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PRESIDENT'S FOREWORD

Dear friends and partners of ETC,

Our world has been hit mid-ship by an unexpected threat which makes us pause and reflect. We are facing an unprecedented menace to our societies and livelihoods, called "Coronavirus". This pandemic knows neither borders nor nationality.

All sectors of the economy are affected, but the challenges we are facing in our tourism ecosystem are remarkable. Our SMEs, family businesses, traders, travel agencies, but also our larger players such as airlines, tour operators and cruise lines are dealing with an attack on our industry that has no parallel in recent history. The tourism ecosystem in Europe is a key driver for employment and economic development:

- Europe accounts for 50% of the world tourism market in terms of arrivals;
- It contributes to 10% of the EU's GDP;
- It accounts for over 11% of employment in the EU, i.e. 27 million direct and indirect jobs;
- It is made up of almost 3 million businesses, 90% of which are SMEs, some of them very small.

Especially for Europe, a direct hit on tourism means a heavy blow to our welfare.

We estimate massive revenue losses at European level with significant geographical disparities. We should not forget that behind estimations and forecasts there is also a social reality, these entrepreneurs, men and women, who have a quasi-familial relationship with their hotel, their restaurant, their employees whose activity or employment is threatened.

Beyond the immediacy of the situation and the management of the short-term consequences of the crisis, we must now look ahead to the future, to the world of tomorrow, which will inevitably be different for all our societies and economies.

When we travel to this tomorrow, we must act with urgency and boldness, with responsibility, but above all in a spirit of European solidarity. Our response to this unprecedented challenge must be twofold: firstly, we must help businesses and destinations to get through this difficult period, and secondly, we will have to reform and transform the European tourism sector. This can only be done by working



together more closely than ever. The purpose of the European commonwealth has been, from the start out, solidarity and balance: not the old "balance of powers", but the equal distribution of access to a better life. Travelling and tourism, in that respect, are basic human rights and not niceties to enjoy only when one has the funds to do so.

Together at ETC we believe in a new world benchmark for responsible, sustainable and innovative tourism in response to exponential growth of demand, the reality of the ecological transition and the emergence of a new digital era that are equally challenging the balance of the ecosystem but also creating innovative opportunities. Working close together with our members and partners we will have to reinvent and rethink a sustainable, digital, conscious and resilient European tourism sector.

I trust our members and partners will support us in this transition. You can count on me on all these aspects.

Yours sincerely,

Peter De Wilde, ETC President

MESSAGE FROM ETC EXECUTIVE DIRECTOR

The European Travel Commission was created after the Marshall Plan with the aim of helping Europe rebuild its economy following the Second World War. The aftermath of the COVID-19 pandemic can be compared with the times of our very foundation with its economic consequences projected to be as severe and immediate.

Tourism should be the main beneficiary of recovery plans given its importance for the European economy and its contribution to much-needed social cohesion in Europe. Tourism must become a strategic priority not only because of its economic and social weight, but also based on a rich European history, unique culture and unparalleled union in diversity.

This time however, any future decisions must be accompanied by a sustainable transition to embrace environmental and digital realities. Given the current travel sentiment and general uncertainty, we really need to encourage people to consider travelling more consciously.

Investing in European tourism means promoting the force of travel to help local communities thrive and to preserve the European spirit and citizenship. These changes will also have to be accompanied by new tourism policies and a strong commitment at local, regional, national and European level.

This is why we at ETC – together with our full and associate members from the private industry – strongly believe in the power of tourism to relaunch the economy in Europe. By doing so we will rebuild our continent not only as the world leader in tourist numbers, but also in competitiveness. Our ambition and future mission is to maintain Europe as the world's leading tourist destination in terms of value and quality. We must together create a new world benchmark for responsible, sustainable and innovative tourism in response to the exponential growth and excesses of the past.



We must work together as an ecosystem: public and private sector, demand and supply, guests and their preferred destinations, without leaving anyone behind to transform tourism so that our sector can play its full part in the profound transitions in the European economy and society.

Our President, Vice-Presidents, Board of Directors and members of our General Meeting deserve a special mention for their forward-thinking guidance and for keeping the strong spirit of collaboration among our members and partners during these challenging times.

My last words go to my team at the Executive Unit in Brussels for their extraordinary work this year, and their continued dedication and authentic passion in what they do and believe.

Yours sincerely,

Eduardo Santander, ETC Executive Director

**“Ní neart go cur le chéile”
“There is no strength without unity”**

Irish proverb

ETC EXECUTIVE UNIT¹

The Executive Unit is based in Brussels and operates in the following fields – Marketing and Communication, Public Affairs, Research, Partnerships, Finance and Administration.

Every year, ETC includes a number of trainees – students with a strong background in tourism who were given the unique opportunity to gain work experience along with a privileged insight into European tourism.

The Executive Unit works on basic principles of integrity, respect, teamwork and adaptability to dynamic environments.

The Executive Unit is proud to include staff members and trainees from eight different countries – Belgium, Bulgaria, Ireland, Italy, Romania, Russia, Spain and the UK.



Teodora Marinska
Head of Finance
and Public Affairs



Miguel Gallego
Head of Marketing
and Communication



Jennifer Iduh
Head of Research



Iulia Niculică
Partnerships Manager



Lyublena Dimova
Research Manager



Sophie Mc Guirk
Membership
and Events Manager



Yasemin Volders
Marketing Project Manager



Tatiana Veselova
Corporate Communications
and Public Affairs Manager

The following trainees joined our team during 2019:



Anna Bellmàs
Marketing Project Manager



Michela Zabaglia
Online Marketing Trainee



James Arnold
Research and Development Trainee

¹ Updated according to current structure at the date of publication in July 2020.

EUROPEAN TOURISM TRENDS AND PROSPECTS

PERFORMANCE 2019 & OUTLOOK 2020

Tourism is an important driver of economic, social and cultural development. The sector is a catalyst for economic growth, income generation, investment and job creation. Europe, the most visited region worldwide saw its number of international tourist arrivals expand by 4% in 2019, a more moderate pace of growth compared to 2018 (+6%)¹. The performance across individual destinations also remained in positive territory, although the growth rate was slower than previous years.

Travel demand from Europe's largest source markets (both intra-European and long-haul), increased air connectivity, bilateral business relations between destinations and key markets, and positive economic conditions in Europe's key outbound markets continue to be major factors in encouraging travel.

Although European tourism is resisting the pull of global downside risks (e.g. worldwide economic slowdown, geopolitical woes, re-escalation of US-China trade disputes, global health crisis, climate disasters, etc.) the vulnerability of the sector is becoming more apparent year after year.

IMPACT OF TOURISM ON THE EU-27 ECONOMY IN 2019 (total contribution)

1,318.9 billion EUR



22.6 million jobs

9.5% Growth in international tourist arrival in 2019 (% YTD on previous year)

of total EU GDP

11.2%

of total EU employment

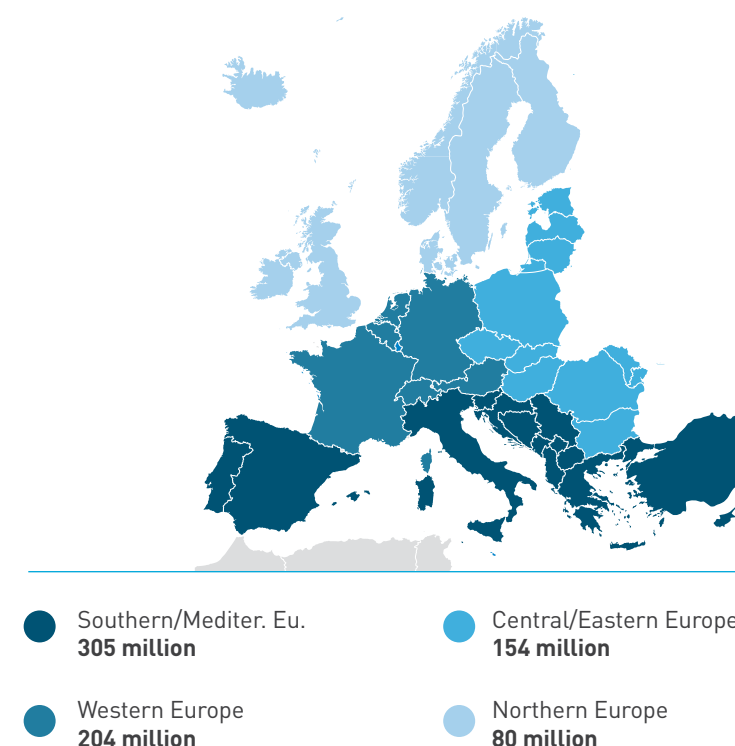


+4% Europe



+4% World

International Tourist Arrival by European Subregion in 2019



Sources: UNWTO & WTTC

¹ UNWTO World Tourism Barometer. Volume 18 January 2020



In 2019, Chinese tourist arrivals to Europe increased by 5% compared to 2018, the equivalent to some 14 million Chinese tourists. Earlier in 2020, despite the de-escalation of the US-China trade dispute, challenges in China showed few signs of abating following the outbreak of the novel coronavirus (COVID-19) around its Lunar New Year, a key travel season. The several measures taken by the Chinese government to prevent the spread of the virus are expected to take a toll on the tourism industry and have major economic implications. As one of the largest outbound source markets worldwide², such restrictions intensify the challenges and concerns about the coronavirus' impact on the global tourism sector.

