
<tr>
<td>Development of excellence in tourism products</td>
<td>Standards.</td>
</tr>
<tr>
<td>Services to cater for Non-Europeans</td>
<td>Encouragement.</td>
</tr>
<tr>
<td>Development of Mega-Attractions</td>
<td>Encouragement perhaps with sites and planning.</td>
</tr>
<tr>
<td>Development of facilities for segments</td>
<td>Encouragement perhaps with sites and planning.</td>
</tr>
<tr>
<td>Maturing/Declining Products Development</td>
<td>Large need for intervention in Southern Europe.</td>
</tr>
</tbody>
</table>

### ADDITIONAL NEEDS

| Planning                     | More studies of specific issues. |
| Research                    | Research into specific issues. |
| Statistics                  | Need Annual Report setting out key Statistics. |
| Promotion                   | Further encouragement depending on role of European Travel Commission - Special Events - Cultural Events - Themes. |
Assistance would need to take into account the extensive aid already available from national sources which includes

- capital grants
- soft loans
- interest rate holidays
- exemptions on duties
- tax holidays
- fiscal concessions
- rental concessions

Various national schemes are described in Appendix Nine.

**5.3 Strategic Needs and Potential Intervention Fields**

The key strategic need and the broad need for intervention is summarised in Table 5.1. The broad aims of intervention can be described as:

- easing congestion problems that would detract from the product

- encouraging development and trying to overcome the problem that are often a hindrance to development in Europe, namely high land prices, complex planning controls and vested commercial interests

- assisting resort areas that are in a mature and potentially declining phase of their product lifecycle

It is difficult to know whether or not some of these problem areas are better handled at a national level or at a community-wide level.

At present, insufficient information is available to make this kind of judgement.

The best approach appears to be to make highly specific studies of the particular issues in order to see where such intervention is necessary and
feasible by the Community, and what type of intervention is most likely to be effective.

The specific issues which appear most suited to community intervention are as follows:

1) a study of the air transport and airport situation looking at the needs and potential for
   - more major intercontinental air entry points in Southern Europe, particularly on the Mediterranean near major resort areas
   - the expansion and development of regional airports and regional air services in Europe

   It has to be recognised that air transport in Europe is highly constrained, and whilst liberation has been pushed by the Community for many years, air transport development will remain a highly complex issue for many years.

2) a study of Mediterranean tourism, particularly in areas that were opened up by charter inclusive tours in the 1960s and 1970s. It is some of these areas which are likely to be seen as maturing products, thus requiring significant redevelopment. The way forward is to identify those resorts where a substantial physical planning exercise would be suitable. Thus a two-stage approach is proposed.

   **Stage I** is an overview of the Mediterranean identifying those resorts which need to be subjected to more detailed examination.

   **Stage II** would involve, for the selected resorts, a detailed planning exercise involving the identification of redevelopment initiatives, their financing and feasibility.

3) planning, research and statistics for tourism the community level is just essential. There needs to be a study to establish a community tourist authority. This should cover aspects such as precise status of the authority, fields of work and funding. Added to this exercise should be
the whole issue of potential promotion in overseas markets taking into account the current role of the European Travel Commission.

5.4 Opportuneness of specific form of aid

The argument for the opportuneness for some form of aid at the community level largely relies upon the interdependence of tourism in so small an area as Europe, especially with the development of air travel, the development of mega-attractations which now far out-scale individual resorts, markets and countries. Opportuneness also relates to the growing perception of problems of congestion, problems of potentially declining products and problems of achieving product excellence in an increasingly competitive market.

The framework for such assistance is something which has to be worked out over time. There is a lot of assistance already available in different guises which impinges upon the tourism industry, for example, the regional assistance. Distinctive sectoral assistance would have to be tailored to specific elements of the tourism industry, e.g. tourist accommodation. But it is difficult to see how this can be executed at a community level. The approach suggest above indicates that the framework for community intervention is largely aimed at major problem areas that cannot easily be handled at a national or local authority level. It appears best for community involvement to be geared to these major problem areas.

The actual means of assistance has to be designed to meet the problem entailed. Whilst most of the proposals above lead to a relatively modest expenditure of resources (e.g. on planning, research, promotion etc.) new developments or redevelopment in the area of airports or resorts is likely to lead to large calls upon capital and thus upon interventions which would reduce the cost of capital.
TOURCONSULT/INTERNATIONAL S.A.
MAIN OFFICE IN ITALY:
VIA CIRCO MASSIMO 7,
00153 ROMA, ITALY

TEL: 39 6 574 6397
FAX: 39 6 574 0742
The sparks of unrest that leapt from Berlin in November 1989 to Moscow's Red Square in August 1991 are firing an explosion of political and economic change. Out of the ashes of Communism is emerging the shape of a vast new European market-place stretching from the Atlantic to the Pacific.

