

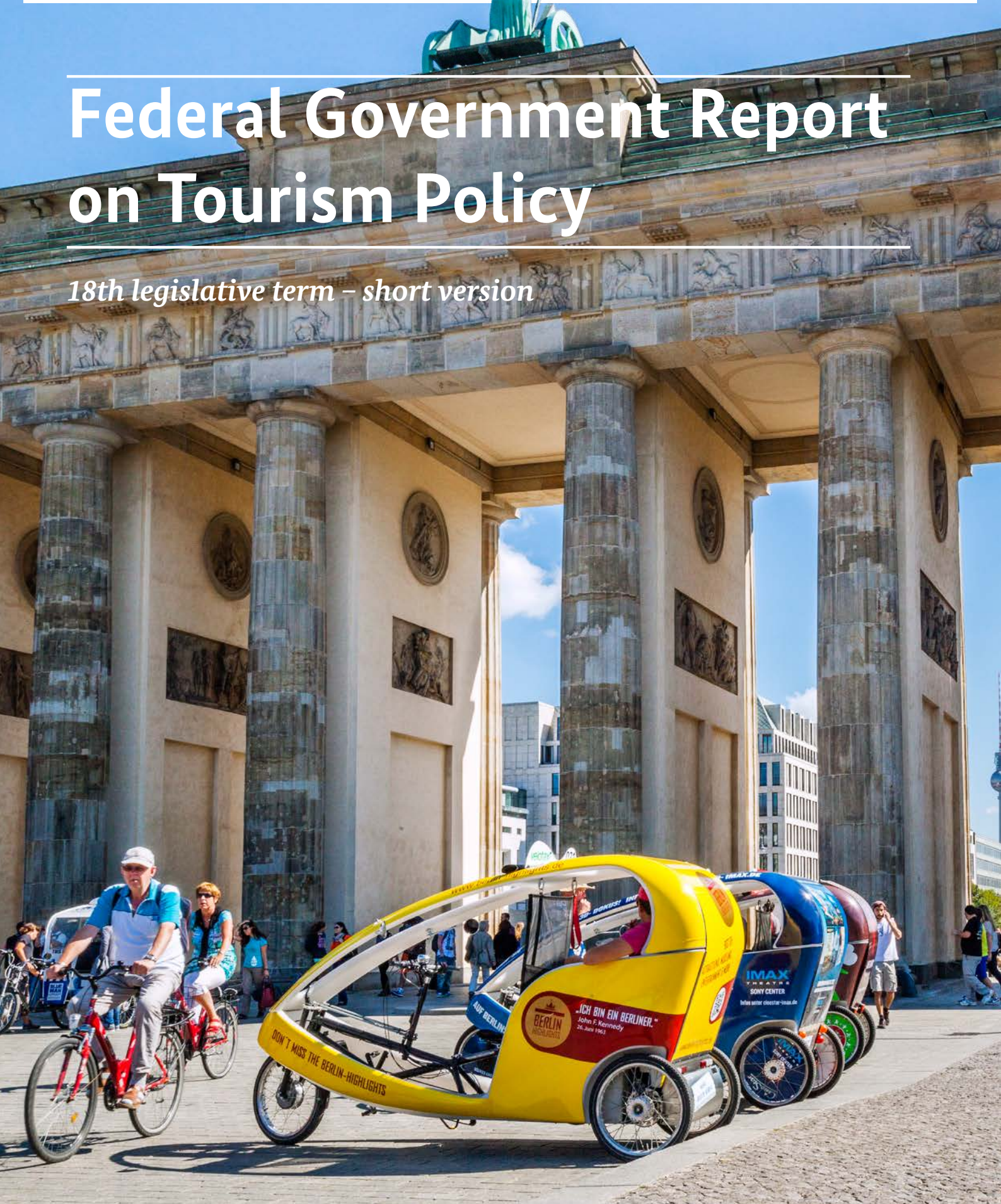


Federal Ministry  
for Economic Affairs  
and Energy



# Federal Government Report on Tourism Policy

*18th legislative term – short version*



## Imprint

### **Publisher**

Federal Ministry for Economic Affairs  
and Energy (BMWi)  
Public Relations  
11019 Berlin, Germany  
[www.bmwi.de](http://www.bmwi.de)

This English publication constitutes an abridged  
version of the Federal Government Report on  
Tourism Policy. The complete version is only  
available in German.

### **Design and production**

PRpetuum GmbH, Munich

### **Status**

March 2017

### **Print**

MKL Druck GmbH & Co. KG, Ostbevern

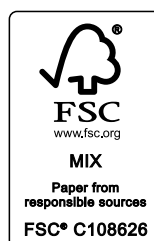
### **Illustrations**

Manfred Gottschalk/Gettyimages (title),  
vladans/cevahir87/Fotolia (p. 4-5),  
Kerrick (p. 24), BMWi/Stefan Müller (p. 27)

This brochure is published as part of the public relations  
work of the Federal Ministry for Economic Affairs and Energy.  
It is distributed free of charge and is not intended for sale.  
The distribution of this brochure at campaign events or at  
information stands run by political parties is prohibited,  
and political party-related information or advertising shall  
not be inserted in, printed on, or affixed to this publication.



The Federal Ministry for Economic Affairs and  
Energy was awarded the audit berufundfamilie®  
for its family-friendly staff policy. The certificate  
is granted by berufundfamilie gGmbH, an initia-  
tive of the Hertie Foundation.



**This publication as well as further publications  
can be obtained from:**

Federal Ministry for Economic Affairs  
and Energy (BMWi)  
Public Relations

E-mail: [publikationen@bundesregierung.de](mailto:publikationen@bundesregierung.de)  
[www.bmwi.de](http://www.bmwi.de)

**Central procurement service:**

Tel.: +49 30 182722721

Fax: +49 30 18102722721





Federal Ministry  
for Economic Affairs  
and Energy

---

# Federal Government Report on Tourism Policy

---

*18th legislative term – short version*

# Contents

<b>Part I – Opportunities and challenges for Germany as a tourist destination</b>	<b>5</b>
1. Tourism – a successful and dynamic business sector	6
1.1 Tourism as an economic factor	6
1.2 Growth of tourism in Germany	7
a. Growth of domestic tourism	7
aa. Domestic demand in tourism	7
ab. Day trips	10
ac. Travel motives and booking activity	11
ad. Business trips taken by Germans	11
b. Trends in inbound tourism	12
c. Trends in outbound tourism	16
d. Tourism in Germany in the competitive market	17
2. Tourism in times of increased security concerns	19
3. Tourism – a culture of welcome in action	20
4. Employment and training in the tourism industry	20
5. Digitalization in tourism	21
6. Inclusion and balanced regional development	21
7. Sustainable and responsible travel	22
<b>Part II – Protagonists and organizations of tourism policy at the federal level</b>	<b>24</b>
1. Tourism policy at the federal level	25
2. The Federal Tourism Commissioner	25
3. The Tourism Committee of the Bundestag	25
4. Advisory Council for Tourism Matters at the Federal Ministry for Economic Affairs and Energy (BMWi)	25
5. The German National Tourist Board	26
<b>Part III – Tourism policy in the Federal Ministry for Economic Affairs and Energy (BMWi)</b>	<b>27</b>
1. Framework for tourism	28
2. Enhancing competitiveness of the tourism industry	32
2.1 Tourism for All	32
2.2 Tourism Prospects in Rural Areas	32
2.3 Cultural Tourism in Rural Areas	33
2.4 Analysis of the Labor Market and Skilled Workers in the Tourism Industry	34
2.5 Project: Tourism for Children and Young People	34
2.6 German Day-Trippers	35
2.7 Tourism Competence Center	35
2.8 Study: Tourism as an Economic Factor in Germany	36
2.9 Event: Twenty-five Years after the Fall of the Berlin Wall	36
2.10 Special marketing campaign of the German National Tourist Board	36
2.11 Study on the Sharing Economy	37
2.12 Check-in Energy Efficiency	37
2.13 Study on the Economic Relevance of the Film Industry in Germany	37
3. Promoting Germany as a travel destination – the German National Tourist Board's global marketing	38
4. Education and training in the tourism industry	40
5. Regional tourism policy	42
6. Protecting children from sexual exploitation in tourism	44

7. European and international collaboration on tourism policy.....	45
7.1 European tourism policy.....	45
7.2 EU structural policy.....	45
7.3 Bilateral cooperation.....	46
7.4 Tourism policy collaboration with the OECD.....	47
7.5 Tourism policy collaboration with the UNWTO .....	47
7.6 Tourism policy collaboration with the T20.....	48





# Part I

## Opportunities and challenges for Germany as a tourist destination



## 1. Tourism – a successful and dynamic business sector

There can be no doubt – tourism in Germany is a success story. Economic growth and growing mobility of large sections of the population in many countries of the globe have contributed to this success in recent years. The summer fairytale of 2006, when the soccer World Cup in Germany was “a time to make friends”, also contributed extensively to the country’s positive image in the world. However, German government policies that provide a solid regulatory environment for small and medium-sized enterprises (SMEs) and, where necessary, specifically targeted support have also been beneficial.

Currently, tourism is facing new challenges. In the first half of the reporting period, the focus was on digitalization, the emergence of the sharing economy, and ensuring that sufficient trained workers were available. Since 2015, the priorities have shifted significantly, also in tourism policy. In recent years, terror attacks, war and displacement have left their mark on global events, also affecting Europe and Germany. Security is taking on new meaning. At the same time, the challenges of the refugee situation are evident everywhere.

In times where the headlines are full of violence and extremism, we should keep in mind how tourism contributes to peace and global understanding. Nationalism and xenophobia seem to flourish wherever the population has relatively little exposure to other peoples and cultures. Travel literally widens our horizons and enables us to see cultural diversity as enriching our lives, not as a threat. This notion must be upheld, especially in times when the tendency toward barriers and isolationism is gaining strength.

Tourism, like no other sector, throws a positive and friendly light on our country. Being good hosts at home as well as receptive and willing to experience new things abroad is a hallmark of tourism in our country, and fosters friendly relations with other countries and their populations.

And, the converse is also true – tourism profits from an open society. Right-wing populism and hostility towards foreigners are incompatible with the welcoming attitude that is the essence of tourism. The socio-political consequences of a hostile attitude can inflict lasting damage on the economic growth that tourism provides to some regions.

At the domestic level, tourism raises the profile of cities and regions, making them more attractive. It helps preserve cultural institutions and infrastructure, even in areas outside of the cities. Balanced development benefits not only Germany’s economy as a whole, but also the quality of life of its residents.

Countries all over the globe are dependent on tourism. The economic consequences of a drop in number of tourists is evident in countries such as Egypt and Tunisia. By providing income and employment opportunities, especially for young people, tourism also has an important stabilizing function.

The significance of tourism for global sustainable development was emphasized in the 2030 Agenda adopted in 2015 by the UN Sustainable Development Summit. Its Sustainable Development Goals (SDGs) for ensuring sustainable development on an economic, social and ecological level also include strengthening sustainable tourism. According to the UNWTO, the World Tourism Organization, sustainable tourism contributes to current and future economic, social and ecological trends and takes into account the needs of travelers, industry and the environment, as well as the local population.

### 1.1 Tourism as an economic factor

The economic importance of the tourism industry is frequently underestimated. In Germany, tourism is a lucrative industry that provides numerous employment opportunities. It generates direct gross value added (GVA) of nearly €100 billion, the equivalent of 4.4% of the entire German GVA. 2.9 million individuals are directly employed in this economic sector.

In addition, tourism brings positive growth impetus to its many high-performing and competitive SMEs – an effect that also reaches other sectors, such as transport, trade and rural development. Finally, the tourism value-added chain provides additional opportunities for SMEs. This includes the craft sector, agriculture, environmental technology, the construction industry, and automobile and airplane manufacturing.

If we factor in domestic upstream providers (indirect effect) and the value added generated by spending this income (induced effect), gross value added and employment arrive at total value-added of €214.1 billion attributable to the tourism industry. This corresponds to 9.7% of total gross



value added generated by the German economy. Furthermore, if we also factor in the indirect and induced effects, the total employment figures reach 4.9 million, or 12 % of total employment in Germany.

The statistics currently available are drawn from the study *Tourism as an Economic Factor in Germany* (Wirtschaftsfaktor Tourismus Deutschland), commissioned by the Federal Ministry for Economic Affairs and Energy (BMWi) in 2012. In order to create a more reliable foundation for defining the government's tourism policy – particularly with a view to improving basic business conditions for SMEs – the BMWi has requested a new version of this study. The results were not available before this Federal Government Report on Tourism Policy for the 18th legislative period was completed (please also refer to Part III, Chapter 2.8: Tourism as an Economic Factor in Germany).

## 1.2 Growth of tourism in Germany

Since reunification, German tourism has registered respectable successes: overnight stays have increased by 32% since 1993, according to the Federal Statistics Office. In particular, since the mid-2000s, the number of overnight stays has continually increased. Only in 2009 was there a small drop due to the global economic crisis (see Figure 1).

### a. Growth of domestic tourism

#### aa. Domestic demand in tourism

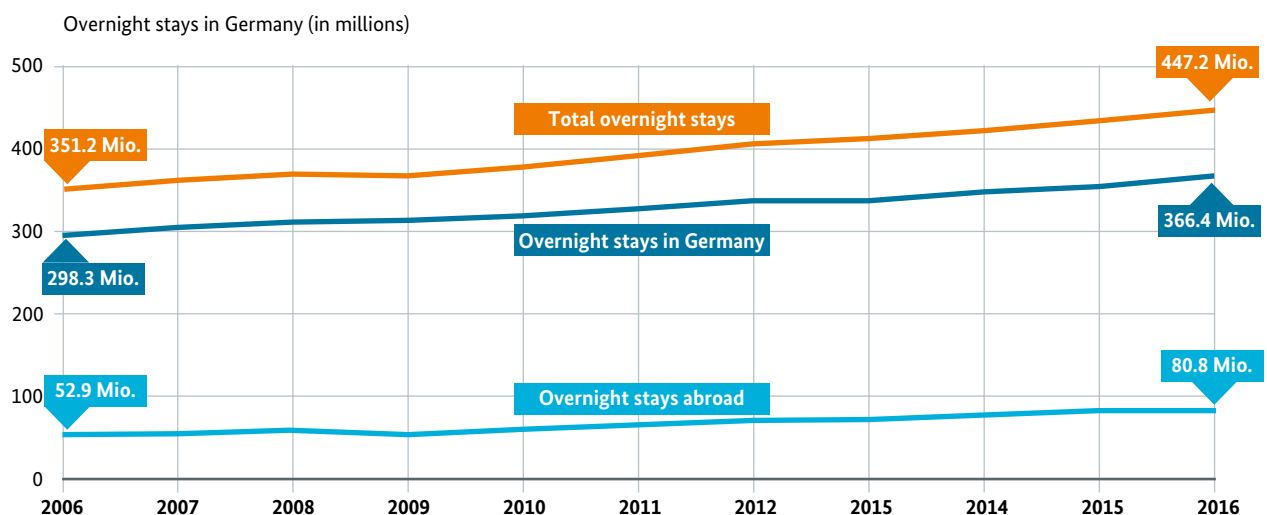
The German tourism industry registered 11 million more overnight stays in 2016 than in 2015 (inbound and domestic tourism), a rate of growth of 2.5%. Accommodation establishments in Germany with at least 10 beds registered 447 million overnight stays (including camping) in almost 50,800 businesses providing approximately 3.57 million beds – a new record.