The US continues to be an important source of tourist arrivals for many European destinations and remains the largest long-haul source market to Europe. In 2019, Europe saw a 7% increase in US tourist arrivals from the previous year. Strong jobs growth brought record low unemployment rates, which coupled with rising wages, have supported a significant uplift in consumption and consumer confidence. Nevertheless, the US economy, is signalling a moderate rate of expansion with GDP growth expected to slow down in 2020³.

The global tourism sector will be heavily disrupted in 2020 driven by unwelcome forces. Starting with the outbreak of coronavirus in China in late December 2019, the situation towards the first quarter of 2020 will dramatically change following the spread of COVID-19 in the north of Italy and Spain (which are major tourism destinations) and other European countries and the classification of the virus as a pandemic by the World Health Organization (WHO). The necessary measures taken by governments worldwide to flatten the curve of the virus will be heavily noticed in global GDP and travel growth, and will affect the tourism sector at large and all its related industries (i.e. tour operators, airlines, the accommodation sector, retail, restaurants and

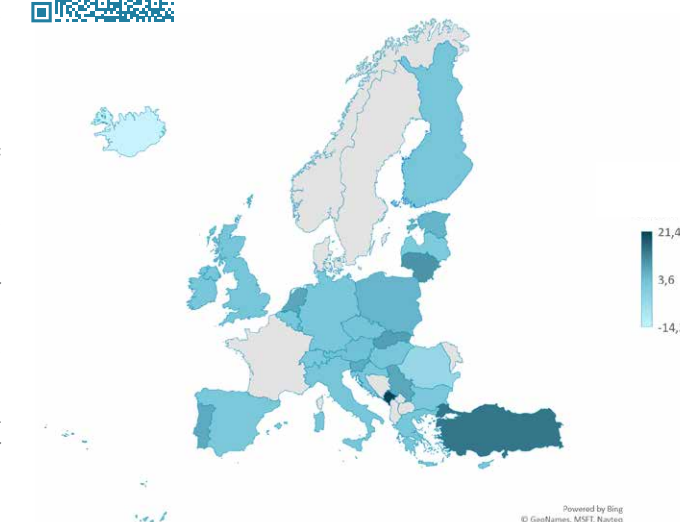
others), especially small and medium enterprises.

The global tourism sector will face a worldwide challenge which calls for global support, collaboration and understanding to mitigate the social and economic impact of the COVID-19 outbreak.

The European Tourism Trends & Prospects Quarterly Reports provide an overview of the European tourism sector and the macro-economic environment as well as closely looking into the extent to which external factors are supporting or weighing on the overall travel industry. Each of these reports includes a "Special feature" on hot topics concerning the travel and tourism sector. The publications are supported by a wide range of visually appealing dissemination materials that summarise the findings of the reports, such as infographics, videos, slides, etc.



Check them out on the [ETC corporate website](#) and share!



² China reported c.150mn outbound trips in 2018

³ U.S. GDP growth is expected to decline by 5.9% in 2020 from +2.3% in 2019 (<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>)

ETC MARKET INTELLIGENCE GROUP



MEMBERSHIP

The Market Intelligence Group (MIG) brings together the Research Directors of ETC's 33 member National Tourism Organisations (NTOs). An essential event in the calendar of the MIG is the group's Annual Meeting held in February, with the aim of establishing new research programmes for the upcoming year.

4th MARKET INTELLIGENCE GROUP (MIG) AND MARKETING GROUP (MKG) ANNUAL MEETING

The 4th Market Intelligence Group (MIG) & Marketing Group (MKG) Annual Meeting took place on 7-9 February in Kraków, Poland. The meeting gathered Research and Marketing Directors of ETC member countries, as well as representatives of ETC's research partners – the World Tourism Organisation (UNWTO), the European Tourism Association (ETOA) and the World Travel & Tourism Council (WTTC). Delegates from ADARA, Value Retail, Forward Keys and Kairos Future were also present. The meeting offered ETC members a chance to learn about and exchange knowledge and expertise on the latest trends in research and tourism. The Annual Meeting was preceded by the Conference on Sustainable Tourism Growth in Europe held on the 6th of February.



EVENTS & WEBINAR CALENDAR 2019

• ETC Webinar – European Tourism Trends & Prospects – **January, April, June and October**

• Conference on Sustainable Tourism Growth in Europe & 4th MIG-MKG Annual Meeting – **February**

• ETC & UNWTO Webinar – Exploring Health Tourism – **February**

• MIC Meetings – **April** (Teleconference), **June**,

September and December

• ETC Webinar – Study on Tourism Passion Communities – **June**

• 15th TourMIS Users' Workshop and International Seminar on Innovation in Tourism Planning – **September**

• ETC Webinar – Study on the South-East Asian Outbound Travel Market – **October**

THE MARKET INTELLIGENCE GROUP (MIG) IN 2019

Chairperson: Sérgio Guerreiro (Portugal)

Vice-Chairperson: Nessa Skehan (Ireland); Tania Sultana (Malta)

Co-ordinators: Jennifer Iduh (ETC Executive Unit); Lyublena Dimova (ETC Executive Unit)

MARKET INTELLIGENCE COMMITTEE IN 2019

- Holger Sicking (Austria)
- Steven Valcke (Belgium - Flanders)
- Vincent Nijs (Belgium - Flanders)
- Saša Popovac (Croatia)
- Dijana Radic Milosevic (Denmark)
- Piret Kallas (Estonia)
- Joachim Scholz (Germany)
- Nessa Skehan (Ireland)
- Povilas Junas (Lithuania)
- Tania Sultana (Malta)
- Marieke Politiek (the Netherlands)
- Patrícia Seguro (Portugal)
- Sérgio Guerreiro (Portugal)
- Nataša Hočevár (Slovenia)
- Álvaro Blanco (Spain)

PARTNERS

- ETOA – Tim Fairhurst/Tom Jenkins
- UNWTO – Sandra Carvao/Michel Julian

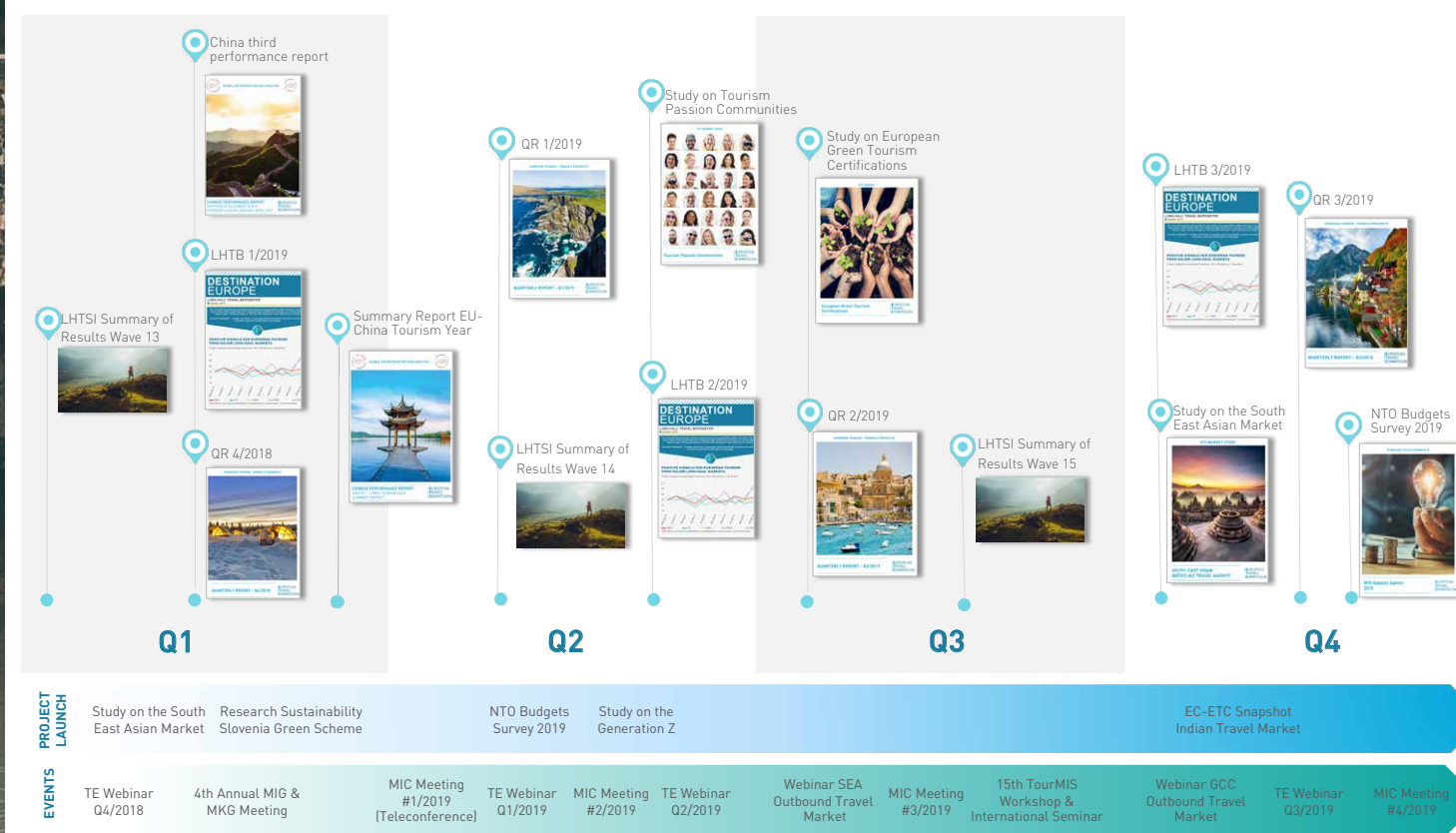


MIC MEETINGS

The Market Intelligence Committee (MIC) comprises a group of volunteers from the research departments of 13 ETC NTO members.