In his fascinating account of Europe's fast-changing East-West relationships, Giles Merritt argues that a massive rescue operation must be mounted to ensure the success of these changes. The upheaval of Communism's collapse is 'The challenge of freedom'.

Written with the cooperation and support of the European Commission, this book sets out to identify the key policy areas where a new partnership is being forged between the countries of Eastern and Western Europe. It offers a privileged insight into the current thinking of European Community officials, politicians and industrial leaders, and analyses the factors that will determine whether the emerging market economies of Eastern Europe can truly be absorbed into a single European economy.

Immensely readable and often disturbing, this important book contains much up-to-date and hitherto unpublished information on such major East-West problem areas as energy, environmental control, immigration, trade relations, agriculture and investment. It also examines the arguments surrounding a 'Marshall Plan' for Eastern Europe that would emulate the famous US aid programme that helped relaunch the economies of Western Europe in the aftermath of World War II.

For anyone concerned about the future of Eastern Europe and the USSR, whether from a political, social or economic standpoint, this book is essential reading.
The *Bulletin of the European Communities*, which is issued 10 times a year (monthly, except for the January/February and July/August double issues), is an official reference publication covering all spheres of Community activity.

It is compact, easy to consult (with an index and copious references to the Official Journal and to previous issues), logically structured (to reflect the main fields of Community policy) and wholly reliable. The Bulletin is an essential reference tool, describing the passage of Community legislation through all its stages from presentation of a proposal by the Commission to final enactment by the Council.

Thanks to its topical commentaries on the month’s major events, it provides the student of European integration and other interested readers with up-to-date and accurate information about the most recent developments in Community policy – the creation of a single market, economic and social integration, the Community’s role in international affairs, etc.

Supplements to the Bulletin are published from time to time, containing important background material on significant issues of the day. Recent Supplements have covered German unification, the Commission’s programme for 1992 and European industrial policy for the 1990s.

The Bulletin and its Supplements are produced by the Secretariat-General of the Commission, 200 rue de la Loi, B-1049 Brussels, in the nine official languages of the Community, and can be ordered from the Community sales agents.
INFO92
The Community database focusing on the objectives and the social dimension of the single market

As a practical guide to the single market, INFO92 contains vital information for all those determined to be ready for 1992.

INFO92 is really a simple market scoreboard, recording the state of play on the stage-by-stage progress of Commission proposals up to their adoption by the Council, summarizing each notable development and placing it in context, and keeping track of the transposition of directives into Member States' national legislation.

Using INFO92 is simplicity itself. It can be consulted on-screen by means of a wide range of everyday equipment connected to specialized data-relay networks. Fast transmission, the virtually instant updating facility (several times a day, if necessary) and dialogue procedures requiring no prior training make INFO92 ideal for the general public as well as for business circles and the professions.

The system offers easy access to information thanks to the choice of menus available and to the logical presentation modelled on the structure of the White Paper, the Social Charter and the decision-making process within the institutions.

Enquiries may also be made to the Commission Offices in the Member States or – for small businesses – the Euro-Info Centres now open in all regions of the Community.

Eurobases Helpdesk  
Tel.: (32-2) 295 00 03  
Fax: (32-2) 296 06 24
The Community's legal system is of direct concern to the individual citizen as much as to the Member States themselves.

Both lawyers and non-lawyers, then, need to be familiar not just with national law, but also with Community legislation, which is implemented, applied or interpreted by national law and in some cases takes precedence over it.

To make Community legislation more accessible to the public, the Commission of the European Communities publishes a Directory, updated twice a year, covering:

- binding instruments of secondary legislation arising out of the Treaties establishing the three Communities (regulations, decisions, directives, etc.);
- other legislation (internal agreements, etc.);
- agreements between the Communities and non-member countries.

Each entry in the Directory gives the number and title of the instrument, together with a reference to the Official Journal in which it is to be found. Any amending instruments are also indicated, with the appropriate references in each case.

The legislation is classified by subject matter. Instruments classifiable in more than one subject area appear under each of the headings concerned.

The Directory proper (Vol. I) is accompanied by two indexes (Vol. II), one chronological by document number and the other alphabetical by keyword.