Domestic tourism plays a major role in this, with a market share of 82%. Since 2012, when the comparable figure was 83%, there have been only slight shifts in demand. In 2016, 366.4 million overnight stays were attributable to domestic visitors (+2.8% year over year), and 80.8 million (+1.4%) to international visitors. Accordingly, the growth trend in overnight stays from domestic visitors in Germany continued for the 11th year in a row (see Figure 2).

#### Trends in the individual German Länder

Whereas Germany as a whole has seen significant annual growth in visitors from Germany and abroad – largely driven by the boom in city tourism – the German Länder registered diverse trends:

**Figure 1: Overall demand in the German tourism industry**



Source: German Federal Statistics Office

- More dynamic than the German average (2016: +8.3 % compared with 2012), domestic overnight stays during the same period also increased in the city-states, as well as in Saarland (+25.9%, by expanding its capacity and opening a vacation park), Schleswig-Holstein (+14.5 %), Brandenburg (+11.5 %) and Mecklenburg-Western Pomerania (8.3 %). Below-average trends were noted during the same period in overnight stays in Thuringia (+0.6 %) and Saxony (+1.9 %).
- Differences between the Länder also included the market share of domestic overnight stays. Whereas in Mecklenburg-Western Pomerania the number of German visitors was the highest, at 96.6 %, this group constituted only 54 % of the guests in Berlin – due to the popularity of the German capital with foreign tourists (see Figure 3).

#### Duration of stay

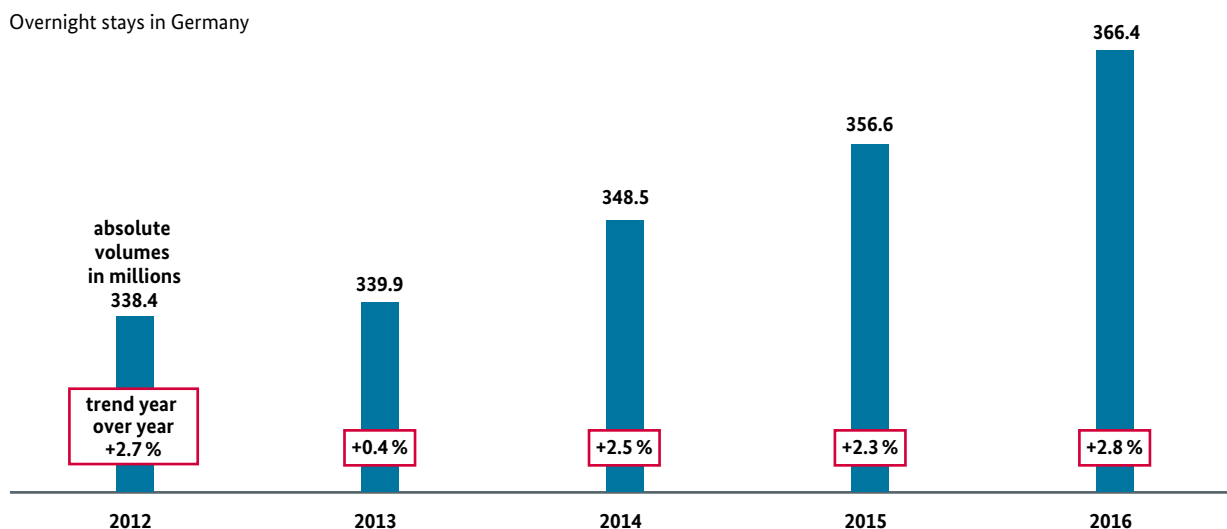
The duration of stays in Germany has gone down slightly since 2012. Whereas, in 2012, German guests stayed for an average of 2.8 days, five years later this number was only 2.7 days. This is the continuation of a long-term trend (1993: 3.8 days), reflecting the increased attractiveness of short-stays and weekend trips, as well as the boom in urban tourism.

#### Regional distribution of domestic tourism

In the period 2012 – 2015 alone, the number of domestic overnight stays in large German cities (municipalities with more than 100,000 residents) grew by 14.8 %, indicating a trend toward city tourism. Municipalities with between 10,000 and 100,000 residents exhibited slight growth (5.9 %) in the same period. Somewhat stronger growth was seen in municipalities with less than 10,000 residents (+6.5 % over 2012). This group includes, in particular, classic tourist destinations (see Figure 3).

Beyond the municipal size categories – which really only provide information on city tourism – the type of destination is important from the perspective of the tourism industry and travelers. In addition to the boom in city tourism there has for years been a definite trend toward water destinations (coastal and lake areas). On the other hand, demand for the classic hiking and winter sport destinations (Central Uplands and the Alps) has been relatively stable. In a time of ever-stronger competition for tourists, rural areas outside of these destination categories face the challenge of even registering on the map. To this end, these areas must define a clear focus on travel topics and target groups.

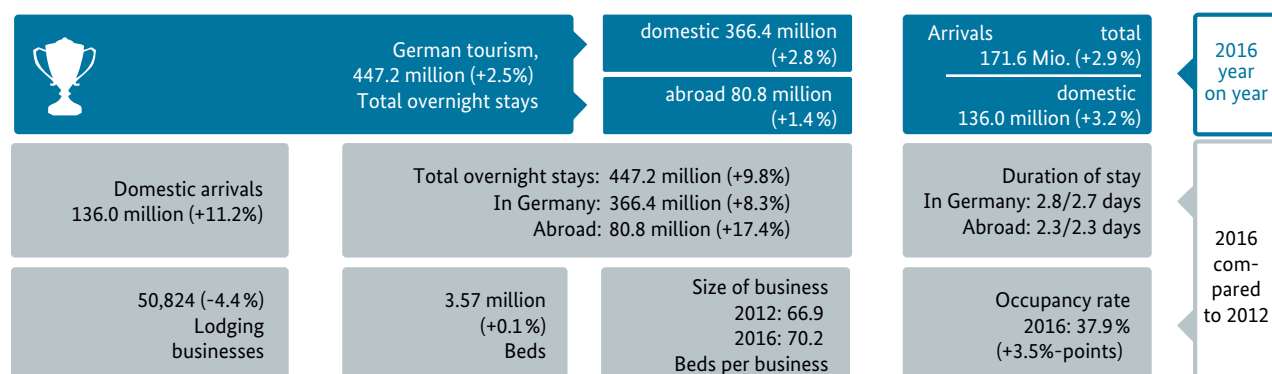
**Figure 2: Overnight stays of domestic visitors in Germany**



Source: German Federal Statistics Office



Figure 3: Overnight tourism in Germany

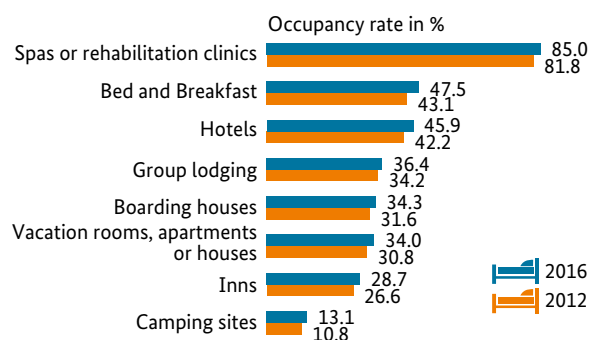


#### Business overnight stays of German guests lodging businesses with 10 or more beds, broken down by Länder

	Germans in 2016 in millions	2016 compared to previous year 2012	
Germany	366.4	+2.8%	+8.3%
Hamburg	10.1	+5.5%	+21.9%
Schleswig-Holstein	26.3	+4.6%	+14.5%
Bavaria	73.3	+3.9%	+6.6%
Lower Saxony	39.1	+3.8%	+7.1%
Baden-Wuerttemberg	40.8	+3.0%	+6.8%
Brandenburg	11.9	+3.0%	+11.5%
Mecklenburg-Western Pomerania	29.3	+2.9%	+8.3%
Saxony-Anhalt	7.2	+2.5%	+6.1%
Bremen	1.9	+2.3%	+26.6%
Berlin	16.9	+1.7%	+18.0%
North Rhine-Westphalia	39.2	+1.6%	+8.2%
Saarland	2.6	+1.4%	+25.9%
Rhineland-Palatinate	16.6	+1.2%	+5.2%
Hesse	25.3	+1.0%	+6.6%
Saxony	16.9	+0.2%	+1.9%
Thuringia	9.2	-0.2%	+0.6%

#### Business overnight stays of German guests lodging businesses with 10 or more beds, broken down by type of lodging

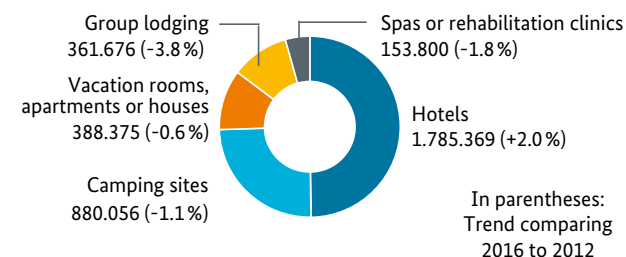
	Germans in 2016 in millions	2016 compared to previous year 2012	
Camping sites	26.2	+5.4%	+19.4%
Vacation rooms, apartments or houses	39.4	+4.6%	+9.7%
Bed and Breakfast	47.1	+4.0%	+16.7%
Hotels	138.4	+3.3%	+10.1%
Inns	15.9	+1.6%	-1.5%
Boarding houses	12.4	+1.1%	+0.1%
Group lodging	40.1	+0.1%	+0.2%
Spas or rehabilitation clinics	47.2	+0.3%	+2.2%



#### Business overnight stays of German guests lodging businesses with 10 or more beds, broken down by community size

Communities of	2016 compared to 2015	Trend 2016 compared to 2012
< 10.000 residents	+2.3%	+6.5%
10.000 – 100.000 residents	+3.4%	+5.9%
> 100.000 residents	+2.7%	+14.8%

#### Capacity broken down by type of business in 2016 (beds available in lodging businesses with 10 or more beds)



### Accommodation types

All types of accommodation in Germany achieved positive results in 2016 with regard to domestic visitors:

- Vacation centers and vacation homes and apartments were among the growth drivers in the domestic market in 2016 (collectively, an increase of 4.6% year over year, and 9.7% over 2012). With 39.4 million overnight stays of German residents, this accommodation segment has reached an overall market share in Germany of 11 %.
- Growth segments also include campgrounds, with growth in demand of 19.4% since 2012.
- Hotels (+10.1% overnight stays between 2012 and 2016) and bed and breakfast establishments (+16.7% for the same period) are the market indicators in the German tourism industry, by virtue of their volume. A little more than 50% of overnight stays are now booked at hotels (or bed and breakfast establishments) (see Figure 3).

### ab. Day trips

In addition to overnight stays, day trips are a mainstay of the tourism industry. Day trip tourism is even more significant in some areas than overnight stays, from a quantitative and economic point of view. The most recent national data available is from 2013. At that time, the number of day trips taken by Germans was 2.84 billion, generating gross revenue of €79.0 billion.

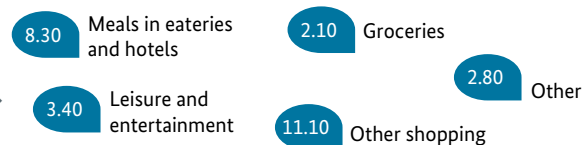
- The main reason for non-commercial day trips was to visit relatives, acquaintances and friends (approximately one-third). Then came shopping, active tourism, visiting tourist attractions or recreational facilities, driving to the countryside, and events (between 10% and 14% for each).
- An excursion, even a business trip, often entails considerable expenditures. Travelers on day trips in Germany expend an average of €27.70 on goods and services. The largest amount of revenue is attributable to purchases

**Figure 4: Day tourism in Germany**

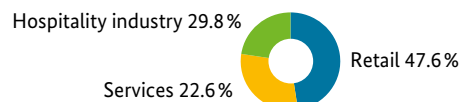
#### Day trips broken down by Länder

	Day trips in millions	Expenditures per day and person
<b>Germany</b>	<b>2,844.8</b>	<b>27.7 €</b>
North Rhine-Westphalia	574.1	28.4 €
Bavaria	451.0	29.0 €
Baden-Wuerttemberg	376.0	26.1 €
Lower Saxony	253.6	27.1 €
Hesse	226.9	28.3 €
Rhineland-Palatinate	165.9	26.4 €
Saxony	149.4	26.7 €
Schleswig-Holstein	108.8	24.1 €
Berlin	105.7	32.0 €
Brandenburg	92.2	24.2 €
Hamburg	86.2	38.3 €
Mecklenburg-Western Pomerania	66.2	25.0 €
Thuringia	64.7	23.1 €
Saxony-Anhalt	58.8	23.8 €
Bremen	37.6	33.1 €
Saarland	27.7	27.9 €

#### Breakdown of spending by day tourists in euro



#### Sectors benefiting from day trippers



#### Breakdown of day trips according to main motivation

	Percent	No. of day trips in millions
Visiting acquaintances, relatives and friends	31.4	763.0
Shopping	13.5	327.7
Special activity	12.4	302.8
Places of interest, attractions	12.1	293.5
Driving trip or trip to the country	11.4	276.5
Special event	10.4	254.2
Dining out/restaurant	6.8	164.8
Organized travel	2.0	49.2
<b>Total day trips</b>	<b>100.0</b>	<b>2,431.7</b>

Source: Data BMWi/ dwif 2013, Tagesreisen der Deutschen (Day trips made by Germans)



(other goods, not including foodstuffs: approximately 40%) and meals (approximately 30%). The expenditures are related to how populated the area is, the purchasing power and other socioeconomic factors. In rural areas, day guests spend an average of €19, whereas in small and mid-size towns, they spend €24 per capita and day, and in large cities, almost €35 (see Figure 4).

### ac. Travel motives and booking activity

The Quality Monitor Survey of the German Tourism Industry (Qualitätsmonitor Deutschland-Tourismus) conducted by dwif is a nation-wide survey of travelers that provides insights into the most important criteria used by travelers for decisions regarding travel in Germany. In the period 2015/2016 there were significant shifts compared with 2011/2012. Most important to German travelers are still landscape and the outdoors (42%), but this number has dropped somewhat. On the other hand, the possibilities for recreation (39%) and related specific tourist offerings have gained in importance.

Retaining a firm position at the head of the list of types of vacation for domestic visitors is also recreational vacation, followed by city tours and outdoor vacations. At the same time, recreational vacation and likewise family, health, culture or active vacations have become more important in 2015/2016 than in the previous report (2011/2012). The fre-

quent mention of several types of vacation is, in and of itself, an indication of an increasing preference of travelers for more than one option (see Figure 5).