The MIC gathers four times per year and in 2019 meetings were held via teleconferencing and in Madrid, Vienna and Brussels.

ETC RESEARCH ROADMAP 2019



TRAVEL SENTIMENT FOR EUROPEAN DESTINATIONS REMAINED STRONG IN 2019

In 2019, ETC published three Long-Haul Travel Barometers (LHTB) which measured the travel intention in key overseas markets - Brazil, China, India, Japan, Russia and the US.

Despite the global economic slowdown concerns and political tension between leading economies, travel sentiment towards Europe remained very strong, above all, in China and Brazil. As the year advanced, Russian respondents have also demonstrated a growing intention to visit Europe, while in Japan the high travel costs and lack of free time continued to hamper people's travel plans.

Among other travel-related aspects, the LHTB revealed that safety is the top priority for long-haul travellers. While they often associate Europe with its rich history, the variety of cultures, traditions and its beautiful natural scenery, it is the perception of safety of European countries that mostly impacted travellers' choice of a place to visit. Latest results indicate that renowned European sites (35%) and a convenient transportation network (35%) were the second and the third most important factors for the selection of a holiday destination. Interestingly, perceived crowding was considered a key factor for only 16% of all respondents.

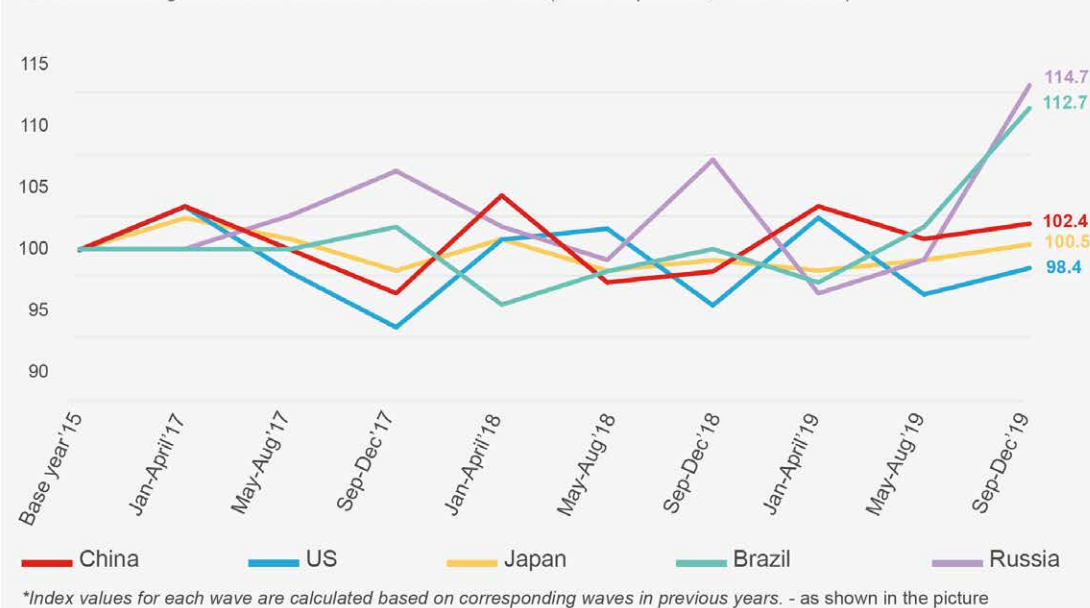
The Long-Haul Travel Barometers are launched with the support of the European Travel Association (ETOA), Eurail BV, the European Commission and TCI Research.

FRANCE, ITALY AND THE UK TOP THE POTENTIAL US TRAVELLERS' LIST OF EUROPEAN DESTINATIONS WHILE IRELAND (5TH POSITION) AND THE NETHERLANDS (7TH POSITION) HAVE SIGNIFICANTLY GROWN IN POPULARITY OVER THE PAST 12 MONTHS. SIGHTSEEING SEEMS TO BE THE MOST POPULAR EXPERIENCE FOR THIS SUMMER.



POSITIVE SIGNALS FOR EUROPEAN TOURISM FROM MAJOR LONG-HAUL MARKETS

Evolution of long-haul travel sentiment. Index base= 100 (>100=expansion, <100=decline) *



UNCOVERING THE CONNECTION BETWEEN EUROPEAN TRAVEL EXPERIENCES AND TRAVELLERS' INTERESTS AND HOBBIES



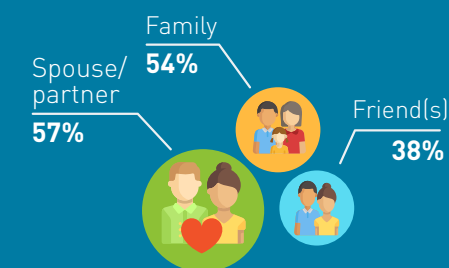
While Europe is one of the most diverse destinations in terms of the broad spectrum of experiences and products available, it still has a consumer appeal that is too generic and a rather undifferentiated image particularly in long-haul markets. To retain its position as the world's number one tourist destination, Europe needs to move its brand forward, from a generic image to a more differentiated one.

Furthermore, many consumers' choice of leisure tourism destinations is determined by their personal interests and the type of experiences they wish to enjoy. A deeper understanding of visitors' psychographics (including motivations, aspirations, behaviour, interests or preferences, etc.) will support the promotion of European products and experiences that are strongly affiliated with Europe's identity and deeply connect with people's passions. To this end, ETC published the "Study on Tourism Passion Communities", a report that investigated

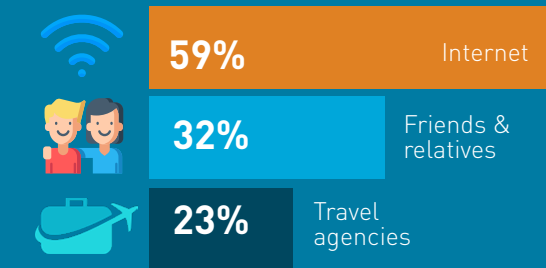
four interest-related travel communities that are sizable for Europe and better aligned with its specifics: **gastronomy lovers**, **city life enthusiasts**, **immersive explorers** and **explorers of cultural roots and identity**. The study delivers comprehensive information about each community's demographic characteristics, motivations, interests and hobbies, the role of interests when travelling, the travel-related habits and the path to purchase behaviour. Furthermore, the analysis reveals how Europe performs in offering passion-related experiences and its overall competitive position compared to other destinations.

With the aim of communicating the outcomes of the study in an easily-digestible way, ETC produced a series of infographics highlighting the most interesting characteristics of each passion group. The full study on Tourism Passion Communities is available for ETC members only.

PREFERRED TRAVEL PARTNER



SOURCES USED FOR TRAVEL PLANNING



WHAT DO WE KNOW ABOUT THE TOURISM PASSION COMMUNITIES?



CLOSURE OF THE 2018 EU-CHINA TOURISM YEAR – MONITORING CHINESE AIR GLOBAL RESERVATION INSIGHTS

As part of the closure of the 2018 EU-China Tourism Year (2018-ECTY), ETC published the third edition of a series of four-month periodic reports, and a summary report under the project **Chinese Air Global Reservation Data Analysis**. The overall project was aimed at monitoring Chinese air travel trends to the 28 EU destinations and evaluated the performance of the European Union in comparison with other European countries during the 2018 ECTY. The third performance report provided insights on Chinese air travel trends for the period September-December 2018 and forward-looking insights for January-April 2019, whereas the Summary report looked at the year 2018 as a whole.

During 2018 ECTY, air arrivals from China to the EU grew by a healthy 5.1%. The EU maintained its status as the most visited region by Chinese travellers outside Asia-Pacific. EU destinations received 12% of the total Chinese arrivals to worldwide destinations in 2018. Destinations in the EU remain firmly at the top of Chinese travellers' preferences and the more diversified access achieved through the 2018 ECTY is expected to trigger their appetite for visiting the EU in the years to come.