The Directory is available in the nine official languages of the Community.
European Economy appears four times a year, in March, May, July and November. It contains important reports and communications from the Commission to the Council and to Parliament on the economic situation and developments, as well as on the borrowing and lending activities of the Community. In addition, European Economy presents reports and studies on problems concerning economic policy.

Two supplements accompany the main periodical:

- Series A – ‘Economic trends’ appears monthly except in August and describes with the aid of tables and graphs the most recent trends of industrial production, consumer prices, unemployment, the balance of trade, exchange rates, and other indicators. This supplement also presents the Commission staff’s macroeconomic forecasts and Commission communications to the Council on economic policy.

- Series B – ‘Business and consumer survey results’ gives the main results of opinion surveys of industrial chief executives (orders, stocks, production outlook, etc.) and of consumers (economic and financial situation and outlook, etc.) in the Community, and other business cycle indicators. It also appears monthly, with the exception of August.

Unless otherwise indicated, the texts are published under the responsibility of the Directorate-General for Economic and Financial Affairs of the Commission of the European Communities, 200 rue de la Loi, B-1049 Brussels, to which enquiries other than those related to sales and subscriptions should be addressed.

Subscription terms are shown on the back cover and the addresses of the sales offices are shown on the third page of the cover.
Success in business

depends on the decisions you make ... which depend on the information you receive

Make sure that your decisions are based on information that is accurate and complete!

In a period of rapid adjustment, with national economies merging into a single European economy under the impetus of 1992, reliable information on the performance of specialized industry sectors is essential to suppliers, customers, bankers and policymakers.

Small and medium-sized enterprises, in particular, need easy access to information.

The market must be defined, measured and recorded. Information is needed on production capacities, bottlenecks, future developments, etc.

Panorama of EC industry 1991-1992
Current situation and outlook for 180 sectors of manufacturing and service industries in the European Community

1 400 pp • ECU 110 • ISBN 92-826-3103-6 • CO-60-90-321-EN-C
SOCIAL EUROPE

Social Europe, published by the Commission of the European Communities, Directorate-General for Employment, Industrial Relations and Social Affairs (DG V), Coordination and Information Policy Unit, deals with current social affairs in Europe.

The basic review appears three times a year. In addition, a number of supplements/files are published annually, each dealing in depth with a given subject.
ENERGY
A CHALLENGE FOR EUROPE AND THE WORLD

Since it first appeared in 1985 Energy in Europe has become recognized as an invaluable source of information on both the policy-making and the operational aspects of European Community energy policy. Subscribers include leaders of energy-consuming and energy-producing industries and other decision-makers in the private and public sectors, as well as major consultancies and research institutes in and outside the Community.

In the present situation within the Community, itself at the eve of the single market, and vis-à-vis the huge energy problems, as well as the potential, of our neighbours in Central and Eastern Europe and in the Commonwealth of Independent States, the energy sector is of the greatest strategic importance. An understanding of it is indispensable in many areas of economic activity. It also constitutes a crucial factor within a debate of truly global importance, namely the protection of the environment, including the global warming issue.

Energy in Europe continues to keep its readers abreast of the ongoing situation as regards overall policy, markets, energy planning, and the constant quest for cleaner and more efficient energy technology.

Market trends and perspectives are covered in two regular issues each year, and also in a Short-term energy outlook appearing in the first half of the year and an Annual energy review at the end of the year which includes the world energy situation by region including EC Member States, the short-term energy outlook for the Community, and a review of trends in main indicators over 10 years. Further Special Issues are also produced in connection with major developments or events, including international conferences on or relevant to the energy sector.

Energy in Europe appears in English but each issue also contains translations into French, German or Spanish of articles from the preceding issue.
Also available:

**Treaty on European Union**

**Conradh ar an Aontas Eorpach**

National implementing measures to give effect to the White Paper of the Commission on the completion of the internal market
*Situation at 31 October 1992*


**Harmonization of company law in the European Community – Measures adopted and proposed – Situation as at 1 March 1992**

**Green Paper on the development of the single market for postal services (Communication from the Commission) – COM(91) 476 final**

**The European Community and human rights**

**The opening-up of public procurement**
46 pp. • ECU 6 • ISBN 92-826-5130-4 • CO-77-92-085-EN-C — 1993

**Farm take-over and farm entrance within the EEC**

**Copyright and information limits to the protection of literary and pseudo-literary works in the Member States of the EC**

**Social security for persons moving within the Community – Social Europe 3/92**
154 pp. • ECU 19 • ISSN 0255-0776 • CE-AA-92-003-EN-C — 1992