- Fifteen percent of vacation trips made by Germans in Germany in the 2015/2016 period were group travel, a doubling of the figure for the previous period. Half of German travelers also booked their accommodation directly with the accommodation establishments concerned (53%). However, Internet travel portals and booking platforms are becoming increasingly popular and are used by 22% of travelers (2011/2012: 14%).
- There were significant changes in the methods used to book vacations in Germany: domestic travelers now book primarily online and (still) by telephone, although the latter is clearly declining in use (see Figure 6).

### ad. Business trips taken by Germans

The German Business Travel Association (Verband Deutsches Reisemanagement e.V.: VDR) defines business trips as “any business-related travel recorded separately in travel expense accounting.” The VDR business travel analysis for 2016 indicated a volume of business travel in and outside of Germany of 182.7 million trips (+9.9% over 2012). Total business travel expenditure in 2015 was €50.1 billion, up 9.0% over 2012. In this segment, too, the methods used for

**Figure 5: Rationale for decisions regarding travel destination and type (German travelers)**

#### Top 10 reasons for deciding on the destination

Question: *Why did you decide to travel to this region?*  
Several answers possible

	2015/2016	2011/2012
Landscape and nature	42%	55%
Opportunities for recreation	39%	38%
Fresh air, healthy climate	29%	40%
Peace and quiet	24%	30%
Past experience has been positive	21%	37%
Points of interest	19%	29%
Good atmosphere, flair	17%	31%
Diverse and high-quality options for activities	17%	24%
Cityscape, architecture	15%	25%
Health options	15%	16%

#### Top 10 types of vacation

Question: *What type of vacation are you taking now?*  
Several answers possible

	2015/2016	2011/2012
Recreation and relaxation	43%	35%
City tour	23%	26%
Vacation in the country	20%	19%
Family vacation	18%	14%
Spa, health vacation	17%	14%
Cultural vacation	15%	13%
Active vacation with exercise and sports	13%	8%
Sightseeing	11%	12%
Wellness or beauty vacation	11%	6%
Swimming or vacation at the ocean	9%	8%

Source: dwif, Quality Monitor Survey of the German Tourism Industry 2011/2012 and 2015/2016

reservations are changing: business travelers are increasingly using company travel services or doing their own booking online. Hardly any bookings are now made by telephone.

The German event market comprises around 7,200 facilities, including conference hotels, event centers and locations, according to the Meeting and Event Barometer 2016<sup>1</sup>. In 2015, approximately 3.1 million events took place (+3.1% over 2012) with 393 million participants (+8.6% over 2012), with 92.9% of the latter being Germans (2012: 93.9%).

### b. Trends in inbound tourism

Inbound tourism (tourism of non-resident visitors within Germany) demonstrated particularly dynamic growth during the 18th legislative period. The growth rates compared with the respective previous year were 4.5 % for 2013, 5.1 % for 2014 and 5.4 % for 2015. In 2016 this process slowed down, as was to be expected, yet showed growth of a slight 1.4%. Accordingly, the volume of inbound tourism achieved its seventh straight record, with over 80 million overnight stays by foreign visitors in 2016 (see Figure 7).

The most important source of inbound tourism to Germany in the reporting period was once again Europe. The ratio of

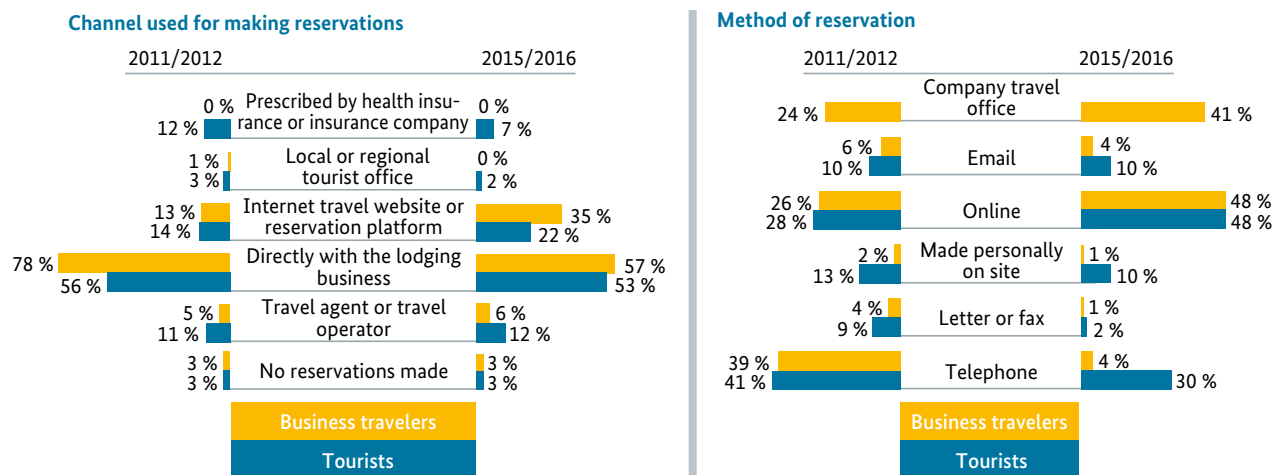
European guests to the total overnight stays of foreign tourists is consistently about three-fourths (see Figure 8).

The importance of the European market as a source of tourists is also reflected in the 10 most important countries of origin for foreign tourists in Germany. The Netherlands is by far the most important source market for inbound tourism, with continually increasing rates. Significant growth in guests from Switzerland, the second largest inbound market, reflect the decoupling of the Swiss franc from the euro and the resulting exchange rate advantage for tourists. The USA – the most important overseas market – and the UK rank fairly equally.

Numbers 5 to 9 (little changed since the previous report) are Austria, Italy, France, Denmark and Belgium, in that order. Russia made it to the top 10 in 2012, with high growth rates since 2009, but lost this position again in 2014. Spain returned to the top 10 with double-digit growth rates. Catching up to the top contenders are Poland, China and the Arab Gulf states, whose double-digit growth rates between 2013 and 2015 made a good contribution to inbound tourist traffic (see Figure 9).

Income from inbound tourism continues to increase the balance of payments in Germany. Since 2010, income from

**Figure 6: Methods and channels used by German travelers to make reservations**



Source: dwif, Quality Monitor Survey of the German Tourism Industry 2011/2012 and 2015/2016

<sup>1</sup> Published by the European Association of Event Centres (EVVC), the German Convention Bureau e.V. (GCB), the German National Tourist Board (GNTB) and the European Institute for Events (Europäisches Institut für Tagungswirtschaft GmbH: EITW)



inbound tourism has grown by 29%, from €26.2 billion to €33.7 billion (see Figure 10).

More than half of travel from Europe to Germany is vacation travel, with a share in inbound tourism in the past seven years that has grown by 38%, much more strongly than the business travel market (+20%) (see Figure 11).

A high share of all European travelers to Germany (41%) visit the cities, and almost 20% discover the country by taking multi-stop tours (see Figure 12).

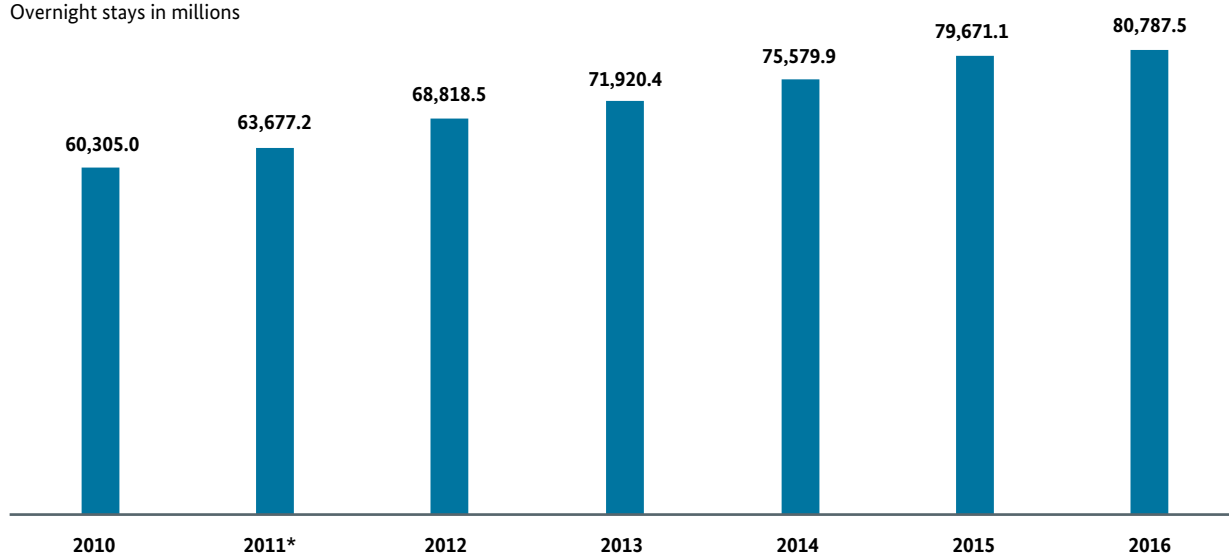
In 2016, 45.1 million foreign visitors made overnight stays in German cities with a population of more than 100,000, equivalent to 56% of overall inbound tourism.

International visitors made 18.6 million overnight stays (23% of total overnight volume) in small and mid-size cities (population 10,000 to 100,000) and 17.1 million overnight stays (21%) in rural areas (population under 10,000) (see Figure 13).

The order of the Länder in their popularity as a destination for international tourists was almost unchanged. Bavaria maintained its leading position in 2016 with 17.5 million

**Figure 7: Trend in overnight stays of foreign visitors in German accommodations since 2010**

Overnight stays in millions



\*since 2011: overnight stays in accommodations with 10 or more beds or campgrounds with 10 or more sites

Source: German Federal Statistics Office

**Figure 8: Overnight stays of foreign tourists in Germany in 2016**

Rank	Continent	in millions	Percentage
1	Europe	59.58	73.7
2	Asia	9.96	12.3
3	North and South America	8.04	9.9
4	Australia, Oceania	0.88	1.1
5	Africa	0.72	0.9
	not specified	1.60	2.0

Source: German Federal Statistics Office, overnight stays in accommodations with 10 or more beds or campgrounds with 10 or more sites

**Figure 9: Top 10 countries of origin for foreign tourists in Germany 2013 – 2016**

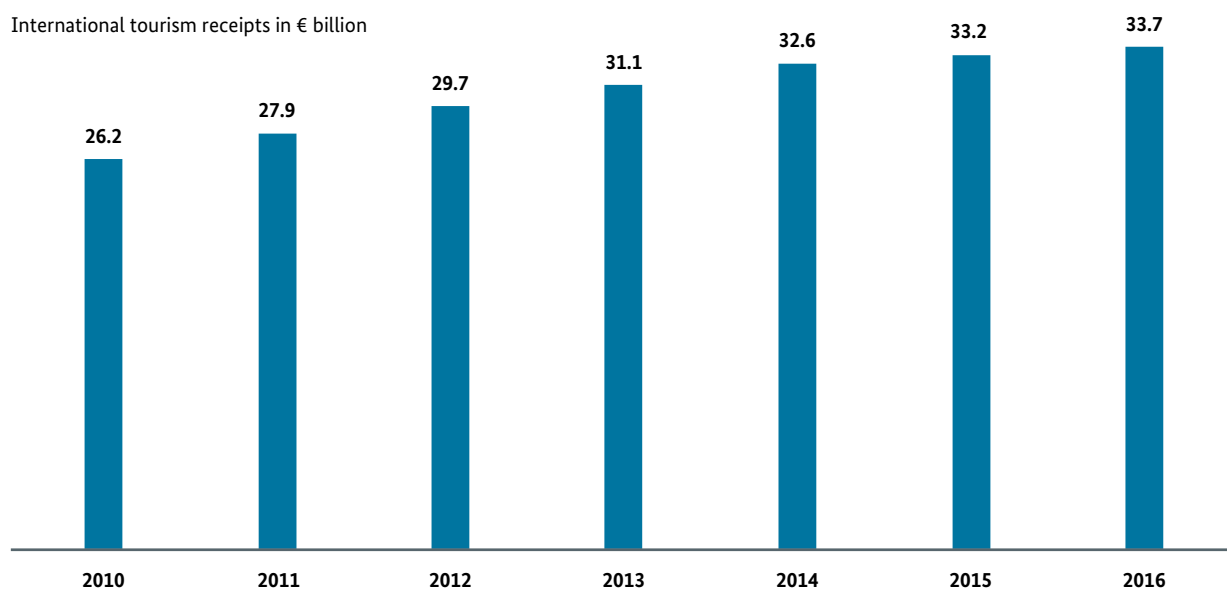
Rank	Country of origin	2013	2014	2015	2016
in millions					
Overnight stays of foreign tourists in Germany		71.9	75.6	79.7	80.8
these tourists came from:					
1	Netherlands	10.8	11.0	11.2	11.3
2	Switzerland	5.5	5.9	6.4	6.6
3	USA	4.9	5.2	5.6	5.7
4	UK	4.9	5.2	5.5	5.6
5	Austria	3.4	3.6	3.7	3.7
6	Italy	3.5	3.7	3.8	3.7
7	France	3.1	3.2	3.3	3.4
8	Denmark	3.0	3.1	3.3	3.3
9	Belgium	2.9	3.0	3.0	3.2
10	Spain	2.0	2.1	2.7	2.8

Source: German Federal Statistics Office, overnight stays in accommodations with 10 or more beds or campgrounds with 10 or more sites, ranking of source markets according to 2016 data

**Figure 10: Development of international tourism receipts 2010 – 2016**

Trend 2010 – 2016: +29 %

International tourism receipts in € billion

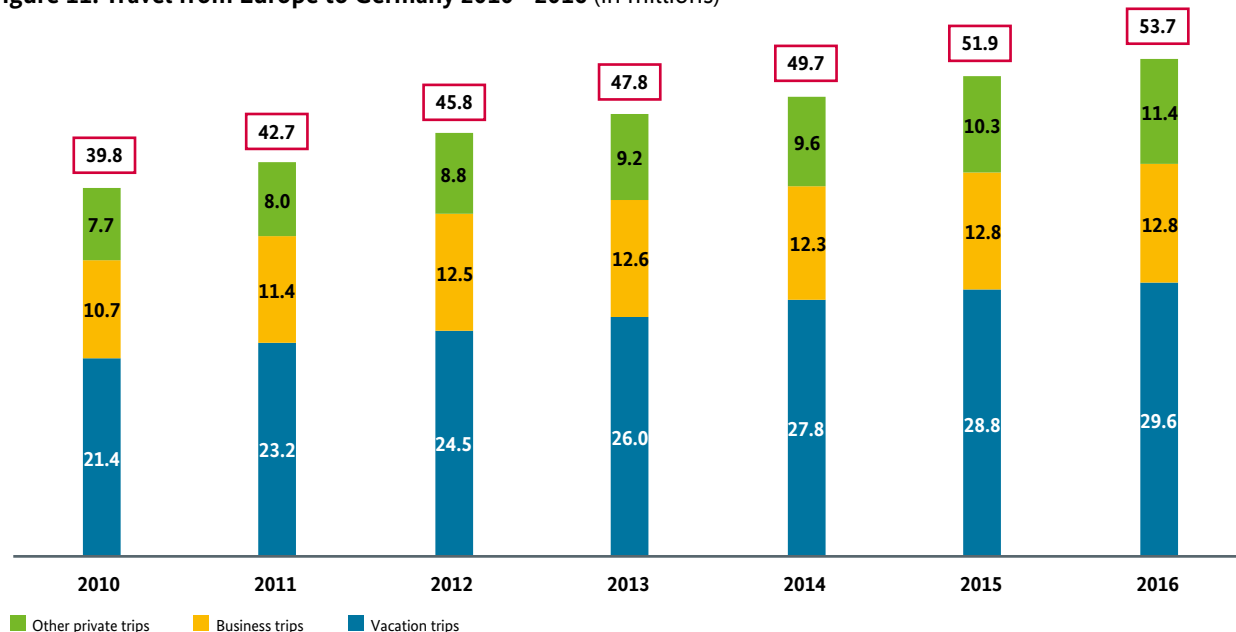


Source: Deutsche Bundesbank, 2017

overnight stays. Berlin followed with 14.2 million, then Baden-Württemberg with 11.2 million and North-Rhine/Westphalia with 10.4 million international overnight stays. Accordingly, 66 % of inbound tourism is concentrated on these four Länder (see Figure 14).