Check out [the infographics](#) of the report on the ETC corporate website.



LOOKING INTO EUROPEAN GREEN TOURISM CERTIFICATIONS



ETC launched an internal study intended to support and advance European destinations' knowledge in strategic planning in the area of sustainability. The report provides a better understanding on the potential of sustainability labels/certifications as a vehicle to increase a destination's attractiveness and influence travellers' choice.

Based on desk research the study investigates the influence of sustainability labels/certifications on destinations' appeal and their potential to effectively connect with the right target audiences.

Despite the fairly large number of sustainability schemes relevant to destinations across Europe, most destinations included in the study reported involvement with only one or two. Some key findings revealed that European National Tourism Organisations (NTOs) all have some awareness of sustainability schemes. However, at present, few are capitalising on the opportunities that these schemes present to systematically improve sustainability in

destinations, enhance the tourism offering and integrate this into their promotional mix. Furthermore, two thirds of NTOs involved in this study, see sustainability as important and relevant to the promotion of their destination.

The study is available for ETC members only.

EXPLORING SOUTH-EAST ASIAN OUTBOUND TRAVEL MARKETS

The Asia Pacific region and specifically South-East Asia has become a fast-growing market with the potential to make a significant contribution to European inbound travel flows in the coming years. To grasp this future opportunity, ETC published a study that investigated the potential of four South-East Asian outbound travel markets (Indonesia, Thailand, Malaysia and Singapore) with a special focus on Europe as a tourism destination.

The study also provides strategic recommendations for destinations to design targeted and innovative marketing and promotion strategies and support the development of thematic products and experiences that align with the interests of travellers from these markets.

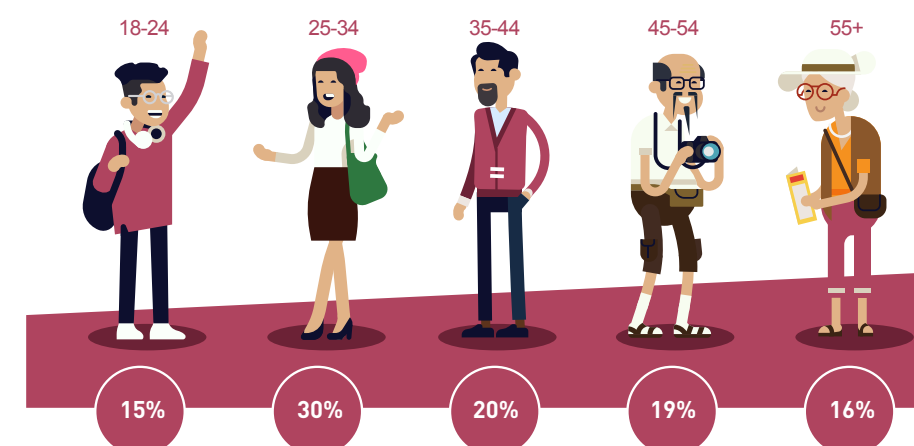
Europe's image as a prestigious holiday destination is an important motivating factor for South-East Asians to visit the continent. In fact, first-time visitors who tend to travel to multiple destinations on their trip, prioritise countries that are perceived to be more 'prestigious', such as France, Italy and Germany. The ease of borderless travel between countries, backed by a well-developed tourism infrastructure, adds to Europe's appeal as a continent with 'unity in diversity'.

The study reveals that Europe is the most aspirational holiday spot among long-haul destinations for South-East Asian travellers. The region is perceived as a destination that offers scenic beauty and natural landscapes, good weather, diversity of cultural/historical attractions, holiday experiences and activities. These elements appear to be the ones that drive travel to Europe among both first-time and repeat visitors.

A summary of the report (<https://etc-corporate.org/reports/research-snapshot-on-the-south-east-asian-outbound-travel-market/>) is available for free download on the ETC corporate website where you can also find the insights summarised in a regional animated infographic and individual country infographics!



AGE GROUP



AVERAGE NUMBER OF NIGHTS SPENT IN EUROPE:

9.9

TOP 5 ONLINE INFORMATION SOURCES USED



MARKETING

TRAVEL TRADE

HORIZON 2022 LAUNCH IN NORTH AMERICA

ETC launched its Horizon 2022 Strategy to an audience of over 140 delegates in Toronto and New York. Attending the two ETC events in North America were 70 top executive delegates from airlines, tour operators and media and 75 travel agents who gathered to hear ETC's Head of Marketing and Communication, Miguel Gallego explain the strategy in more detail. He emphasised how crucially important North America is as a long-haul market for European tourism.

Addressing delegates in Toronto alongside Miguel Gallego was Dana Welch, Chair of ETC Canada Chapter, who stressed the increased importance of travel advisors to Canadians as a result of this strategy. Given the more narrowed approach to marketing that will specifically highlight hidden gems and off-the-beaten-path destinations, more complex planning will be required. In New York, the Chair of ETC US Chapter Alison Metcalfe also highlighted that the U.S. remains the largest inbound market to Europe.

Moving forward, the Horizon 2022 Strategy will include campaigns with operators and influencers, as well as a general consumer marketing campaign that will be targeted to the entire North American market through digital channels. The strategy aims to make Europe more about the experiences that today's travellers are seeking, thus creating sustainable growth for all sectors in Europe, not just tourism. Ultimately, this is about a stronger value proposition ETC wants to build on brand Europe and its identity.



Members of ETC's USA Chapter during launch of the Horizon 2022 strategy in New York City

ITB CHINA

ETC managed a dedicated European Pavilion at ITB China, the largest B2B-exclusive trade show focused on the Chinese travel market. In 2019, ETC coordinated the participation of 24 NTOs, regional DMOs and private industry partners from 14 different European countries. Over 500 prescheduled appointments between co-exhibitors and hosted Chinese buyers were arranged at the pavilion during the show, which took place on 13-15 May in Shanghai. ETC's presence was paired with strong individual national presentations of other major European destinations, such as Italy which was the Official Partner Destination. Additionally, Miguel Gallego, ETC's Head of Marketing and Communication took part in an ITB China Conference panel, discussing new digital trends among Chinese travellers and future challenges for destination marketers.

ETC's participation at ITB China was flanked by ETOA's China European Marketplace (CEM), a B2B workshop dedicated to Chinese tour operators and travel buyers looking to contract European tourism service providers.



The European Pavillion at ITB China 2019

CO-BRANDING THEMATIC PROMOTIONAL CAMPAIGNS

In the framework of the ad-hoc grant of the European Commission (EC), ETC renewed the cooperative marketing programme known as the Joint Promotion Platform (JPP) for co-investing into thematic transnational promotional campaigns conceived, developed and executed by consortia of public and private partners. The programme gave continuity to the cooperation and partnerships initiated during the 2018 EU-China Tourism Year while expanding its reach and scope to include partners from all over the world.

ETC published a call for interest and received 18 campaign

proposals which represented an increase of 30% compared to the previous year. A total of eight projects were selected to receive co-funding from the JPP in value of €1.1 million. This amount was matched by the consortia partners which overall included 14 ETC members and two associates, 15% more than the previous year.

These co-branding campaigns will roll out in 2020 and target trade and consumers in Australia, Canada, China, Japan and the US around the passion points of creative cities and nature and the outdoors.



CONSUMER MARKETING

ETC in cooperation with its members published the Europe digital magazine (e-zine), which brought monthly travel inspiration and tips to more than 140.000 subscribers across North America. Each issue covered a different pan-European theme according to the season, ranging from nature and outdoor experiences to picturesque villages, food and drinks. An average of 19 countries was featured each month. All editions of the Europe Magazine are published on VisitEurope.com and advertised on social media. The e-zine accumulated more than 200.000 pageviews throughout the year.

VisitEurope.com's Instagram account saw the largest growth (+40%) in fan based among all ETC's consumer social media handles. The content and editorial line of all social media handles were adapted to the new marketing strategy and focus on the passion points of nature and the outdoors, creative cities and history and ancestry along with content about food and the European way of life. Americans and Brazilians are the main nationalities present in our digital following. 25-34 years old is the most common age demographic followed by the 35-44 years old segment.

PRESS & PR

ENJOY WONDERLAND IN EUROPE

ETC's China Chapter together with Tencent Culture & Tourism and Trip.com Group jointly hosted a media relationship event in Beijing in December. The objective of the event was to share market data, analysis and promotion recommendations for Chinese outbound tourism to Europe. Market insights showed that Chinese travel demand to Europe remained strong but the preferences of Chinese travellers are changing; a community of semi-independent travellers has emerged who are more likely to go off the beaten track and explore lesser-known destinations.

Additionally, the event provided an opportunity for six Chinese Key Opinion Leaders (KOLs) to share their holiday experiences in Europe and recommend their favourite lesser-known destinations. The KOLs also presented their



ETC's China Chapter and Chinese KOLs posing for a family picture



China Chapter Chair Ludivine Destrée speaking at ETC's media event in Beijing

perspectives on self-drive trips in Europe and experiences with local citizens in various European countries.

