

## Tourism sector

The tourism sector had an excellent year in 2004. After three years of stagnant growth, there was a great increase (10%) in international tourist arrivals. In absolute terms the number of international tourist arrivals worldwide increased by 69 million (Europe 16 million; which represented a 4 % growth). Just before the end of 2004, the world was shocked by the sad news and images of the tsunami in the Indian Ocean. However, the tsunami did not seem to have a significant impact on world tourism as a whole (WTO, 2005).

### World's top 10 tourist destinations by international arrivals in 2004:

France, Spain, USA, China, Italy, UK, Hong Kong, Mexico, Germany, Austria

### World's top 10 tourist destinations by international receipts in 2004:

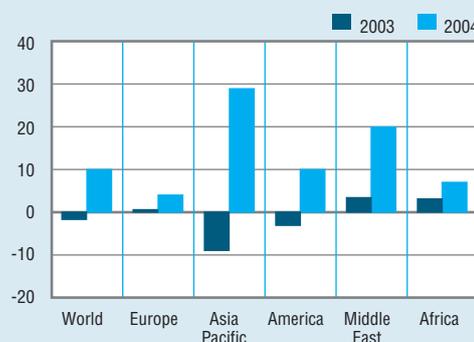
USA, Spain, France, Italy, Germany, UK, China, Turkey, Austria, Australia

Source: WTO, 2005

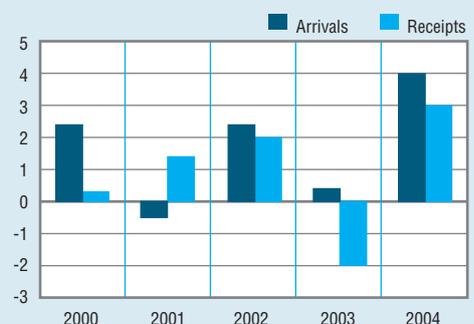
## Tourism is one of the most important growth sectors in the European economy

Tourism, one of the most important growth sectors in the European economy, represents almost 5 % of direct employment and produces close to 5 % of European GDP (ETC, 2004). The sector is expected to demonstrate stable growth in the next decades with the volume of European tourism doubling and sector employment rising by about 15 % (EC, 2001). The spin-off effects on other sectors of the economy should not be underestimated – stable growth in tourism can boost employment in other sectors which benefit from tourism indirectly.

Growth in international tourist arrivals by region, 2003 and 2004 (% change over previous year)



Growth in Europe's international arrivals and tourist receipts, 2000-2004 (%)



European tourism, however, is growing at a lower rate than world tourism on average. Tourism in the European Union is essentially driven by the demands of its citizens – it remains largely internal with 88.1 % of visitors coming from Europe (WTO, 2004a). To retain its position on global markets, the European tourism sector has to compete with other up-and-coming destinations around the world and attract worldwide travellers. This will not be possible without efficient human resource development policies and practices. The competitive advantage of European tourism on global markets in the long run cannot be based on the low cost of labour, and should rather focus on the quality, diversity and unique character of tourism services and travel experiences. The importance of skills and competences is obvious.

Contribution to European GDP in 2005 (estimated): 4.2 % directly (11.5 % indirectly).

Source: WTTC, 2004



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## 'Trends and skill needs in the tourism sector'

International workshop 29 and 30 April 2004, Halle (Saale), Germany

The two-day international workshop hosted a discussion on the latest trends and skill needs in the tourism sector. It was organised by the European Centre for the Development of Vocational Training (Cedefop) and its international network on early identification of skill needs, *Skillsnet*, the German Federal Ministry of Education and Research (BMBF), the Institute of Structural Policies and Economic Development (isw) and the Fraunhofer Institute for Industrial Engineering (Fraunhofer IAO). Participants discussed new trends and developing services in tourism and changing occupations and skill requirements in the sector.

### Tourism employment in the EU in 2005:

8.9 million jobs (indirectly 24 million),  
4.5 % of total employment (indirectly 12.1 %).

Source: WTTC, 2004

### Human resources in the tourism sector

The tourism sector suffers from low pay, very high demand for staff flexibility and mobility, high staff turnover, high share of informal employment arrangements and persistent skill

shortages. Additionally, the sector has a highly seasonal character and is vulnerable to external political and economic factors. Over 95 % of companies employ fewer than 10 people (ETC, 2004) and the sector is practically non-unionised. Sectoral employment in such conditions is insecure.