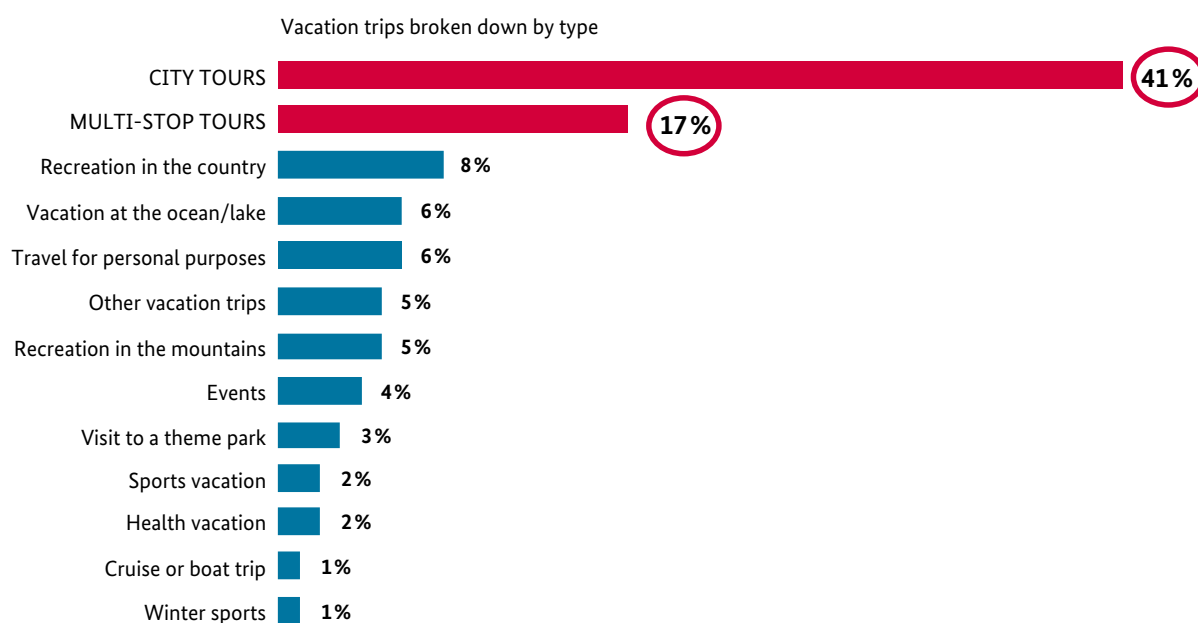
The highest growth rates in overnight stays by international guests were recorded in Hamburg. In 2016, the number climbed by 5.5 %, followed by Berlin with a growth rate of 3.9 % and North-Rhine/Westphalia with 2.7 %. Average national growth was 1.4 %.

**Figure 11: Travel from Europe to Germany 2010 – 2016 (in millions)**



Source: GNTB/WTM, IPK 2011 – 2017, differences due to rounding, preliminary figures

**Figure 12: City and multi-stop tours**



Source: GNTB/WTM, IPK 2017–2017, travel with at least one overnight stay, preliminary figures

The proportion of overnight stays of foreign tourists in the new Länder (except Berlin) was 6.2% in 2016.

### Business travel – an important element of German tourism

Germany is by far the leading destination for business trips in Europe. Germany was the destination for 12.8 million of the 60.5 million business trips made by Europeans in 2016. Second-placed France registered 4.9 million and the UK 4.7 million trips. Business travel by international guests in Germany generates annual average consumption expenditures of about €14 billion.

With 667 international congresses in 2015, Germany is No. 2 globally as an international conference destination, with the USA as No. 1 (925), and is first in Europe, ahead of the UK (582) and Spain (572) (see Figure 15).

### c. Trends in outbound tourism

Outbound tourism undertaken by Germans (vacation trips abroad) is broken down in the FUR travel analysis (Forschungsgemeinschaft Urlaub und Reisen e.V.) into vacation trips (5 or more days) and short vacation trips (2–4 days). Almost three-fourths of vacation trips made by Germans (and foreigners living in Germany) in 2015 were made

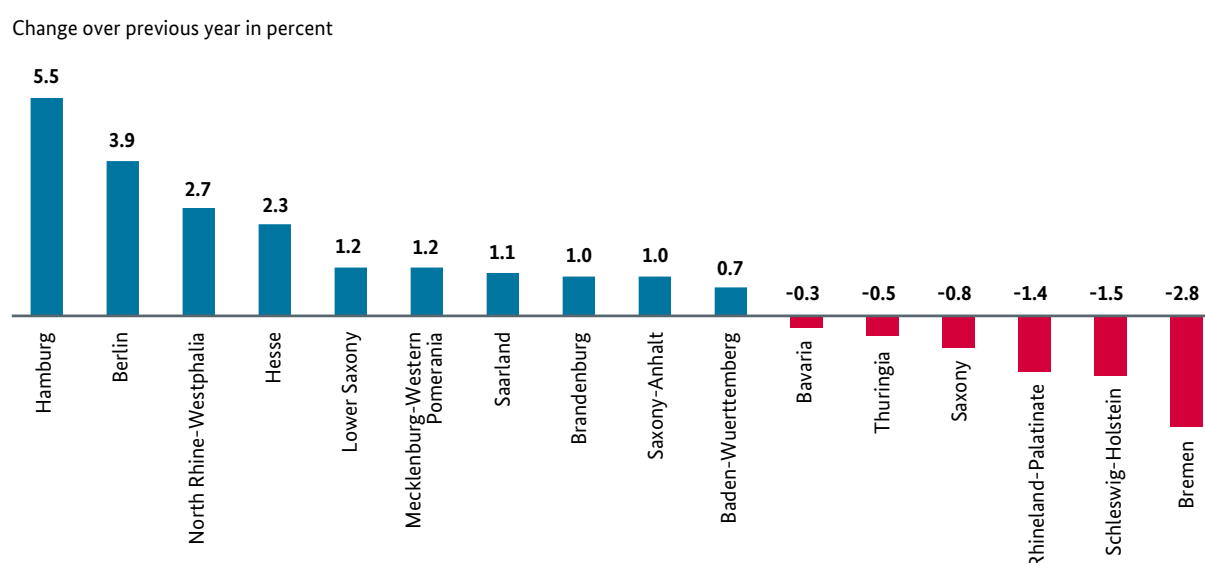
**Figure 13: Distribution of international overnight stays by population of destination**

Population	International	Share in 2016
2,000 – 10,000 population	17,135,119	21 %
10,000 – 100,000 population	18,580,652	23 %
> 10,000 – 100,000 population	45,071,741	56 %
<b>All international overnight stays</b>	<b>80,787,512</b>	<b>100 %</b>

\*GNTB calculations

Source: German Federal Statistics Office, overnight stays in accommodations with 10 or more beds or campgrounds with 10 or more sites

**Figure 14: International overnight stays in 2016 by region**



Source: German Federal Statistics Office, overnight stays in accommodations with 10 or more beds or campgrounds with 10 or more sites



abroad. The largest percentage went to the Mediterranean region, at 37% of all vacation trips. The top-ranking countries were Spain, Italy and Turkey. The USA was the only country outside of Europe that made it into the top 10. Relatively high growth in demand was reported for long-distance travel (from 5 million to 5.6 million). Vacationers spent by far the most on this type of travel, followed by Mediterranean and domestic travel. The aggregate spending for all three segments has increased only slightly since 2012.

Around three-fourths of the 73.9 million short vacation trips were taken in Germany, while 18.8 million trips were taken abroad. Even the international destinations chosen were generally close to home: more than one-third of all short vacation trips abroad targeted Germany's neighbors

Austria, the Netherlands and France. Cities were particularly popular with outbound tourists, accounting for 7.0 million short vacation trips. The city tour segment already plays a disproportionately large role as regards short vacation trips at home and abroad (see Figure 16).

#### d. Tourism in Germany in the competitive market

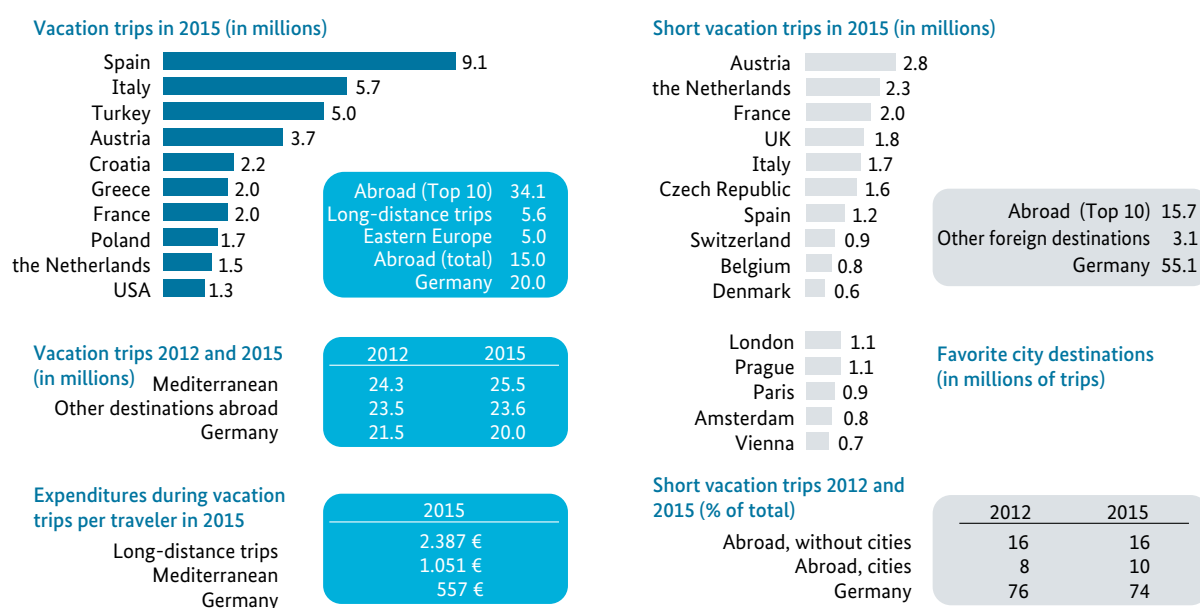
Tourism is often said to be one of the key economic sectors of the 21st century. According to the World Tourism Organization (UNWTO), more than 1.2 billion cross-border tourist arrivals were registered worldwide in 2016, an increase of 3.9% year over year. The UNWTO forecasts average annual growth of 3.3% by 2030, to 1.8 billion arrivals (see Figure 17).

**Figure 15: Germany as a conference destination**

Rank	Top 5 in Europe	Number of conferences	Top 5 globally	Number of conferences
1	Germany	667	USA	925
2	UK	582	Germany	667
3	Spain	572	UK	582
4	France	522	Spain	572
5	Italy	504	France	522

Source: International Congress and Convention Association 2016

**Figure 16: Destinations for Germans traveling abroad**

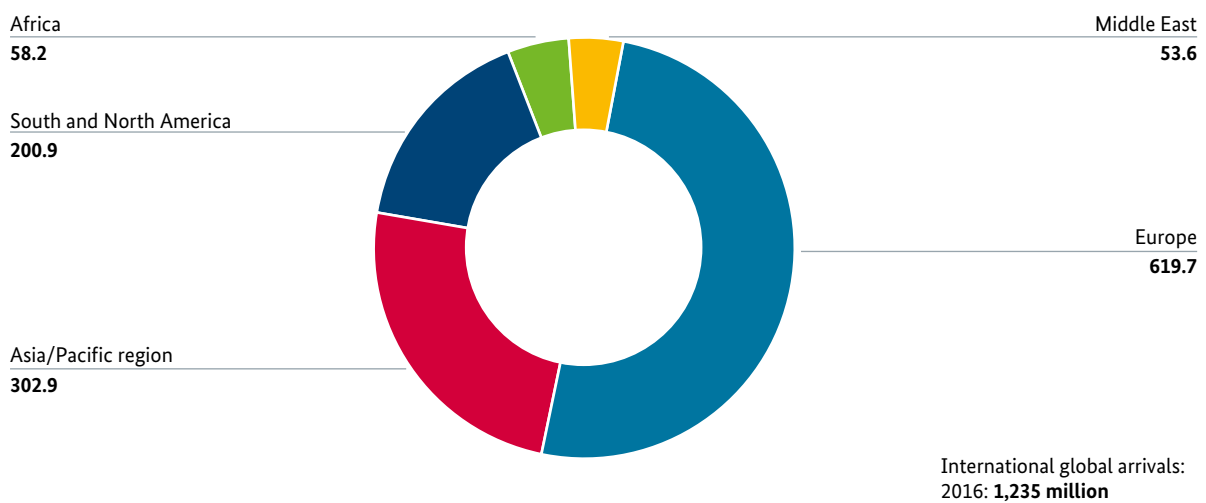


Source: Data from the FUR/Reiseanalyse travel analysis 2016

The growth potential for Europe is estimated to be 2.3% annually. Nevertheless, in the foreseeable future, Europe is likely to remain both the most important source and the most important destination for international travel.