Speaking at the event Ludivine Destrée, Chair of ETC's China Chapter, said that the emergence of the semi-independent Chinese traveller reflects ETC's new marketing approach which focuses more on the meaningful experiences that today's travellers are seeking.

The event, which was attended by more than 50 partners and media representatives, was successful in further promoting travel ties between China and Europe. Following the 2018 EU-China Tourism Year, the ongoing cooperation between ETC and its Chinese partners intend to continue bringing better tourist services and tourism policies to Chinese tourists.

30 YEARS OF MEDIA EXCELLENCE IN BRAZIL

The Europe Communication Awards reached its 30th edition of honouring the outstanding work done by Brazilian journalists and content creators to disseminate information about extraordinary travel experiences in Europe. ETC's Brazil Chapter, together with a team of experts in journalism and travel and tourism, selected the winners in three categories (best print story, best online story and best video content) among 250 entries. All received entries revolved around the passion points of nature and the outdoors, creative cities, and history and ancestry. The winners were announced during an award ceremony at the Spanish General Consulate in Sao Paulo. More than 100 media and travel trade representatives took part in what is ETC's flagship event in Brazil. The award winners will participate in a press trip to Portugal and Spain in 2020.



Award winners during the ceremony in Sao Paulo

CHAIR: Elke Dens, Belgium-Flanders

CO-ORDINATOR: Miguel Gallego, ETC Executive Unit

The members of the ETC Marketing Group (MKG) came together throughout the year to discuss and lay the groundwork for the implementation of the promotional activities within the Horizon 2022 strategy.

The 4th Annual Meeting of the MKG and MIG took place in the historic city of Krakow in partnership with the Polish Tourism Organisation. The meeting was preceded by a *Conference on Managing Sustainable Tourism Growth in Europe*. The event generated innovative approaches on how to manage sustainable tourism growth based on the lessons learnt and perspectives from destinations and private industry. Delegates were faced with an urgent call to achieve a balance between the needs of the tourism industry, travellers, local communities and the environment if they are to succeed at present and in the future. That was the challenge set by Robert Andrzejczyk, President of the Polish Tourism Organisation and Vice-President of ETC, in his opening remarks.



The Conference on Managing Sustainable Tourism Growth in Europe took place in the historic city of Krakow, Poland

Highlights of the subsequent Annual Meeting programme included a workshop by the SAINT project which developed the Slow Adventure travel concept, a presentation by ETC associate member Airbnb on its community-led 'Airbnb Experiences', as well as brainstorming sessions on ETC's future promotional activities. As tradition has it, the Annual Meeting also hosted sessions for exchange of best practices which featured presentations from various ETC members.

ETC OVERSEAS CHAPTERS

Brazil: Bernardo Cardoso, Portugal (Chair) / Juan Antonio Ruiz and Oscar Almendros, Spain (Vice-Chairs)

China: Ludivine Destrée, Belgium-Wallonia (Chair) / Zuzanna Gutkowska, Poland (Vice-Chair)

Canada: Dana Welch, Ireland (Chair) / Pascal Prinz, Switzerland (Vice-Chair)

United States: Alison Metcalfe, Ireland (Chair) / Marco Frank, Belgium-Flanders (Vice-Chair)



Delegates of the 4th Annual Meeting of the MIG and MKG in Krakow, Poland

The Marketing Group met again in Dublin in September. The meeting was followed by a technical visit to County Leitrim, the home of the Slow Adventure movement in Ireland. Slow Adventure is one of the three passion points that ETC is developing as part of its marketing strategy. MKG members were provided with a better understanding of the ethos of Slow Adventure, as they took part in various outdoor and nature-powered activities, learning about the true meaning of slowing down and connecting with the local community. The meeting and visit were kindly hosted by Tourism Ireland, Leitrim County Council and its suppliers.



ETC's Marketing Group learning more about the Slow Adventure movement during the technical visit in County Leitrim, Ireland

ETC also organised a series of webinars to give members the opportunity to deepen their knowledge about the other passion points in focus – Creative Cities and History and Ancestry. The webinars were organised over the course of spring and summer in cooperation with the Liberation Route Europe Foundation and KEA European Affairs.

PARTNERSHIPS

COOPERATION WITH THE CULTURAL HERITAGE SECTOR

Following the first European Year of Cultural Heritage 2018 (EYCH), ETC was glad to continue its close partnership with the cultural heritage sector in 2019. Building on the success of last year's 'Destination of Sustainable Cultural Tourism' Awards, ETC again teamed up with the European Cultural Tourism Network (ECTN), Europa Nostra and the Network of European Regions for Competitive and Sustainable Tourism (NECSTouR) to contribute to the legacy of the EYCH and to further encourage the development of sustainable tourism destinations across Europe.

The theme of the Awards centred around 'Culture and Heritage for Responsible, Innovative and Sustainable Tourism', with seven selected categories, including digitalisation, transnational thematic products, Cultural and Creative Industries, culinary heritage, and intangible and interpretive heritage. Applications were welcomed from all destinations across Europe to showcase their results and outputs in sustainable cultural tourism. In total 55 applications from 19 countries (including 4 non-EU states) were received.

The winners and runners-up were carefully chosen by the Jury composed of representatives of ECTN, ETC, Europa Nostra, NECSTouR and the Directorate General for Education and Culture, European Commission. The awarded applicants were announced at the 12th 'Conference for Cultural Tourism in Europe', held in Granada, Spain on the 24th October. At the conference, ETC Partnerships Manager Iulia Niculica also had the opportunity to present some of ETC's recent activities to the cultural sector, and to inform participants about ETC's latest research on passion groups, in line with the Horizon 2022 strategy.

Among the winning projects were those of two ETC members, the Slovenian Tourist Board and the Investment and Development Agency of Latvia. Building on rich tangible and intangible Slovenian heritage, the project 'Hackathon "Cultural adventure at your fingertips"' focused on bringing cultural heritage to life through tourism. The hackathon aimed to develop an IT solution with a conceptual design that with the help of open data would aggregate and disseminate information about Slovenian cultural heritage to visitors at tourist sites.

Latvia's project, 'Iron Curtain Trail' – Euro Velo 13 as official Cultural Route of the Council of Europe' took first place in the 'Transnational Thematic Tourism Products' category. This is the first time that that an entire EuroVelo route has been recognized by the Council of Europe. The route passes through 20 different countries, including 14 EU member states and is a particularly important achievement for Latvia as the route passes along the Baltic Sea shoreline, giving travellers an opportunity to experience the country's coastal nature and Soviet legacy.

ETC looks forward to continuing to develop synergies between the cultural heritage and tourism sectors both for 2020 and the years to come.



ECTN, Europa Nostra, the European Commission and ETC at the Awards Ceremony in Granada, Spain



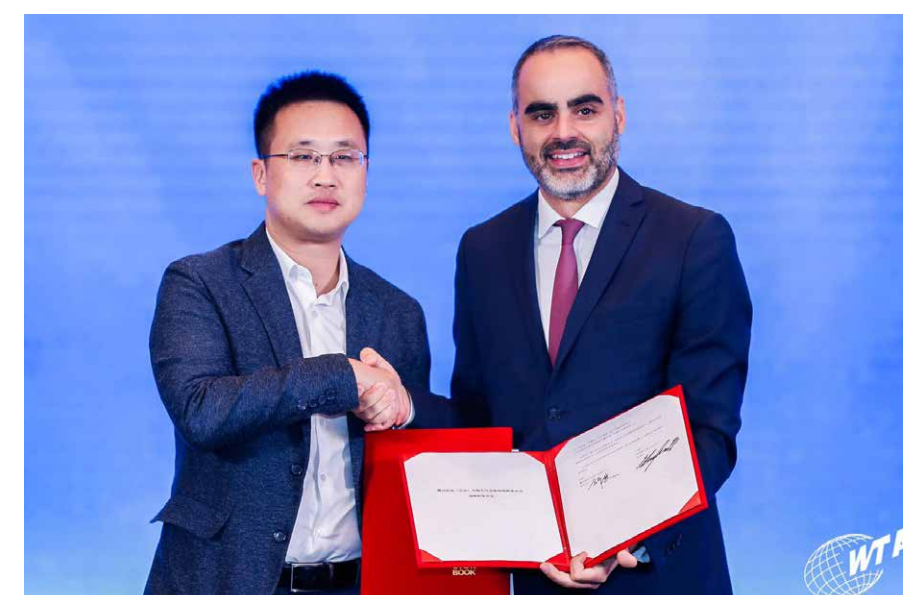
Slovenian Tourist Board receives first place in the digitalisation category for its project 'Hackathon "Cultural adventure at your fingertips"'

TENCENT

ETC and Tencent, one of China's leading Internet service providers, signed a Memorandum of Understanding (MoU) to enhance Chinese tourists' experiences in Europe. Tencent owns Internet platforms QQ, WeChat, Qzone, Tenpay and WeChat Pay, bringing together China's largest Internet community. The MoU was signed by Shu Zhan, General Manager of Tencent Culture and Tourism and ETC's Executive Director, Eduardo Santander, flanked by ETC's China Chapter Chair, Ludivine Destrée, during the WTA Xianghu Dialogue in September.