At the same time, qualifications in the tourism sector are appreciated by other sectors because of many transversal skills in demand across occupations. Many qualified people leave the tourism sector and young school leavers do not wish to enter the sector preferring more stable and better paid jobs outside tourism. Recruitment practices often demonstrate preference for low skilled workers (normally cheaper) over qualified personnel. Conversely, qualifications from other sectors are easily exercisable in tourism.

**Our guests in 2002:**

Europe 88.1 %, America 5.8 %, Asia-Pacific 3.7 %, Africa and Middle East 1.0 %.

Source: ETC, 2004

► **Trends which determinate skill needs in the tourism sector**

Development of the sector is mainly shaped by social trends such as changes in leisure time preferences, increased individualisation, demographic shift and raised health awareness. Demographic developments offer new challenges since the number of older people is increasing creating a big target group. The needs of people with disabilities and restricted mobility are not well reflected in the present model of tourism services supply. Further, expanding new technologies alter the supply of services since the Internet has changed distribution and sales practices. Consumers are more informed, conscious of their needs and desires, and hence are more demanding. Traditional models of tourism have been succeeded by new concepts: wellness tourism, increase of individualised services, easy access for all, demand for authentic and memorable experiences.

**World's top 10 tourism spenders in 2003:**

Germany, USA, UK, Japan, France, Italy, China, Netherlands, Canada, Russian Federation.

Source: WTO, 2004b

► **Skill requirements and skill gaps**

The knowledge and skills required become highly interdisciplinary. Multiskilling and new hybrid occupations reflect the trend of the demand for new types of tourism products and services (more complex and sophisticated) and the growing demand for functional flexibility of the

labour force. In some cases the trend is the opposite: e.g. fast food chains require standardised skills with little room for creativity and manoeuvre. In terms of specific skill requirements, personal and social skills are most sought after across all countries. Apart from interpersonal communication, a capacity to learn and work independently are gaining in importance. Knowledge of foreign languages and specific knowledge and skills linked to technological innovation and information technologies penetration to the sector are often listed as lacking.

► **New and emerging occupations in tourism**

New social trends generate new occupations. For example, tourism for the disabled and those with restricted mobility has become important. Serious knowledge of healthcare (both treatment and prevention) and traditional knowledge of hospitality and culture is required at the same time. Alternative medicine and age management have become popular and specialist services are expected to be offered. Food and beverages staff need to be trained on dietary options. Wider use of ICTs implies incorporating ICT skills into various occupations.

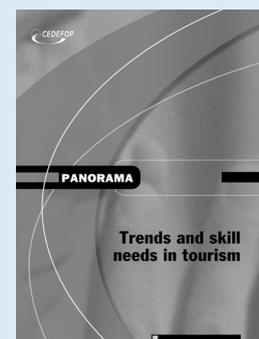
The points discussed in the workshop highlight the following conclusion: the tourism sector can offer unique growth potential to an economy but it is necessary to adapt to new demands, challenges and market needs. It was also stressed that social dialogue for the skill requirements in the tourism sector should be reinforced.

► **References**

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**International network on early identification of skill needs**

The international network Skillsnet, established in 2004 by Cedefop, focuses on the early identification of skill needs in Europe and beyond, and attempts to detect, anticipate and monitor new and changing skill needs in both the economy and society. Skillsnet brings together highly qualified researchers, policy-makers, practitioners and social partners to present and discuss outcomes and methods of research and analysis. Particular attention is paid to skill needs in regions, sectors, companies and occupations and among specific target groups. Skillsnet aims to foster cooperation and exchanges between countries on methods and results of research and particularly transferring findings into policy and practice. Regular activities include thematic workshops and conferences organised by Cedefop and partner institutions in the network and publication of the proceedings.



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The publication can be downloaded from the Skillsnet website [[www.trainingvillage.gr/etv/projects\\_networks](http://www.trainingvillage.gr/etv/projects_networks)] or ordered online [[www2.trainingvillage.gr/etv/publication/orderform/form.asp?pub\\_id=413](http://www2.trainingvillage.gr/etv/publication/orderform/form.asp?pub_id=413)]



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