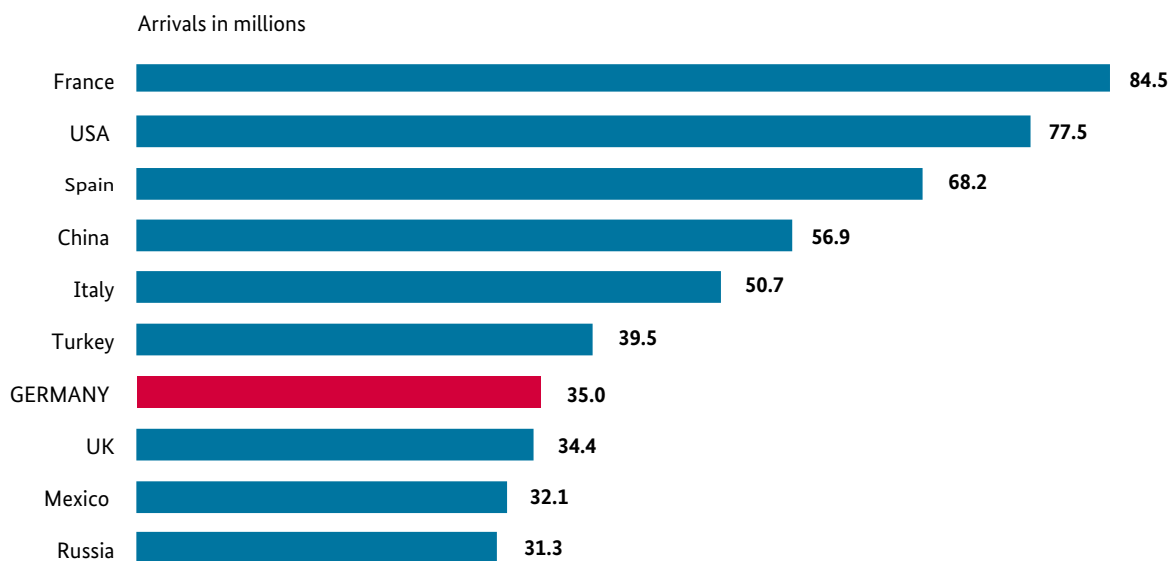
Germany has maintained a strong position in this dynamic competitive market: over the past six years, German inbound tourism has continually grown faster than the global and European markets. Germany currently ranks

**Figure 17: International tourists by destination in 2016 (in millions)**



Source: UNWTO World Tourism Barometer January 2017

**Figure 18: Top 10 destinations by international tourist arrivals in 2015**



Source: UNWTO World Tourism Barometer November 2016

number 7 in tourist arrivals in a global comparison (see Figure 18).

Global travel movements have direct economic effects in the destination countries. Income from international tourist arrivals climbed to \$1.26 billion across the tourist industry in 2015. Germany's ranking in the global travel market correlates with the corresponding impact on its domestic economy, with the German tourism industry generating income of nearly \$37 billion – 8th place in the global ranking (see Figure 19).

If we focus our attention on travel movements in Europe – remembering that 80% of global travelers remain on their own continent – Germany remained in second place in 2016 for the 7th consecutive year, after Spain and before France.

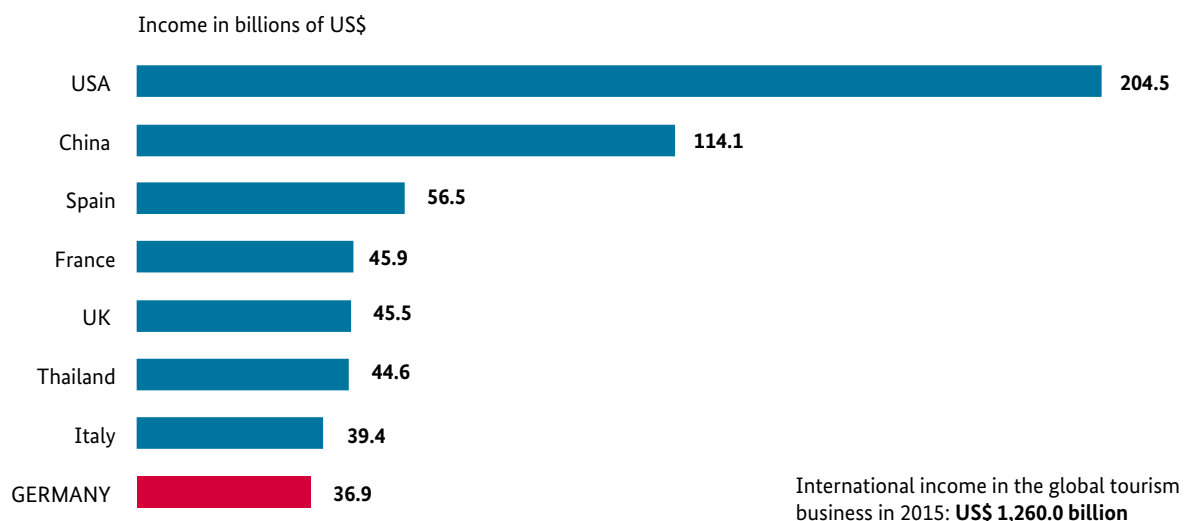
## 2. Tourism in times of increased security concerns

Even though tourism is on a path to growth globally, the circumstances under which we travel have changed drastically during the 18th legislative period. Political upheaval in many countries, regional conflicts, refugee flows, and above all the fear of terrorist attacks have become the hallmarks of global events to a degree previously inconceivable.

The global security situation has also changed travel behavior. Vacations are booked more spontaneously these days and safety plays a much bigger role than before, especially in deciding on a destination. Security issues have accordingly become one of the biggest challenges for the travel industry. Passengers' general sense of insecurity and their fear of attacks have led to a shift in the travel routes, causing many traditional, hugely popular travel destinations for Germans to suffer. The number of tourists in the eastern and southern Mediterranean, especially Turkey and Tunisia, has dropped drastically, whereas other destinations perceived as being safer, particularly in the west Mediterranean, are faced with capacity problems.

The terror attack of 19 December 2016 on a Christmas market in Berlin showed that even Germany is not totally safe from such attacks. Action taken by the Federal Government also serves to keep Germany a safe travel destination, by making the safety of people traveling in this country the highest priority. At the same time, the Federal Government is working together with those countries hit by terrorism, and is concerned about the destabilizing effects that the collapse in tourism can have on the economy and social progress in these countries (also refer to Part IV – The role of other federal ministries in tourism policy, contribution by the Federal Foreign Office).

**Figure 19: Income from international tourist arrivals in 2015**



### 3. Tourism – a culture of welcome in action

According to the United Nations High Commissioner for Refugees (UNHCR), 65 million people worldwide are fleeing from war or persecution. Around 890,000 refugees applied for asylum in Germany in 2015, and the figure in 2016 was around 280,000. Integrating the people who legally remain for an extended period of time in Germany is one of the biggest social and politic challenges facing the country.

The tourism industry has always been very international and multicultural, and, like no other industry, stands for open-mindedness and hospitality. By its very nature, this industry is therefore capable of assisting Germany in facing these challenges, and is engaging in multiple ways. In particular, the hospitality sector, which traditionally provides many jobs for migrants, offers good training and employment prospects for people with varying levels of skills. The share of refugees currently employed in the hospitality industry is already far greater than in other industries. According to an online survey of the Federal Hotel and Restaurant Association (DEHOGA) and its Länder groups, every fifth entity surveyed in autumn of 2016 employed refugees. DEHOGA pointed out in particular the numerous initiatives and partnerships launched at the regional level that are aimed at providing refugees training and employment, and at the same time, also covering the industry's own high demand for skilled workers.

At the same time, tourism is reliant on openness and hospitality to a far greater extent than other economic sectors. The success achieved in the tourism industry is not solely due to good infrastructure, professional service and a good price-performance ratio. Much more important is that people – regardless of where they come from – feel welcome in Germany. “A time to make friends” was the motto of the soccer World Cup in Germany in 2006, which unleashed unparalleled growth momentum for inbound tourism to Germany. This motto was experienced authentically: the sincere hospitality and openness perceived by observers changed Germany's image in the world and also awakened in many people the desire to travel to Germany.

The Federal Government is therefore very concerned with the increased hostility toward foreigners and the growing number of right-wing extremist attacks, which pose a real threat to the social and economic development of many regions. First and foremost, hate and agitation against foreigners alter a region's social climate. They also damage Germany's image as a tourist destination and jeopardize

the country's friendly and hospitable reputation that has taken years to evolve. The Federal Tourism Commissioner, Iris Gleicke, therefore emphasizes time and again that tourism and xenophobia do not go together and how important it is – also in the interest of a strong economic and tourism base in Germany – that any expression of hate and exclusion is actively and resolutely rejected.

### 4. Employment and training in the tourism industry

The effects of demographic change are very noticeable in the tourism industry. The hospitality industry, in particular, an important component of tourism in Germany, is having difficulties filling vacancies. In the battle to recruit the best young people, it is up to companies and managers to develop ideas in order to be attractive employers. From the point of view of the Federal Government, it is important to encourage young people to become acquainted with the hotel and hospitality industry with its high-quality training opportunities and employment prospects. The Federal Government has developed multiple types of support in this respect. In this context, it is important to point out that not only academic degrees are important. The value of the dual system of vocational training must once more be brought to the attention of the public (please refer to Part III, Section 4, Education and training in tourism). The career counseling offered by the Employment Agencies provide comprehensive information on careers in tourism and offer personal advice.

Appreciation of work in tourism, and especially in the hotel and hospitality trade, is an important aspect in the eyes of Tourism Commissioner Gleicke. Introduction of the minimum wage on 1 January 2015 was certainly elemental in improving the public perception of the importance of simple jobs, for example in the hospitality industry. According to a report from the minimum wage commission of 28 June 2016 on the effects of the statutory minimum wage, food service / catering and accommodation were the economic sectors with the highest share of employees with an hourly wage of less than €8.50 in 2014; as a result, employees in the hospitality industry have profited greatly from the minimum wage. However, good pay is not enough on its own. Esteem starts at the level of the workplace. Factors such as the climate in the workplace or enabling a good work-life balance are often not given enough attention. For that very reason, the Federal Tourism Commissioner has made the working and training situation a major focus of



the Advisory Council for Tourism Matters at the BMWi that she heads (also refer to Part III, Section 1, Basic conditions: Finding skilled labor, and Part IV – The role of other federal ministries in tourism policy, contribution by the Federal Ministry of Labor and Social Affairs).

## 5. Digitalization in tourism

Digitalization has radically changed the tourism sector. Use of the Internet is relevant in every phase of travel. The reference points for travelers start with gaining inspiration from travel reports and information on destinations, and booking package tours and individual segments of a trip, and extend to writing evaluations of travel companies on ranking portals or blogging their travel experiences in social networks. The importance of the Internet has grown immensely in the past few years. Whereas surveys of the industry in 2003 stated that only 27% of Germans used the Internet to acquire information and 47% in 2009, this figure had already jumped to 60% by 2015.

Using the Internet during vacation travel is also an important aspect of travel. According to a study of the online travel market conducted by Verband Internet Reisevertrieb e.V., 45% of vacationers brought their smartphone or tablet along on their major vacation trips in 2014, and also went online while traveling. This statistic varies greatly however, when broken down by travel destination, age, net income and education level. Travelers who use their smartphone or tablet at least occasionally to access the Internet have an average of three travel apps installed on their devices. This includes apps on travel destinations in general (cities, regions, countries), on tourist attractions and events, and on shopping opportunities at the destination. Enhancing this trend is the strong relevance of social media, in particular among 10- to 27-year-olds. Expansion of broadband capacity and the increase in use of mobile devices is continually fueling demand for uninterrupted Internet access. Tourism operators will find that, to remain competitive, they must keep pace with the technical and content-based interests and needs of their customers.

The tourism sector uses digital marketing channels more frequently than the overall economy. Taking the lead are accommodation businesses at 66%, followed by travel platforms at 59% and catering at 41%. The average rate of use for all economic sectors taken together is 28%, according to a survey conducted by the German Chamber of Industry and Commerce (DIHK). Tourist operators who take digitali-

zation seriously find that it pays off. The DIHK estimates that almost one-fourth of the tourist businesses that also offer their products online are able to achieve more than 50% of their revenue through digital channels.

The same applies to operational processes, which can be optimized using digital applications. These possibilities are not being sufficiently utilized yet, according to the umbrella organization of the German hotel and catering industries. Many entities were still limiting their digital applications and business models mostly to the use of online reservation and evaluation portals. Small and medium-sized businesses, in particular, have not yet recognized the value added that such investments can deliver. Furthermore, technical and financial prerequisites pose a particular challenge to the small companies that numerically dominate this business sector.

Meanwhile, international hotel groups or large catering chains are intensively exploring the advantages of digitalization. In some businesses hotel guests are no longer greeted by a real person, but by a virtual concierge. Touchscreens provide tips for excursions, weather information and flight schedules, or can be used to send virtual postcards.

Other products display recommendations from locals that are not part of the usual travel guide repertoire. Many government tourism organizations are taking advantage of these trends and developing new apps with insider tips and information on tours, city history, culture and eateries.

The new business models of the sharing economy are also reshaping tourism. That is why, as part of the consultation process for the White Book on Digital Platforms, the BMWi gave the hotel industry the opportunity to vent its problems and discuss potential solutions regarding competition with the private accommodation offered on digital platforms (see Part III, Section 2.11, Study on the sharing economy).

## 6. Inclusion and balanced regional development

The German government's tourism policy focuses not only on economic goals, but also on social and structural aspects. Demographic change and a growing awareness for the necessity of including everyone in society are making the topic of accessibility decisive to the future of tourism. Besides this, tourism can also play a major role in strength-

ening regional areas and help to counteract the negative effects of structural changes in these areas.

Improving inclusion of handicapped individuals in tourism is a task that society must embrace, and a goal that the German government wholeheartedly endorses. According to a study carried out by the European Commission, the number of individuals with specific needs will grow to approximately 150 million by 2020. One-third of these are people with disabilities, and the other two-thirds are individuals older than 64. Altogether, this group will take around 860 million trips. The Federal Government supports introducing a nationwide uniform certification programme (“Tourism for All”) in order to ease access for individuals with disabilities to reliable information on accessible tourist offers. Accessible tourism is also an aspect of the German National Tourist Board’s (GNTB) marketing campaign aimed at inbound tourists. The Day for Accessible Tourism hosted by the GNTB at the annual ITB Berlin coordinates a broad discourse between protagonists from Germany and abroad (also refer to Part III, Section 2.1, Tourism for All).

One of the biggest challenges for German tourism policy is to enable rural regions and, in particular, economically weak regions and their populations to reap greater benefit from tourism than was previously possible. City tourism remains the growth driver of the German tourism industry. The rural regions with their many small and medium-sized businesses are significantly behind in growth. However, tourism is a cross-sectoral industry. Especially in rural areas, which are often structurally weak, it is an important motor for economic growth and employment: tourists strengthen local retail demand, and they use public transport, swimming pools, museums and parks. In this way, tourism provides a strong contribution to maintaining local infrastructure and income in regional areas, and contributing to the development of entire regions. Finally, tourism can also help to preserve cultural institutions on a broad scale (refer also to Part III, Section 2.2, Tourism Prospects in Rural Areas and 2.3 Cultural Tourism Prospects in Rural Areas).