Both ETC and Tencent recognise their shared interests in improving the integration of the Internet and tourism services. The MoU will promote knowledge exchanges and data sharing as well as create opportunities to collaborate on research activities to develop further insights into tourism trends and deliver solutions to foster sustainable development of tourism in Europe. It will also generate the ability for joint marketing activities to enhance tourism exchanges between Europe and China.

Within the framework of the MoU, ETC's China Chapter was invited for an exclusive visit to Tencent's new headquarters in Beijing in November.



Shu Zhan and Eduardo Santander speaking at the WTA Xianghu Dialogue in Hangzhou



WTTTC

Following many years of extensive cooperation between the two organisations, in the summer of 2019 ETC became a member of the World Travel and Tourism Council's (WTTTC) Executive Committee. The WTTTC membership is intended to facilitate the direct dialogue between ETC members and the private sector to further strengthen the value of tourism in Europe and to provide a platform to advocate for the interests of Destination Europe in the global arena. In September, ETC was represented by its President, Mr Peter De Wilde, at the first WTTTC global Climate & Environment Action Forum in New York City. The event took place as leaders from across the world gathered for the UN General Assembly to address the climate crisis.

Caption: ETC President Peter De Wilde with Christopher J Nassetta, WTTTC Chairman, President & CEO of Hilton

CORPORATE COMMUNICATIONS: POSITIONING ETC AS THE VOICE OF EUROPEAN TOURISM

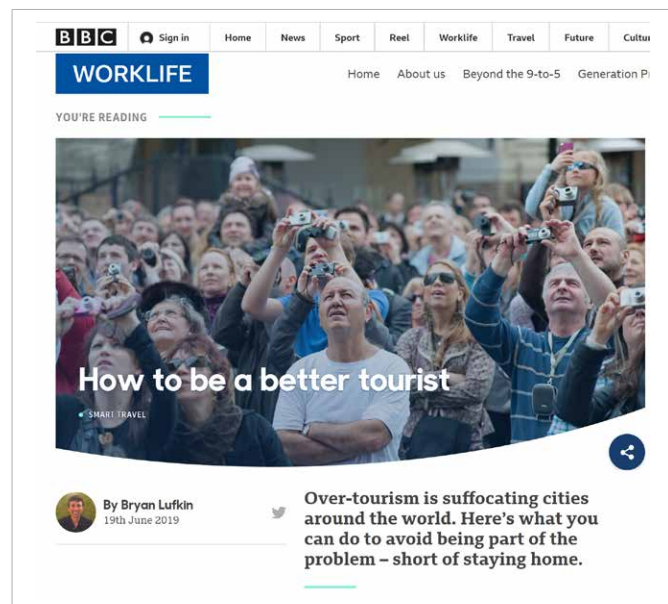
In 2019 ETC decided to invest more time and resources to raise awareness of its work among the global travel and tourism industry and position the organisation and its members as the voice of European tourism. ETC launched cooperation with the communication agency Hume Brophy to ensure integrated and consistent corporate communications to cover activities of all departments. The project focused on raising awareness of ETC in Europe as a reliable source of information, as a trusted policy partner and as an advocate of the travel and tourism industry.



ETC Executive Director Eduardo Santander's interview with Chinese TV network CGTN on the results of ECTY 2018



ETC Head of Research Jennifer Iduh discussing 2019 tourism trends on Turkish TRT World



“The question is, do you want to go to a place – or show people you’ve been to the place? - Eduardo Santander

ETC Executive Director Eduardo Santander's input on how to be a better tourist to BBC

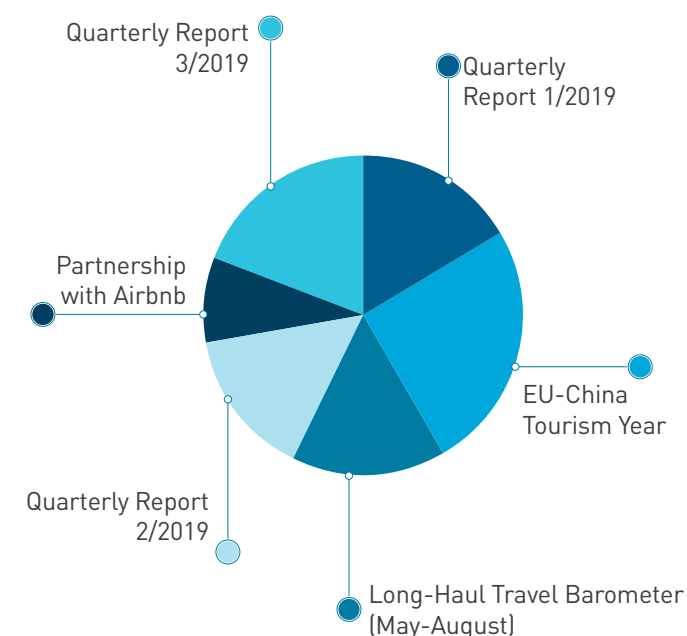
Throughout the year, ETC carried out an effective media and PR programme publishing 15 press-releases and 13 website articles focused on research reports and studies, marketing campaigns and collaborations as well as advocacy actions and partnerships. ETC's work received extensive media coverage worldwide generating over 360 articles in various mainstream and trade outlets.

Certain topics were of particular interest for journalists. The press-releases announcing the results of 2018 EU-China Tourism Year (ECTY 2018) and findings of ETC's quarterly reports on "European Tourism – Trends & Prospects" were extensively picked up by the media. At the international level, the US is the country which has published the highest share of articles based on ETC press releases. On the European side, UK media organisations

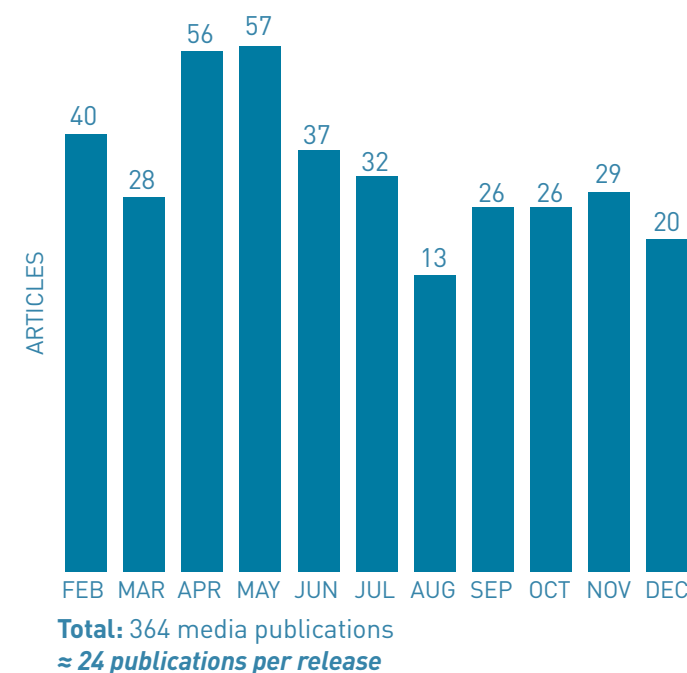
reacted to ETC press releases the most, followed by Greek and Spanish press.

ETC's active engagement in media communications resulted in growing numbers of press requests for comments and interviews as the year progressed. Notably, ETC was contacted by a number of top tier international media, including BBC, Associated Press, CGTN, Bloomberg, TRT World, Vogue Business, Fortune as well as European national outlets such as the Belgian De Standaard, the German Deutschlandfunk Radio and the Bulgarian Monitor Daily. These media requests on a wide range of topics – tourism trends, consumer behaviour, overtourism, overseas destinations and market performance – have shown how ETC is perceived as a thought leader and an authority in the field of tourism.

LEADING TOPICS IN 2019



ETC MEDIA COVERAGE IN 2019



LAYING THE FOUNDATIONS FOR A SUSTAINABLE FUTURE

2019 marked a special moment in the history of ETC. Building on the 70 th anniversary of the organisation, the members started a process of revision of the ETC vision and mission, with the ambition to bring the organisational strategy to meet the new challenges affecting our societies.

The examination of ETC's activities was meant to ensure that the organisation stays relevant to its members in fast changing and challenging times. The main questions on the table were how ETC services could help NTOs in transformation, and how the organisation could ensure that sustainability is embedded in the way it functions and in the core of its vision and mission.

The members agreed that climate change was the first and most important threat that should be addressed. As the ETC 2018 report states¹, tourism is not just at risk from climate change. It is also one of the factors driving it, and it is a significant contributor to emissions growth. By 2030 there are projected to be 1.8 billion international visitor arrivals, an increase of over 3% a year from 2010, not to mention the billions more who travel domestically. Almost all the energy used in tourism is derived from fossil fuels. One scenario estimates that emissions from travel and tourism will increase by 169% by 2050 if no action is taken. The focus of the first workshop was therefore to answer the question on what the tourism sector in Europe should do now to ensure that we stay at the forefront of global climate action. The event took place in Vilnius, Lithuania, in September 2019, and the conclusions of the workshop were gathered in an internal Climate Change Mitigation Position Paper, to serve as guidelines for the forthcoming 2020 action plans.