20/05/93
Urban social development – Social Europe – Supplement 1/92

Enterprise and people aspects in the information technology sector to the year 2000 – Social Europe – Supplement 2/92

Towards a Europe of solidarity: housing – Social Europe – Supplement 3/92
142 pp. • ECU 9 • ISBN 92-826-4567-3 • CE-NC-92-003-EN-C — 1992

The regulation of working conditions in the Member States of the European Community – Volume 1 – Social Europe – Supplement 4/92

XXVIth General Report on the Activities of the European Communities – 1992

EUR 13914 – European cooperation in the field of scientific and technical research, COST secretariat with the assistance of J. L. Roland

EUR 14006 – Thesaurus guide – Second edition, prepared by EURObrokerS
1033 pp. • ECU 78 • ISBN 92-826-4956-3 • CD-NA-14006-EN-C — 1993

EUR 14197 – Evaluation of economic effects: relevance and impacts of EC programmes promoting industrial R&D with special emphasis on small and medium-sized enterprises (pilot methodological study)
K. HORNsCHILD, F. MEYER-KRAHMER

EUR 14198 – Evaluation of the impact of European Community research programmes upon the competitiveness of European industry – concepts and approaches
J. S. METCALFE, L. GEORGHIOU, P. CUNNINGHAM, H. M. CAMERON
44 pp. • ECU 6.00 • ISBN 92-826-3818-9 • CD-NA-14198-EN-C — 1992

EUR 14326 – The European market for value analysis
Employment in Europe – 1992

Focus on the East – Energy in Europe
157 pp. • ECU 19 • ISSN 1017-6705 • CS-B1-92-001-4H-C — 1992

A view to the future – Energy in Europe

The finances of Europe, Daniel STRASSER


Europe in figures – Third edition

Inventory of taxes levied in the Member States of the European Communities – 14th edition

A common market for services – Current status 1 January 1993
Banking • Insurance • Transactions in securities • Transport services • New technologies and services • Capital movements • Free movement of labour and the professions
(Internal market – Volume 1)

The elimination of frontier controls – Current status 1 January 1993
Control of goods • Control of individuals • Value-added tax • Excise duties
(Internal market – Volume 2)

Conditions for business cooperation – Current status 1 January 1993
Company law • Intellectual property • Company taxation – Public procurement
Internal market for energy
(Internal market – Volume 3)
104 pp. • ECU 19 • ISBN 92-826-5277-7 • CO-10-93-003-EN-C — 1993
### Community social policy
- Labour market
- Employment and pay
- Improved living and working conditions
- Free movement of workers
- Social protection
- Freedom of association and collective bargaining
- Information, consultation and participation of employees
- Equal treatment for men and women
- Vocational training
- Health and safety at work
- Rights and protection of children and adolescents
- The elderly
- The disabled

(Completing the internal market – Volume 6)

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>308</td>
<td>34</td>
<td>92-826-3609-7</td>
</tr>
</tbody>
</table>

The current situation, evolution and future prospects for agriculture in Yugoslavia

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>128</td>
<td>12</td>
<td>92-826-3485-X</td>
</tr>
</tbody>
</table>

A practical guide to cross-border cooperation

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>112</td>
<td>10</td>
<td>92-826-3143-5</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>45</td>
<td>5</td>
<td>92-826-3841-3</td>
</tr>
</tbody>
</table>

Research after Maastricht: an assessment, a strategy – Supplement 2/92 – Bull. EC

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>49</td>
<td>5</td>
<td>92-826-4307-7</td>
</tr>
</tbody>
</table>

Europe and the challenge of enlargement – Supplement 3/92 – Bull. EC

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>24</td>
<td>5</td>
<td>92-826-4524-X</td>
</tr>
</tbody>
</table>

The creation of the internal market in insurance, Bill POOL

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>126</td>
<td>10.50</td>
<td>92-826-0246-X</td>
</tr>
</tbody>
</table>

European Economy – No 44 – One market, one money – An evaluation of the potential benefits and costs of forming an economic and monetary union

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>351</td>
<td>18</td>
<td>0379-0991</td>
</tr>
</tbody>
</table>

European Economy – The economics of EMU – Background studies for European Economy No 44 ‘One market, one money’ Special edition No 1 – 1991

<table>
<thead>
<tr>
<th>Language</th>
<th>Pages</th>
<th>ECU</th>
<th>ISBN</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>248</td>
<td>18</td>
<td>92-826-1996-6</td>
</tr>
</tbody>
</table>