## 7. Sustainable and responsible travel

Tourism has long discarded its exclusive focus on growth. In recent years the issue of “how” we travel has become increasingly important. The Federal Government pursues a tourism policy that ensures sustainable maintenance of nature in the long term in the destination countries, and promotes socially acceptable economic development at the

local level. In principle, only a sustainable tourism policy that is in tune with nature, the local population and culture is capable of adding value in the long term. In this context, the goal is to intertwine economic, social and ecological aspects. The Federal Tourism Commissioner, Iris Gleicke, made beneficial travel the focus of her keynote speech at the opening of the 50th ITB Berlin (Internationale Tourismusbörse) in March 2016, and emphasized the responsibility of tourists and the travel industry alike for sustainable development of tourism countries.

The Federal Government has made an ambitious commitment to implement the Agenda 2030 adopted in September 2015 by the United Nations, including its 17 Sustainable Development Goals (SDGs). These goals aim to ensure sustainable development on an economic, social and ecological level, and to strengthen sustainable tourism, among other things. The German Sustainability Strategy 2016 emphasizes, in particular, that sustainable consumption should place supply and demand on an equal footing with regard to responsibility. Integrating environmental and climate protection as well as biodiversity into corporate decision-making, increasing energy and resource efficiency and pursuing sustainable development of coastal regions are therefore the major thrusts for corresponding research and model projects. Sustainable tourism is also an action point of the National Programme for Sustainable Consumption adopted by the Federal Government in 2016. The action points of the programme that focus on tourism aim to strengthen the transparency of sustainable tourism products and encourage climate-friendly vacation travel.

In order to increase the potential for sustainable economic growth that tourism can provide, the Federal Government has been an active member since 2012 of the Global Partnership for Sustainable Tourism of the UN (which has meanwhile become part of the “10-year framework of programmes on sustainable consumption and production patterns” of the UN).

Sustainability is also a permanent component of the Travel Destination Germany brand. In the context of its sustainability initiative, the GNTB, which promotes the travel destination Germany abroad, has shared its experience and knowledge with the Länder and tourist destinations in order to help them develop successful products and measures in relation to sustainable tourism.

However, ethical considerations also play an important role. The Federal Government has expressed its commit-

ment to the Code of Ethics for Tourism adopted in 1999 by the UNWTO, and encourages the tourism industry to give the Code and its principles high priority. In addition, the Federal Government is also involved in fighting sexual abuse of children in the tourism business (refer to Part III, Section 6, Protecting children from sexual exploitation in tourism, and Section 7.5, Tourism policy collaboration in the context of the UNWTO, as well as Part IV – The role of other federal ministries in tourism policy, contributions of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, the Federal Ministry of Justice and Consumer Protection, the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety and the Federal Ministry for Cooperation and Development).

# Part II

## Protagonists and organizations of tourism policy at the federal level





## 1. Tourism policy at the federal level

Within the Federal Government, the Federal Ministry for Economic Affairs and Energy (BMWi) is responsible for tourism policy. However, tourism policy is a task with cross-sectoral responsibilities and certain aspects of it overlap with other areas of competence – as this report, too, reveals.

The central task and goal of tourism policy at the federal level is to create a good framework for the positive development of tourism in Germany. This also includes focusing on the Federal Government's policy interests within international organizations such as the UNWTO or the OECD, as well as at the EU level. Maintaining relationships with other countries also includes numerous bilateral contacts as well as tourism marketing in other countries. Finally, the Federal Government aims to directly assist the profitability and competitiveness of small and medium-sized businesses in the tourism industry.

On the other hand, specific planning, development and investment in tourism are the responsibility of the Länder. Federal tourism policy is coordinated with the tourism activities of the Länder by the Federal Government-Länder Committee on Tourism, which is chaired by the BMWi. The semi-annual meetings of this committee basically serve to exchange information, but also to initiate and coordinate specific Federal Government-Länder projects.

## 2. The Federal Tourism Commissioner

Given the positive impact of tourism as a cross-sectoral industry on other economic and policy areas, as well as the relatively small-scale structure of the industry, the Federal Government created the office of Federal Tourism Commissioner in December 2005. This position is presently occupied by the Parliamentary State Secretary at the BMWi, Iris Gleicke, who is also the Federal Government Commissioner for the New Federal States and Commissioner for SMEs. As a policy intermediary, she is the contact person for the tourism industry and its associations and represents the Federal Government on tourism policy matters in parliament and the public sphere.

## 3. The Tourism Committee of the Bundestag

As early as the end of the 1980s, the cross-sectoral nature of tourism policy provided the impetus for creating a separate parliamentary committee, which initially met as a subcommittee of the Economic Committee before being made independent. During the 18th legislative term, the German parliament decided again to establish a Tourism Committee. The Tourism Committee advises on draft legislation and petitions related to tourism policy, and provides a valuable contribution to debates on important matters and issues relevant to tourism policy with its initiatives, interpellations and hearings. The Tourism Committee is chaired by Heike Brehmer, Member of the Bundestag (CDU/CSU).

## 4. Advisory Council for Tourism Matters at the Federal Ministry for Economic Affairs and Energy (BMWi)

The Tourism Advisory Council at the BMWi was created in 1977 to coordinate the interests of politics, business and science in tourism. The task of its members is to advise the Federal Minister for Economic Affairs and Energy and the Federal Tourism Commissioner and to advance recommendations for the future direction of tourism policy. The members of the Council include representatives of companies and central associations of the tourism industry, transportation entities, the German Association of Chambers of Industry and Commerce, trade unions and the scientific community. The head of the Tourism Committee of the German Parliament, Bundestag Member Brehmer, participates as a guest in meetings of the Tourism Advisory Council. The semiannual meetings of the Council have been chaired by Tourism Commissioner Iris Gleicke during the 18th legislative term.

The Council has formed working groups on the following topics:

- tourism in rural areas
- working conditions and training opportunities, securing skilled labor, especially in the hospitality industry
- outbound tourism
- digitalization and the sharing economy

## 5. The German National Tourist Board

The German National Tourist Board (GNTB) was founded in 1948 and conducts international marketing efforts on behalf of the Federal Government to promote Germany as a tourist destination. On the basis of a resolution of the German parliament, the Federal Ministry for Economic Affairs and Energy supports the GNTB with an annual funding of currently around €30 million. The GNTB also receives funding from its members and sponsors (currently 71 and 16 respectively), including tourism companies and marketing agencies as well as key industry associations. The core responsibilities of the GNTB include strengthening the positive image of Germany as a travel destination for international tourists as well as improving revenues from inbound travel to Germany. The GNTB has 32 agencies on 5 continents (offices or marketing agencies in other countries) (also refer to Part III, Section 3, Promoting Germany as a travel destination).

# Part III

## Tourism policy in the Federal Ministry for Economic Affairs and Energy (BMWi)





## 1. Framework for tourism

One of the major tasks of the Federal Ministry for Economic Affairs and Energy is to create a good framework for tourism and the tourism industry in Germany, especially for the many small and small and medium-sized enterprises it comprises. This involves a great variety of regulatory areas, such as tax law or construction planning law. Whereas the ministry has a leading role in some areas (e.g. competition law), many responsibilities in this area are assigned to other ministries (also refer to Part IV – The role of other federal ministries in tourism policy). Given the cross-sectoral nature of tourism policy, one of the BMWf's tasks is to ensure that aspects and objectives of tourism policy are taken into consideration in policy making at the federal level.

### Tourism policy as part of general SME policy

The German economy is comprised primarily of small and medium-sized enterprises. Over 99 % of all companies in Germany are SMEs, around 82 % of trainees are engaged in SMEs, and these enterprises provide approximately 60 % of all jobs and generate more than half of German value added. The SMEs in Germany vary greatly, however: they include many small companies, startups, handicraft operations and small independent contractors, as well as many small and medium-sized and larger companies that are successful internationally. SMEs are also the mainstay of the tourist industry.

In order to keep German SMEs vital, strong, and innovative in the face of multiple challenges in the age of globalization, digitalization and demographic change, the Federal Ministry for Economic Affairs and Energy – as the ministry with responsibility for SMEs – published, in May 2016, the second edition of its "Future of the German Mittelstand" Action Programme, which contains core measures and initiatives for this group of companies. These activities are also directed at the tourism industry. The 10 areas of focus in the action programme pursue the following goals:

- promote the spirit of entrepreneurship;
- strengthen the financing of start-ups;
- tackle the skills shortage;
- press ahead with better regulation and cutting red tape;

- utilise and shape digitisation;
- strengthen innovative capacities;
- support SMEs as they globalise;
- actively shape European SME policy;
- strengthen SMEs in structurally weak regions; and
- support the development of new fields of business deriving from the energy transition.

On 3 August 2016, the Federal Cabinet passed the Second Act on reducing Red Tape (Bürokratieentlastungsgesetz - BEG II). This Act aims in particular to relieve companies with only 2 to 3 employees – especially in the tourism industry – of unnecessary bureaucracy. The focus is on simplifying tax law and social security contributions as well as providing measures to promote digitalization and Electronic government. This legislation will come into force in mid-2017. The BEG II will reduce the amount of compliance costs for these companies by approximately €360 million or nearly 10 million work hours annually.

The tourist industry benefits from financial assistance provided by the Kreditanstalt für Wiederaufbau (KfW) and the European Recovery Programme Special Fund for start-ups and SMEs. During the 2013 – 2015 legislative term, the KfW granted a total volume of over €2 billion in new funding to around 8,500 tourism companies on the basis of its own programmes and ERP programmes for assisting SMEs. This corresponds to a share of approximately 3.3 % of the total volume of financial support provided by the KfW for SMEs. A major portion of this funding, more than 56 %, is set aside for investments in the hotel and restaurant segment. Over the past years, the KfW has provided a steady stream of assistance for the tourism industry. The ERP programmes of relevance to tourism activities include the ERP Regional Programme, the ERP Capital for Start-Ups, the ERP Start-Up Loans and the ERP Innovation Programme.

### Insurance distribution

In February 2016, Directive 2016/97 of the European Parliament and of the Council on Insurance Distribution was issued (Insurance Distribution Directive: IDD). This Guideline must be transposed into national law by 23 February



2018. Like Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, the new directive also covers sales of travel insurance by travel agencies. The previous directive already provided for the possibility of exempting travel insurance sales by travel agents up to a certain threshold amount, an exemption that was incorporated into the Trade Regulation Code. The IDD also provides for this exemption, under somewhat different conditions. This possibility should be utilized in the context of exact implementation of the IDD in national law. The draft legislation was adopted by Federal Cabinet on 18 January 2017.

### Competition policy issues

The growing importance of the Internet for the economy as a whole also entails a number of difficult competition law issues. In several cases, the Federal Cartel Office (BKartA) has dealt with related topics, such as price fixing by brand-name manufacturers, restrictions in selective marketing systems, and the misuse of a dominant market position on the Internet.

Examples from the area of tourism include the Cartel Office proceedings against the hotel reservations platforms HRS, Booking.com and Expedia, who for years have been including what are known as best-price clauses in their contracts with hotels. The Cartel Office outlawed the use of these clauses in Germany because they limit the hotel companies' freedom of action and restrict competition in the hotel portal market and the market for hotel rooms. According to the IHA, the German Hotel Association, one out of five hotel reservations are now made online.

### Securing skilled labor

Demand for skilled labor is forecast to grow in the years to come due to the demographic shift, the high demand for labor in tourism companies and the positive labor market in Germany.

Even though there is still no acute skills shortage across Germany as a whole, there are already critical shortfalls in certain skills, regions and sectors. According to an analysis prepared by the Federal Employment Agency, tourism careers do not belong to what are termed the shortage occupations, not even in the food-service and hotel sectors. Nevertheless, the tourism industry is generating increas-

ingly high demand for skilled workers, which, if not sufficiently satisfied, may become an obstacle to development in certain regions.

One of the key elements of making this industry attractive to skilled workers and future managers is indisputably the social esteem connected with careers in the hospitality sector. Federal Tourism Commissioner Iris Gleicke therefore put the topic of esteem and image in the hospitality industry at the very top of the list of tasks for the Tourism Advisory Council at the BMWf. In addition, a working group under the auspices of the Council was tasked with investigating the issues related to work and training conditions and with securing the supply of skilled labor in the hospitality industry. Another session of the Council dealt with the topic of minimum-wage and working-time arrangements.

In the period May 2012 through May 2014, the BMWf sponsored the project "Analysis of the Labor Market and Skilled Workers in the Tourism Industry" (see Part III, Section 2.4), which culminated in publication of a practice-oriented brochure providing specific tips primarily for SMEs in the tourism industry. The topic was incorporated in the broad, cross-sector activities of the BMWf focused on the topic of securing skilled labor:

- In late 2014, the Federal Government, business community, trade unions and Länder initiated the Alliance for Initial and Further Training under the lead responsibility of the BMWf. The common goal is to prepare and attract more young people for on-the-job training. The partners of this Alliance are also reinforcing the dual system of vocational training and promoting the equal value of vocational training and academic education.
- The programme "Perfect Fit for the Job" financed by the European Social Fund (ESF) and the BMWf aims at alleviating problems in finding good matches in the training market. The programme finances consultants who assist SMEs in recruiting suitable young people (without refugee status) – whether in Germany or from abroad – for training positions at their companies. In 2016, some 170 consultants were engaged in chambers of commerce and other business organizations. Since 2007, approximately 75,000 well-suited candidates were placed in traineeships and around 9,000 in introductory training positions.

- Small companies have more difficulty in finding suitable skilled labor than do large firms. For this reason, the BMWİ sponsors the KOFA, a competence center for securing skilled labor. Its aim is to assist SMEs in their efforts to become attractive as employers and remain competitive by recruiting qualified staff.

### EU state aid rules

In the 18th legislative term, the question repeatedly came up as to whether public financing of tourist organizations was compliant with EU state aid rules, and which measures were necessary to make it conform to these rules. The BMWİ is of the opinion, even in light of complaints, that the European Commission must issue a regulatory clarification, so that tourism organizations at the local, regional and national level can be ensured of the legality of their successful destination marketing. The Federal Government has therefore asked at the EU level to include an exemption in the General Block Exemption Regulation (GBER) as the best possible solution, one that would accord Member States the flexibility necessary for financing tourism organizations. A corresponding proposal was made as part of the consultation on the “small reform” of the GBER. Although the European Commission has not yet acted on this recommendation, the Federal Government’s initiative has already moved things forward: in the course of discussions on the topic, the European Commission has already made significant clarifying statements on categorizing financing of public tourist organizations.

### Amendments Telemedia Act (free WLAN)

Tourists rely more and more on access to the Internet. The availability of easy access to wireless networks is often a crucial factor in for the choice of accommodation. However, up to now, the hotels and restaurants that provide WLAN for their customers have been exposed to liability for infringements of users. The Second Amendment of the Telemedia Act, drafted with the assistance of the BMWİ, attempts to achieve legal certainty for all providers of WLAN hotspots and, at the same time, greater participation in the opportunities of digitalization. The goal of the act, which entered into force in July 2016, is to clarify that the exemption from liability stipulated by the Telemedia Act also applies to WLAN providers. This means that WLAN operators cannot be made liable for damages caused by third-party information that have been transmitted via

the access of the provider nor can WLAN operators be subject to criminal charges.