ETC members get creative at workshops in Vilnius in September and Warsaw in October



Sustainability goes beyond the most pressing issues of the day – being sustainable means resilience and staying relevant through time. Therefore the second workshop, which took place in Warsaw, Poland, in October 2019, focused on the repercussions of the new approach on the ETC vision and mission. The discussion started with an overview of the long ETC history, and how the organisation evolved to meet the new challenges that impacted tourism globally. The members then laid out an ambitious plan on where they see ETC in 10 years, in a creative exercise that could best be resumed as “Think Big”. Lastly, the participants agreed on a list of possible changes in the ETC strategy, to be further discussed in the months to come.

The process will continue throughout 2020 and will set up the base for a forward looking ETC that helps keeping the tourism sector in Europe resilient and supportive of an economy that works for the planet and for people.



Travel Consul joins ETC

A new Associate Member joined the ETC family in 2019 – Travel Consul. Travel Consul is an international travel marketing alliance consisting of advertising, brand strategy, PR, digital, media and marketing firms spread across the globe, all specialising in travel. With over 40 offices worldwide, Travel Consul's agencies bring together services required to create a seamless brand experience for clients across all channels of marketing communications.

TRAVEL
CONSUL

¹European Travel Commission, Tourism and Climate Change Mitigation: Embracing the Paris Agreement, 2018.

NEW EU VISA RULES: IMPORTANT STEP FORWARD, BUT FURTHER LIBERALISATION NEEDED

2019 marked a significant achievement for the European common visa policy with the adoption of more flexible and harmonised EU visa rules. The agreement came after five years of negotiations started with the Commission's first proposal to amend the Visa Code published back in 2014. The new EU visa rules are applicable as of February 2020.

ETC has worked closely with the EU Institutions throughout the legislative process of the revision of the Visa Code, strongly advocating for the establishment of a more efficient and less cumbersome process for travellers to obtain visas. ETC published two dedicated reports to support its arguments on "Improving the Visa Regimes of European Nations to Grow Tourism" (2015) and "Visa Policy and Chinese Travel to Europe" (2018). ETC research showed that a more traveller-friendly approach would allow the EU to remain competitive worldwide in an industry that contributes more than 10% toward its GDP and supports 11.6% of total EU employment.

While the adopted legislation is undoubtedly a welcome step forward, ETC published a statement summarising the legislation and highlighting that more changes are required for the European tourism industry to reach its full potential.

POSITIVE DEVELOPMENTS TO THE VISA CODE

ETC highly welcomes the extension of the Multiple Entry Visa (MEV) to a maximum period of 5 years. Return travellers know the destination better and are more likely to travel independently and explore lesser known places. In times when many European capitals are struggling with mass tourism, MEVs will be a valid tool stimulating sustainable tourism development. ETC is also delighted that the revised regulation includes a provision to allow third-country travellers to apply for visas at their country of residence, a move which will undoubtedly increase visitors' numbers from emerging markets.

Another positive development is the amount of time in advance a third-country traveller must apply for a Schengen visa. ETC advocated that the best option was to increase the period for up to a year prior to travel, but a three-month increase up to 6 months in advance is welcome progress. This will enable tourists to plan their trips better and in a more cost-efficient manner, and will also benefit the European tourism industry, especially the hospitality sector.

Furthermore, the adopted text stresses the importance of further digitalisation of the application process, stating that a "common solution aiming at digitisation should be developed in the future". The new rules include the possibility of signing the visa application digitally if electronic signature is recognised by the competent Member State, which should reduce costs and make the application process more efficient. ETC is pleased with this focus on digitalisation, although being mindful that there is still no harmonised procedure. ETC therefore calls for concrete measures to be implemented as soon as possible to allow this goal to become a reality.

ETC'S CONCERNS WITH THE NEW LEGISLATION

Notwithstanding the progress mentioned above, ETC notes that the regulation includes some counterproductive, regressive changes to the existing legislation. In particular, ETC considers the increase in the visa application fee from €60 to €80 to be detrimental to the tourism industry in Europe. ETC maintains that in order for the tourism industry to continue to thrive, there should be no increase to the cost of visas.

ETC also considers the deletion of the proposed by the Commission ability to obtain short-term visas at the borders of the Schengen area a missed opportunity, as such a procedure would have further incentivised travellers to visit the EU.

EUROPEAN AVIATION: TOURISM SECTOR IS ON BOARD

The success of the European tourism sector directly depends on the smooth functioning of EU airspace. In 2019 ETC continued close cooperation with the aviation industry to support its efforts to reach the Seamless European Sky.

Joining Airlines for Europe (A4E), the Civil Air Navigation Services Organisation (CANSO), European Business Aviation Association (EBAA) and Eurocontrol, ETC co-signed the "Efficient Airspace" Declaration, agreeing a set of key principles and actions which could improve EU airspace inefficiencies and alleviate existing bottlenecks. Given the impact such inefficiencies are having on inbound tourism to the EU - threatening the reputation of Europe as a reliable tourist destination, ETC joined the initiative at the A4E Aviation Summit in March. The "Efficient Airspace" Declaration aimed to ensure that:

- Initial projects from the European Commission's Airspace Architecture Study and Wise Persons Group are jointly agreed and launched in early 2019;
- The Eurocontrol Network Manager implements a coordinated approach to oversee the operation of the network for Summer 2019;
- The Eurocontrol Network Manager defines and implements network measures with airlines and providers so that there is sufficient capacity for 2019;
- Any new regulation is "future-proof" and takes into account current operational and technological advancements.



ETC Executive Director Eduardo Santander at the signing of the "Efficient Airspace" Declaration with A4E Managing Director Thomas Reynaert

ETC also supported the first-ever "EU Aviation Night" at the European Parliament co-organised by Airlines for Europe (A4E), Airports Council International Europe (ACI), the European Business Aviation Association (EBAA) and European Regions Airline Association (ERA). The event was hosted by MEPs Jan-Christoph Oetjen (Renew Europe), Marian-Jean Marinescu (European People's Party) and Bogusław Liberadzki (Socialists & Democrats) representing three major EU political groups and gathered over 130 top European aviation stakeholders.

THE EUROPEAN TOURISM MANIFESTO ALLIANCE CONTINUES ITS ADVOCACY EFFORTS

2019 was another remarkable year for the European Tourism Manifesto, an alliance bringing together more than 60 European public and private organisations, covering the whole tourism value chain and beyond.

Under ETC's coordination, the group continued to advocate for investment in sustainable tourism. The alliance asked for a centralised coordination, a dedicated tourism strategy and increased financial support from the EU, reflecting the eight priorities and actions outlined in the Tourism Manifesto document.

The year started with a fruitful General Assembly, during which the supporting organisations brainstormed potential initiatives to support the European Parliament's proposal on a dedicated budget line to sustainable tourism.

In February, the European Tourism Manifesto alliance and the World Travel & Tourism Council (WTTTC) presented the Tourism Legacy Paper to the President of the European Parliament Antonio Tajani, declaring the urgent need for a genuine recognition of the importance of tourism.

In response to receiving the paper, President Tajani stated: "As always, I give my full support to the tourism industry."

The European Parliament is united in its understanding that tourism is a key sector for economic and social development in Europe and needs a genuine political recognition at the EU level".

In the framework of the March Tourism Task Force meeting at the European Parliament, the Chairman of the European Tourism Manifesto presented the latest accomplishments of the alliance, following the invitation received from MEP István Ujhelyi, Vice-Chair of the Transport and Tourism Committee and Chair of the Tourism Task Force.

The alliance also brought its call for urgent actions to the attention of the representatives of the Council of the EU – High-Level Working Party on Competitiveness and Growth – Tourism on three separate occasions during the first half of the year.

Another advancement for the group in 2019 was the letter sent to Mr Thierry Breton, Commissioner for the Internal Market to introduce the alliance and ask for his continuous support to the tourism sector during his mandate.

The full Manifesto is available for download in 23 languages of the EU at <https://www.tourismmanifesto.eu>.