---

*28/05/93*
European Economy – No 51 – The climate challenge – Economic aspects of the Community’s strategy for limiting CO₂ emissions

253 pp. • ECU 23.50 • ISSN 0379-0991 • CM-AR-92-051-EN-C — 1992

Practical guide to legal aspects of industrial subcontracting within the European Community – Volume I – The subcontract


Practical guide to legal aspects of industrial subcontracting in the European Community – Volume II – The legal framework of subcontracting in the twelve Member States


The rules governing medicinal products in the European Community – Volume II – Notice to applicants for marketing authorizations for medicinal products for human use in the Member States of the European Community


The rules governing medicinal products in the European Community – Volume IV – Good manufacturing practice for medicinal products


The rules governing medicinal products in the European Community – Volume V – Veterinary medicinal products

The rules governing medicinal products in the European Community – Volume VI – Establishment by the European Community of maximum residue limits (MRLs) for residues of veterinary medicinal products in foodstuffs of animal origin


Credit Institutions – Community measures adopted or proposed – Situation as at August 1992


New information technology in education – France


New information technology in education – Germany


New information technology in education – Denmark


New information technology in education – The Netherlands


New information technology in education – Luxembourg


Removal of tax obstacles to the cross-frontier activities of companies – Supplement 4/91 – Bull. EC

Agriculture in Europe

Telecommunications in Europe, Herbert UNGERER with the collaboration of Nicholas P. COSTELLO Revised edition, 1990

European Economy – No 35 – The economics of 1992

European Economy – No 40 – Horizontal mergers and competition policy in the European Community

European Economy – No 45 – Stabilization, liberalization and devolution – Assessment of the economic situation and reform process in the Soviet Union


Social Europe 3/91 – Equal opportunities for women and men

20/05/93
Guide to the reform of the Community’s structural Funds

The rights of working women in the European Community, Eve C. LANDAU

European Economy — No 36 — Creation of a European financial area — Liberalization of capital movements and financial integration in the Community
212 pp. • ECU 16 • ISSN 0379-0991 • CB-AR-88-036-EN-C — 1992

1992: the European social dimension, Patrick VENTURINI

Research on the ‘cost of non-Europe’ – Basic findings
Volume 1 — Basic studies: Executive summaries

Volume 2 — Studies on the economics of integration

Volume 3 — The completion of the internal market:
A survey of European industry’s perception of the likely effects

Volume 4 — The ‘cost of non-Europe’:
Border-related controls and administrative formalities –
An illustration in the road haulage sector

Volume 5 (Parts A + B)
The ‘cost of non-Europe’ in public-sector procurement
Parts A + B: ECU 120 • ISBN 92-825-8648-0

Volume 6 — Technical barriers in the EC: An illustration by six industries
The ‘cost of non-Europe’: Some case studies on technical barriers

Volume 7 — The ‘cost of non-Europe’: Obstacles to transborder business activity

Volume 8 — The ‘cost of non-Europe’ for business services

Volume 9 — The ‘cost of non-Europe’ in financial services
494 pp. • ECU 120 • ISBN 92-825-8636-7 • CB-PP-88-J14-EN-C — 1992

Volume 10 — The benefits of completing the internal market for telecommunication services equipment in the Community

Volume 11 — The EC 92 automobile sector

Volume 12 (Parts A + B)
The ‘cost of non-Europe’ in the foodstuffs industry
Parts A + B: ECU 120 • ISBN 92-825-8644-8

Volume 13 — «Le coût de la non-Europe» des produits de construction

Volume 14 — The cost of non-Europe in the textile-clothing industry

Volume 15 — The cost of non-Europe in the pharmaceutical industry

Volume 16 — The internal markets of North America – Fragmentation and integration in the USA and Canada

Special price for the complete series: ECU 360
European Communities — Commission

The evolution in holiday travel facilities and in the flow of tourism inside and outside the European Community

Part I: Main findings

Document

Luxembourg: Office for Official Publications of the European Communities

1994 — IV, 60 pp. — 21.0 x 29.7 cm

Part I and II: ISBN 92-826-6560-7

Price (excluding VAT) in Luxembourg:
Part I: ECU 8.50
Part I and II: ECU 34.50

Vente y suscripciones • Saig og abonnement • Verkauf und Abonnement • Πωλήσεις και συνδρομές
Sales and subscriptions • Vente et abonnements • Verkoop en abonnement • Venda e assinaturas
Price (excluding VAT) in Luxembourg: Part I: ECU 8.50
Part I and II: ECU 34.50

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg

ISBN 92-826-6561-5