The amendment intends to promote the penetration of wireless networks in Germany and to enable users to access the Internet as widely and easily as possible. After the General Court of the EU issued a judgment on 15 September 2016, there is further need for legal clarification. Internet access providers and WLAN operators should no longer be subject to warning letters accusing them of breach of duty of care, nor be subject to cease and desist orders. They should also not be liable for the costs of pre-trial and out-of-court enforcement of user locks to the benefit of the right holders, with the intention of preventing repeated infringements. With a view to the increasing importance of digitalization for tourism, this development is an important step toward creating legal certainty for hotel, restaurants and cafés.

### Revision of the package travel directive

Given the immense importance of the legal rules on package travel for the German travel industry, the BMWİ has been closely involved in assisting the Federal Ministry of Justice and Consumer Protection, which has the lead role in negotiations on a new EU package travel directive. From the outset, particular attention was paid to the particular situation of German small and medium-sized travel agencies. A major component of the German negotiating stance was therefore to ensure when transposing the directive into German law that attention was paid to the fact that travel operators and agencies have varying risk exposure and levels of influence. Several significant improvements in this aspect were introduced to the Commission’s draft bill.

At the same time, the new directive poses big challenges to the German travel market, which is characterized by a multitude of small travel agencies, in contrast to other Member States. It was therefore a particular goal of the BMWİ and the Federal Tourism Commissioner to exercise all options permissible in transposing this directive into national law to provide protection to the business model of the travel agencies that provide a particularly valuable service to consumers. Under the lead of the Federal Ministry for Justice and Consumer Protection, corresponding amendments were introduced in the draft bill in constructive collaboration with the tourism industry (see also Part IV – The role of other federal ministries in tourism

policy, Contribution of the Federal Ministry of Justice and Consumer Protection).

### Trade tax add-ins

Another topic of concern to the travel industry during the reporting period was the how trade tax is calculated for package tours. In a departure from previous practice, since 2010 some state tax offices have been applying trade tax add-in provisions also to the purchase of hotel rooms for assembling package tours. In 2012 this interpretation was cemented by a joint decree issued by all of the Länder tax offices. The former Federal Minister for Economic Affairs and Energy, Sigmar Gabriel, has repeatedly taken a clear stance against this practice and requested that the government take action. However, consent of the Länder would be necessary for a legal clarification or change in the application decree, and there is currently no majority in favor of such. At their meeting in December 2014, the ministers of economic affairs of the Länder spoke in favor of reverting to the former regulatory practice and modifying the Länder tax code decree; however, the initiatives of individual Länder taken in the Bundesrat were not successful.

Several tour operators have appealed against add-in taxation. The Fiscal Court in Münster issued a preliminary decision on 4 February 2016 in which it stated its opinion that the tax add-in regulations were also applicable to a substantial portion of the services purchased prior to the actual travel package sales. The purchases at issue should therefore be itemized and tax applied to these added costs due to the leasing and rental payments they included. This decision is pending at the Bundesfinanzhof (Federal Financial Court).

### The permissibility of vacation residences under zoning laws

Due to conflicting court decisions during the 18th legislative term, there has been much uncertainty whether use of real estate as a vacation residence requires zoning permission in general or only in residential areas. To date, the German Land Use Ordinance (Baunutzungsverordnung) has not contained any explicit stipulations regarding the conditions under which vacation residences may be permitted. The Tourism Committee of the parliament has addressed this topic several times, and also conducted a public hearing on March 2016. In early 2015, Federal Tourism Commissioner Iris Gleicke requested clarification of the law in this respect from the Federal Ministry for the Environment,

Nature Conservation, Building and Nuclear Safety (BMUB), which is responsible for such issues. The amendment of building regulations will take this matter into account (see also Part IV – The role of other federal ministries in tourism policy, Contribution from the BMUB).

### Entry conditions

The BMWi is a proponent of freedom of travel and – in compliance with necessary security and immigration policies – is in favor of liberal, transparent and practicable entry conditions. Given the great economic potential of easing visa restrictions for tourists to Germany, it is in the interest of tourism policy to create a simplified, expedient and inexpensive visa process.

In view of inbound tourism from China – a country of particular importance for travel to Germany – the BMWi organized a workshop in the autumn of 2016 together with the other entities involved – i.e., the Federal Ministry of the Interior, the Federal Foreign Office and the German National Tourism Board GNTB – to discuss the legal framework as well as questions regarding the practice of processing visa applications and possible simplifications of the process. In the opinion of the workshop participants, the potential solutions they elaborated constitute good approaches for day-to-day practice. Additional visa application centers run by an external service provider in China also help to alleviate the work load. The number of these centers grew from 5 in 2015 to 15 in 2016. In addition, in cooperation with the German consulate in Beijing and the consulates and visa distribution centers, the GNTB has been providing training for employees of travel and visa agencies since 2012, and publishes the requirements for visa applications in the media and social media (also see Part IV – The role of other federal ministries in tourism policy, Contribution of the Federal Foreign Office).

### Water tourism

The coalition agreement stipulates creation of a strategy for water tourism. In mid-2016, the Federal Ministry of Transport and Digital Infrastructure submitted its own draft of a water tourism plan.

In order to determine the economic potential of water tourism, the BMWi commissioned a study that was completed in early 2017. The gross revenue generated in all of

Germany from water tourism is assessed to be more than €4.2 billion annually. Accordingly, tourism-induced income effects are estimated to be at least €1.8 billion, the equivalent of income of more than 66,000 individuals. This study shows that water tourism and water sports are a significant economic factor in some regions of Germany. The results are based on the evaluation of numerous studies in previous years (carried out by the Federal Government, Länder and industry associations) as well as consultations with a broad group of experts. The result is a compendium that demonstrates specific water tourism possibilities, the current intensity of use, the potential use and the regional economic significance of the federal waterways included in the studies. During the reporting period, the Federal Tourism Commissioner placed particular emphasis on ensuring that future use of federal waterways takes adequate account of the (regional) economic aspects of “leisure use.”

This is also the topic of consultations between the various ministries on a future approach to federal waterways.

The renaturation initiative Blue Ribbon Germany also aims at including the economic potential of water sports and tourism when balancing interests (see also Part IV - The role of other federal ministries in tourism policy, Contribution of the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and of the Federal Ministry for Transport and Digital Infrastructure (BMVI)).

## 2. Enhancing competitiveness of the tourism industry

A central goal of the Federal Government’s tourism policy is to continually strengthen the performance and competitiveness of SMEs that numerically dominate the German tourism industry. At the same time, as previously mentioned, tourism can make a valuable contribution to social and structural policy goals. Against this backdrop, the BMWi sponsored, conducted or prepared a number of specific tourism policy projects during the 18th legislative term.

### 2.1 Tourism for All

The BMWi is continuing to expand accessible tourism in Germany with its project “Tourism for All”. This project, which runs from November 2014 to December 2017, is

being conducted by the German Seminar for Tourism (DSFT) in Berlin in cooperation with the National Coordination Body for Tourism for All (NatKo).

The lack of reliable information on offerings by tourism service providers emphasizing accessibility is a big hurdle to inclusion of the disabled in tourism. A uniform identification system should provide for certification of accessible tourism products and services and their registration in a central database. Such a database would provide the basis for digital information and marketing platforms of the system’s licensees, in particular state marketing organizations and trans-regional tourism service providers.

This should create an incentive for the tourism industry to invest in accessible tourism and, in so doing, to prepare itself for the growing number of older people who are less active or mobile. The federal system Tourism for All is a special quality label that is monitored by the associations for the disabled and is intended to elevate accessible tourism to one of the hallmarks of tourism in Germany. This categorization system is now used in 11 *Länder* and by one hotel chain. Around 1,800 businesses have up to now been evaluated and certified in accordance with an extensive catalog of criteria (including special employee training).

Tourism for All is the Federal Government’s contribution to fulfilling the first national action plan for implementing the UN Convention on the Rights of Persons with Disabilities.

### 2.2 Tourism Prospects in Rural Areas

The Federal Government wants to promote tourism in rural areas on a long-term basis. During the 17th legislative term, the Federal Ministry for Economic Affairs and Energy already sponsored the project Tourism Prospects in Rural Areas, run by the German Travel Association (Deutscher ReiseVerband). The project was well received by those involved, who saw it in action locally. The knowledge amassed during this project was brought together in a practical handbook and then made available to a broader public in ten specialized roadshows. In these half-day events, the participants were given practical information gained from the project. They also had the option of developing specific programmes for their regions in workshops. These events were often the starting point for regional efforts.



During the 18th legislative term, the Federal Government has perceived its task to be broadcasting the know-how from this project to a wider audience. Also the German parliament petitioned the government in its decision of 21 February 2014 (Drucksache 18/604) to continue the roadshow on this project, given the strong interest of potential businesses and participants in 2014. In a subsequent project, the BMWi hosted another 10 roadshows in autumn and winter of 2014/2015.

Roadshows were held in the following rural regions:

23 August 2013	<b>Schwarzwald-Baar-Heuberg</b> in Villingen-Schwenningen
3 September 2013	<b>Sächsische Schweiz</b> (Saxon Switzerland) in Struppen
9 October 2013	<b>Western Pomerania/Usedom</b> in Greifswald
30 October 2013	<b>Altmark</b> in Kletitz
5 November 2013	<b>Eifel</b> in Daun
7 November 2013	<b>Ruppiner Seenland</b> in Lindow
5 December 2013	<b>Eastern Bavaria</b> in Straubing
9 December 2013	<b>Saar-Hunsrück</b> in Marienhöh
10 December 2013	<b>Lüneburger Heide</b> in Walsrode
12 December 2013	<b>Rhön</b> in Fulda
23 October 2014	<b>Oberschwaben</b> in Laupheim
29 October 2014	<b>Westerwald</b> in Montabaur
31 October 2014	<b>Münsterland</b> in Rheine
10 November 2014	<b>Odenwald</b> in Bad König
12 November 2014	<b>Mecklenburgische Schweiz</b> (Mecklenburg Switzerland) in Tellow
26 November 2014	<b>North Hessen</b> in Kassel
8 December 2014	<b>Vogtland</b> in Plauen
9 December 2014	<b>Oder-Spree</b> in Storkow
21 January 2015	<b>Berchtesgadener Land</b> in Bad Reichenhall
27 January 2015	<b>Saarland</b> in Blieskastel

### 2.3 Cultural Tourism in Rural Areas

Cultural tourism is a hallmark of tourism in Germany. The country's many cultural destinations attract tourists from Germany and abroad. Many cities are already successfully following this trend in their marketing. Yet even in more remote rural areas there is untapped potential, because Germany has a lot to offer here, too. The wide range of cultural attractions is not limited to museums, theaters, castles and palaces. The regions, too, have traditions and customs to be explored that provide for variety in travel experiences.

Since August 2015, the Tourist Commissioner has been using the experience gained from the Tourism Prospects in Rural Areas project and applying a broad definition of culture to mobilize the potential for cultural activities for tourism in rural areas. This work will continue until June 2018. The contractor in the current project is a bidding consortium consisting of the German Tourism Association (DTV), the German Institute for Economic Research in Berlin (DIW), dwif-Consulting GmbH, KULTUREXPerten Dr. Scheytt GmbH, mediamare consulting GmbH and Sandstein Kommunikation GmbH. With this project, the BMWi is implementing both a key tourism policy initiative of the coalition agreement and a resolution of the German parliament of 7/8 May 2015 (Drucksache 18/3914).

The BMWi is taking a new path with this project and extending its efforts beyond guidelines and handbooks. A model project called "The Destination as a Stage: How can Cultural Tourism Make Rural Areas Successful?" is coaching five rural regions – each with different levels of tourism sophistication. Together with travel professionals and creative artists, project teams are developing and testing specific cultural tourism products. This creates examples for implementing ideas that can later be expanded nationwide to as many regions as possible. The goal of the project is to transpose the dynamic growth in tourism to structurally weak rural areas. The intention is to make cultural tourism a success factor and driver for the overall development of these regions.

In the model regions, it is important to bring together all of the participants. The idea is for creative artists and tourism industry professionals to develop and implement joint strategies. The key aspect is to unite all those involved in a network that should continue to exist long after the project has been completed. The experience gained in these rural areas should then encourage others all over Germany to emulate these efforts. A central medium for communication and the exchange of ideas is the online dialog platform [www.culturcamp.de](http://www.culturcamp.de), a platform designed to encourage discussion and make experience or good ideas easily accessible to others. A competition for receiving coaching as another (a sixth) model region was deployed as an incentive to use the platform.

Interest in becoming a model region was immense. By early 2016, 77 of the approximately 100 rural regions invited to participate in the competition had submitted applications. In their applications, the regions were asked to convince the jury of their willingness to participate, among other things. In addition, the application was an initial litmus

test of how the participants would collaborate in the local setting. First off, three model regions were chosen using a criteria-based selection procedure. It was not the “best” regions that were chosen, but rather those from which we could learn the most: Upper Lusatia-Lower Silesia, East Frisia and the Zugspitz region. To expand the base of useful examples, the Federal Tourism Commissioner broadened the project in late 2016 to include the next two regions in the ranking: Dessau-Anhalt-Wittenberg and the Mecklenburg Lake District now make for a total of five model regions.

The following goals were set for the model regions:

- In Upper Lusatia-Lower Silesia the focus is on connecting individual products with the creation of an overriding theme, with the goal of promoting culture not only as a reason for travel, but especially as an image for the tourism advertising of that region.
- In East Frisia, models are to be developed that are aimed at securing future financing independent of subsidies and at ensuring the future of the cultural network.
- In the Zugspitz region, current discussions revolve around whether and how the subject of the state exhibition planned for 2018, “Mythos Bayern – Mythos Wald” (Myths of Bavaria and of the forest) can be used as an overarching theme for cultural tourism marketing for the entire region and for a network for cultural institutions, including the existing museum network titled “MuseenLand Expressionismus” (Museum Country Expressionism).
- The issue facing Anhalt-Dessau-Wittenberg is how to use cultural attractions in rural areas to appeal new, young target groups.
- For the Mecklenburg Lake District, the focus is on creating innovative ways to involve and assist individual providers of cultural tourism, in order to strengthen knowledge transfer, tourism marketing expertise and product development.

#### 2.4 Analysis of the Labor Market and Skilled Workers in the Tourism Industry

The BMWi helped finance the project entitled Analysis of the Labor Market and Skilled Workers in the Tourism Industry, which ran from May 2012 to May 2014.

The project analyzed the tourism industry workforce and the situation regarding skilled workers in the participating Länder Saxony, Saxony-Anhalt, Schleswig-Holstein and Bavaria, and drew conclusions for these states and for the Federal Government. The project measured specific demand and determined what action should be taken, for example regarding initial and continuing vocational training, which could also assist in improving the motivation and qualifications of employees and make tourist businesses more competitive.