2019 IN REVIEW



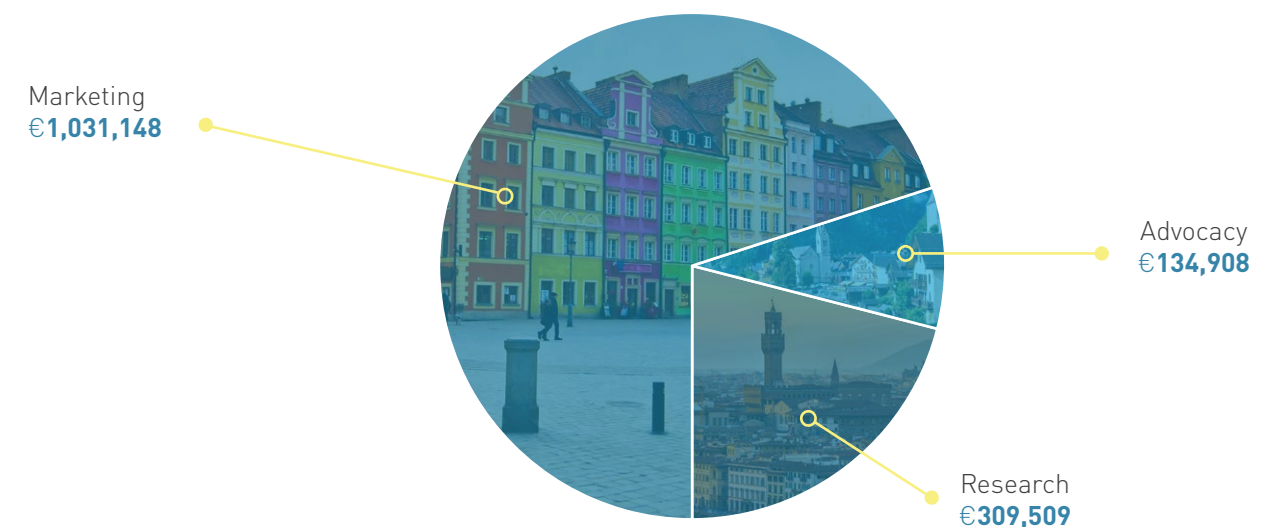
FUNDING

ETC is constituted under Belgian law as an International Association Without Lucrative Purpose (AISBL/IVZW). Being a non-for-profit organisation, ETC is subject to tax on legal entities, which is not applied on global income but only on income derived from specific sources, i.e. real estate. The main source of income is from membership contributions, the level of which is approved each year at the ETC General Meeting.

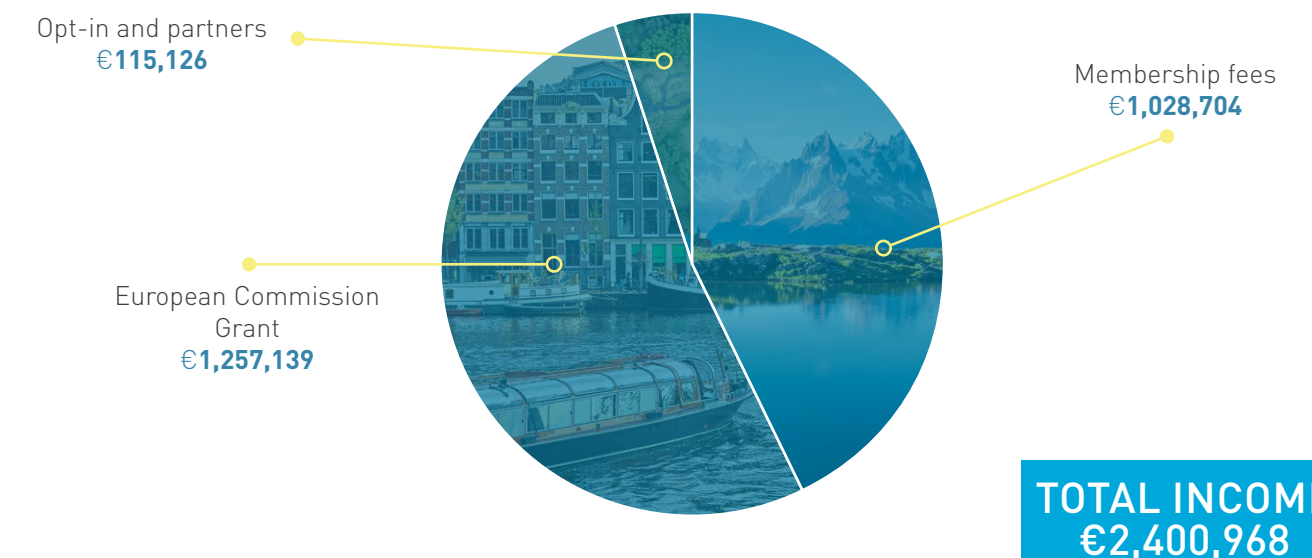
In 2019, ETC used two grants from the European Commission focused on promotion of 'Destination Europe' in line with ETC's new strategy "Horizon 2022" and the priorities of EU tourism policy.

Figures provided are pending final approval at the moment of publication.

EXPENSES OVERVIEW



INCOME OVERVIEW



WHO WAS WHO AT ETC IN 2019

PRESIDENT



Peter De Wilde (Belgium - Flanders)

VICE-PRESIDENTS



Magda Antonioli (Italy)



Renaldas Čiužas (Lithuania)



Robert Andrzejczyk (Poland)

BOARD OF DIRECTORS



Petra Stolba (Austria)



Michalis Metaxas (Cyprus)



Jan Olsen (Denmark)



Petra Hedorfer (Germany)



Karimalis Charalambos (Greece)



Jos Vranken (Netherlands)



Marija Labovic (Serbia)

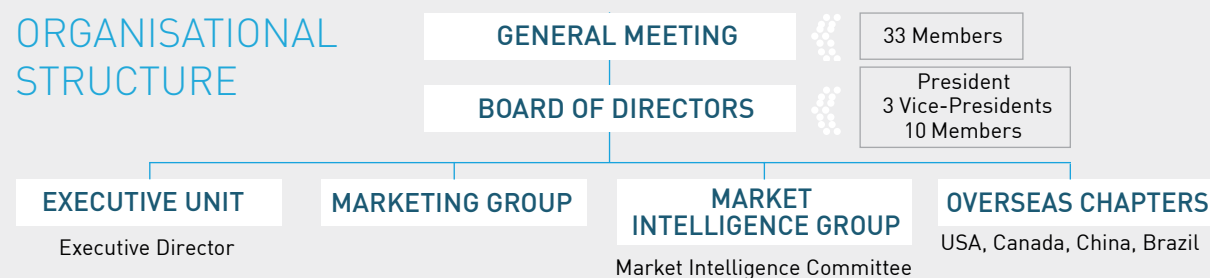


Maja Pak (Slovenia)



Héctor Gómez Hernández (Spain)

ORGANISATIONAL STRUCTURE



FULL MEMBERS

<p>Austria</p> <p>Austrian National Tourist Office (ANTO)</p>	<p>Belgium (Flanders)</p> <p>Visit Flanders</p>	<p>Belgium (Wallonia)</p> <p>Wallonie Belgique Tourisme (WBT)</p>	<p>Bulgaria</p> <p>Bulgarian Ministry of Tourism</p>	<p>Croatia</p> <p>Croatian National Tourist Board (CNTB)</p>
<p>Cyprus</p> <p>Republic of Cyprus, Deputy Ministry of Tourism</p>	<p>Czech Republic</p> <p>CzechTourism</p>	<p>Denmark</p> <p>VisitDenmark</p>	<p>Estonia</p> <p>Estonian Tourist Board - Enterprise Estonia</p>	<p>Finland</p> <p>Visit Finland - Finpro Ry</p>
<p>Germany</p> <p>German National Tourist Board (GNTB)</p>	<p>Greece</p> <p>Greek National Tourism Organisation (GNTO)</p>	<p>Hungary</p> <p>Hungarian Tourism Agency</p>	<p>Iceland</p> <p>Icelandic Tourist Board</p>	<p>Ireland</p> <p>Tourism Ireland</p>
<p>Ireland</p> <p>Fáilte Ireland</p>	<p>Italy</p> <p>Italian Government Tourism Board</p>	<p>Latvia</p> <p>Investment and Development Agency of Latvia (LIAA)</p>	<p>Lithuania</p> <p>Ministry of the Economy and Innovation of the Republic of Lithuania, Tourism Policy Division</p>	<p>Luxembourg</p> <p>Luxembourg for Tourism (LFT)</p>
<p>Malta</p> <p>Malta Tourism Authority (MTA)</p>	<p>Monaco</p> <p>Monaco Government Tourist and Convention Office</p>	<p>Montenegro</p> <p>National Tourism Organisation of Montenegro</p>	<p>The Netherlands</p> <p>NBTC Holland Marketing</p>	<p>Norway</p> <p>Innovation Norway</p>
<p>Poland</p> <p>Polish Tourism Organisation (PTO)</p>	<p>Portugal</p> <p>Turismo de Portugal</p>	<p>Romania</p> <p>Romanian Ministry of Tourism</p>	<p>San Marino</p> <p>State Office for Tourism</p>	<p>Serbia</p> <p>National Tourism Organization of Serbia (NTOS)</p>
<p>Slovakia</p> <p>Ministry of Transport and Construction of the Slovak Republic</p>	<p>Slovenia</p> <p>Slovenian Tourist Board</p>	<p>Spain</p> <p>Turespaña - Instituto de Turismo</p>	<p>Switzerland</p> <p>Switzerland Tourism</p>	

ASSOCIATE MEMBERS