A brochure was produced aimed particularly at the industry’s many small businesses and micro-enterprises. Labeled “Skilled Labor for Tourism – Ready for the Future,” it contains recommendations for action, tips for implementation and examples of good practice, and was presented by the BMWi at an event in 2014. It can be downloaded in German at [www.tourismus-fachkraefte.de](http://www.tourismus-fachkraefte.de). The project was conducted by a consortium led by an educational organization located in Saxony, Bildungswerk der Sächsischen Wirtschaft e.V.

The results of the study were fed into the general activities undertaken by BMWi for securing skilled labor (also see Part III, Section 1, Framework for tourism, subsection Securing skilled labor). For example, the hospitality industry was one of the areas that participated in workshop discussions titled “Challenges in Securing Skilled Labor,” which were held in the context of the Alliance for Initial and Further Training.

#### 2.5 Project: Tourism for Children and Young People

The Federal Ministry for Economic Affairs and Energy helped finance a project that ran from September 2012 to December 2014 called: Tourism for Children and Young People. The aim of the project was to enhance Germany’s image as a travel destination for children and young people and to improve its competitive position. The project was the Federal Government’s response to a resolution of the German parliament in 2012 (Drucksache 17/8451). The project included a baseline study of the economic importance of children and young people for the tourist industry and a total of eight presentations throughout Germany. The sponsor of the project was the head organization of the German Youth Hostel Association (DJH). The project was assisted and supported by an advisory board made up of representatives from commercial service providers and non-profit sponsors of tourism for children and young people in Germany.

The task of preparing the baseline study on tourism for children and young people in Germany was assigned to dwif-Consulting GmbH, iconkids & youth international research GmbH, and NIT (Institute for Research on Tourism and Bathing in Northern Europe GmbH). The study focused on analyzing data on demand, identifying why children and young people travel, calculating economic aspects and identifying trends and success factors in designing tourism offerings for this target group. The main results of this baseline study were presented to a wide audience of travel professionals for the first time at the 2014 ITB Berlin, a travel industry tradeshow. The results demonstrated the scope and the travel behavior of 3- to 26-year-olds on overnight and day trips made without their parents or guardians.

The gross volume of travel accounted for by children, teenagers and young adults amounts to around 62 million overnight trips annually and approximately 670 million day trips – which constitutes a significant economic factor in the broad tourism picture. In total, the market for travel for this group generated gross revenue of €28.2 billion in Germany in 2013, along with a further €10 billion generated by the related transportation services. Tourism for children and young people in Germany provides a livelihood for approximately 550,000 citizens and accounts for a 0.7% share of national income.

Six conferences on the future of tourism for young people were held throughout Germany and two general conferences on this kind of tourism were held to improve networking and cooperation between the programme operators. They were organized by the BundesForum Kinder- und Jugendreisen e.V., a forum for travel for children and young people, and dealt with inclusion, outbound travel, training, networks, big cities as destinations and inbound tourism for groups. They demonstrated how private and non-profit operators of children's and young people's travel could design their products more successfully to match the needs and interests of this target group. In addition to introducing best-practice examples and establishing networks and competence clusters, the conferences developed recommendations for action to be taken by administrative bodies, the government and associations. The project culminated in two themed conferences held in autumn of 2014. At the conference in Schwerin, the focus was on how to better utilize the potential of rural areas for tourism for this target group. The conference in Wittenberg dealt with touristic products designed around Martin Luther, the city's most famous resident. Emphasizing a hands-on history of this diverse region, it was also an appropriate contribution to preparations for the 500th anniversary of the Reformation in 2017.

The baseline study and other information on the project can be found at [www.kinder-und-jugendtourismus.de](http://www.kinder-und-jugendtourismus.de).

## 2.6 German Day-Trippers

A joint Federal Government-Länder baseline study was conducted on day trips undertaken by Germans with a view to determining their economic significance.

The study found that, in the period between May 2012 and April 2013, almost 3 billion day trips (trips or business trips without an overnight stay) were taken. Nearly 84% of the German population over 14 years of age took at least one day trip in this period. Of these trips, almost 97% were made in Germany, and only 3% outside of the country. In Germany almost 10 times as many day trips were taken as overnight stays registered by accommodation entities.

Day-trippers spent around €79 billion at their travel destinations. In addition, they spent nearly €50 billion on transportation to their destinations. Day trips to Germany from abroad need to be added to this as well, thus enhancing the economic influence of day trips, especially in border regions.

The results of the study demonstrate the close ties between tourism and other economic sectors. Many sectors profit directly from expenditures made by day guests (e.g. trade, food services, cultural sites, sports locations, and transportation), or are indirectly involved through the supply of goods and services.

The research project was conducted by dwif (German Economic Research Institute for Tourism at the University of Munich), which had also provided scientific support for forerunner baseline studies on day trips. The project was financed jointly by the BMWf, the Länder, ADAC and dwif-Consulting GmbH.

The project results were published in autumn of 2013 and are available from the BMWf as a brochure or download.

## 2.7 Tourism Competence Center

There are plans to establish a tourism competence center, the task of which will be to assist the BMWf in implementing the Federal Government's tourism policy goals. Scheduled to begin work in 2017, the center will serve primarily to assist the process of implementing government furtherance of tourism. However, design and management of tour-

ism policy will remain with the BMWf. Operational tools may include financial support for model projects that build on ideas competitions, creating an information database aimed at the needs of small and medium-sized tourist businesses, and expert analyses and evaluations of political, economic and social trends in tourism.

The tourism competence center will be financed by the current budget and is intended to provide conceptional and organizational assistance to initiatives for enhancing performance in the tourism industry. Projects are to be designed and carried out on the basis of predetermined focal topics. This will enable the BMWf to better channel federal funding and to increase public awareness of the importance of tourism for growth and employment.

One of the related projects is a special module titled Tourism 2030, which should combine expertise on long-term trends, scenarios and perspectives of tourism in Germany and make this expertise available to various players in the industry. The current changes in tourism are driven by such factors as digitalization including the sharing economy, increasing mobility, the personalization of travel, the influence of the growing number of older people on travel behavior, and rising demand in developing countries for (overseas) travel due to increased prosperity. In addition, topics such as sustainability, climate change, and terror and violence are having an growing effect on tourism.

## 2.8 Study: Tourism as an Economic Factor in Germany

Reliable, up-to-date information on the economic effects of demand for tourism in Germany provides an important basis for political strategy and for creating good framework conditions for tourism and the tourism industry in the country.

Taken alone, however, the current official statistics are not suitable for determining the macroeconomic significance of tourism as a cross-sectoral industry because they are limited to an isolated collection of data in Germany on accommodation and on individual parts of the industry.

For this reason, the BMWf supported a new version of the study “Tourism as an Economic Factor”, which should be available by mid-2017. As in the previous study, the analysis is based on the tourism satellite account (TSA), an internationally recognized statistical framework that is consistent with German national accounts. This method reliably measures the income and employment effects of tourism

in Germany. The study also deals with a qualitative analysis of the shift in proportions of individual segments in the overall tourism industry. The goal is to describe recent trends and the influence of increasing digitalization on tourism business.

An improved and more detailed database and analysis can identify shifts and changes within the various segments, allowing for international comparisons within the EU, the OECD and the UNWTO, the world tourism organization. In addition, it allows conclusions to be drawn as regards operative and strategic decisions, both for tourism policy and for the tourism industry.

## 2.9 Event: Twenty-five Years after the Fall of the Berlin Wall

November 2014 was the 25th anniversary of the fall of the Berlin Wall. The Federal Ministry for Economic Affairs and Energy celebrated this anniversary and the freedom of travel it entailed by sponsoring the opening event of the largest travel fair in eastern Germany, the Reisemesse Touristik Caravaning International in Leipzig.

Federal Tourism Commissioner Iris Gleicke emphasized the successful development of tourism – a new sector and economic factor in eastern Germany since the fall of the Wall and reunification – and praised the efforts of all those involved in this new area. State Secretary Gleicke then opened a “freedom of travel box” located in a nostalgic caravan built in the former GDR. Visitors were encouraged to share their stories and recollections of their own travel experiences and have them recorded as well as participate in a raffle.

## 2.10 Special marketing campaign of the German National Tourist Board

In June 2013, the BMWf provided additional funding of €250,000 to the German National Tourist Board (GNTB) for a special advertising campaign abroad. This dedicated funding was a reaction to the damage to Germany’s image as a travel destination caused by the flood catastrophe, and was an effort to avoid long-term damage not only to the image of the affected areas, but also to Germany’s overall image. With the slogan “We are open,” the GNTB launched a special advertising campaign for Germany as a travel destination in the Netherlands, the country’s most important source market, and in the other large source markets Austria and Japan.

### 2.11 Study on the Sharing Economy

The sharing economy – also referred to in the EU as the collaborative economy – has many different facets in Germany, both as regards the areas of business and the people and entities involved. In addition to basic neighborhood assistance, numerous commercial placement and rental platforms are already available. The greatest impact on tourism has been the use of Internet platforms for advertising and booking private accommodation for short-term rental. Services offered in the sharing economy frequently benefit the consumer, particularly due to the larger selection on offer. However, it is important to maintain a level playing field for the “classic service providers” in this market. The hotel sector, for example, complains that often no tax is paid on revenues generated by such services, and that tourism taxes are neither charged nor declared. Sector-specific regulations, including hygiene and safety regulations (e.g. fire protection), were not being observed. This practice allowed sharing economy participants to calculate their prices below those of established companies, according to hotel owners. In addition, it is harder to monitor compliance with occupational safety and health regulations because private providers are not subject to registration obligations and inspections are difficult because of privacy laws. At the municipal level, the effects on urban development are visible, which has already prompted some cities to issue bans on misuse of real estate.

There is insufficient information on the extent to which these criticisms are valid, and whether the negative effects of sharing business models in the area of accommodation are due to lack of regulation, ignorance of such regulation or deliberate disregard for the existing legal framework on the part of the private providers. Many business models are a source of legal uncertainty for the market participants – whether users, private providers or platform operators. In addition, there have been no independent studies to date on the impact of these new business models on the German economy. In order to assess the need for future federal regulation, the BMWi called for proposals for a study on the topic “Analysis of the Role of the Sharing Economy in the German Economic Area in General as well as a Review of the Options for Taking Action in the Specific Area of Intermediary Platforms for Private Accommodation.”

The study should for one thing analyze the current market for sharing business models and their macroeconomic effects. The market for private accommodations should be investigated empirically by means of an extensive questionnaire. On this basis, the study should deal with the

need for regulatory action for online booking services for private accommodation. The 21st Main Report of the Monopolies Commission should also be referenced in the study. In its report, the Monopolies Commission examined the types of services emerging in the sharing economy in Germany, with a focus on C2C (customer to customer) services. It has issued recommendations for creating a regulatory framework for intermediary platforms for private accommodation.

An initial interim report on the empirical investigations is slated to appear in summer 2017. The final study results should be available at the end of 2017.

### 2.12 Check-in Energy Efficiency

The BMWi is conducting a pilot project on energy-efficient buildings in cooperation with the German Energy Agency (dena). As part of this effort, the Check-in Energy Efficiency pilot project was initiated in 2015. The goal of this pilot project is to demonstrate an economic, ecological and socially acceptable strategy for hotels and hostels of the future. The 30 participating hotels and hostels are given expert energy-efficiency advice that will enable them to utilize the efficiency potential already available, and thereby profit from an increase in subsidies. This project requires hotels and hostels to implement at least one investment that will generate bottom-line energy savings of at least 30 to 50 percent for heating and electricity – as compared with energy consumption prior to the investment.

### 2.13 Study on the Economic Relevance of the Film Industry in Germany

The BMWi presented a study in February 2017 on the economic effects of the film industry. The study revealed that Germany is on the radar for film tourism, but that there is room for growth, especially for foreign tourists. The relatively low number of large international movie productions shot in Germany up until now is set to increase, also due to the German Motion Picture Fund established by the BMWi. This could also lead to higher tourism demand for familiar shooting locations. Even now, tourism associations are cooperating with film sponsors to promote film tourism. The German crime series Tatort (Scene of the Crime) is an example of successful domestic film tourism. In each of the Tatort location cities, tours are organized that bring tourists to the shooting locations and sets. The effects of film festivals such as the Berlinale in Berlin are also considerable.



### 3. Promoting Germany as a travel destination – the German National Tourist Board’s global marketing

One of the most important tasks of the Federal Government is promoting Germany internationally as a travel destination. Because tourism is an important economic factor in Germany that contributes substantially to both gross value added and employment, the Federal Government has a legitimate interest in strengthening Germany’s image as a tourist destination by increasing inbound tourism. Sponsorship of inbound tourism helps secure and increase employment in a tourism economy numerically dominated by SMEs, and bolsters the economic strength of structurally weak regions. Inbound tourism benefits not only the tourism economy, but also other sectors, such as retail. Enhancing Germany’s image as a travel destination with advertising also indirectly affects many other areas of international cooperation. What is more, overseas marketing helps spread German culture abroad, and promotes international understanding through travel. For these reasons the Federal Government is strongly committed to public funds for overseas marketing provided through the federal budget.

#### Organization and financing of the GNTB

International marketing of Germany as a travel destination is conducted by the German National Tourist Board (GNTB), based in Frankfurt am Main. It develops and communicates strategies and products to strengthen Germany’s positive image in other countries as a travel destination and to increase inbound tourism to Germany. The Tourist Board bases its marketing and sales activities on detailed market analyses in the source markets. To this end, the GNTB has six regional management centers with local agencies in 32 countries on five continents. Most recently, new offices were opened in Singapore and Buenos Aires on 1 January 2017.

The GNTB is a non-profit organization set up as a registered association (eingetragener Verein). It works together with numerous business and media organizations and partners. Members include businesses, state marketing organizations and associations that reflect the broad range of interests of the tourism industry, with the number of members growing continually, from 33 members in 2000 to currently 71.

The Federal Ministry for Economic Affairs and Energy funds the German National Tourist Board on behalf of the German Bundestag, providing it with institutional grants. The GNTB generates roughly one fourth of its funding needs

through contributions from members and services for third parties. Federal funding for the GNTB in 2016 totaled €30.536 million. The 2017 budget provides for funding in the amount of €30.649 million.

The duties of the German National Tourist Board are defined annually in coordination with the Federal Ministry for Economic Affairs and Energy in specific target agreements that are continually evaluated. An important task of the GNTB is to provide SMEs with a platform for international marketing activities. For most SMEs in the tourism sector, participation in international activities is often only possible through the GNTB.

#### GNTB marketing activities

The GNTB advertises Germany internationally as a travel destination with numerous events, campaigns and other means of marketing. This includes international tourism fairs, workshops and media events. On the GNTB website, via special apps and in social networks, tourists and organizations will find information (in several languages) regarding travel destinations, programmes and tourist events in Germany. The GNTB’s global marketing activities are based on sound market research, for which it evaluates a wide range of domestic and international sources for all relevant international markets. In addition to the 30 markets in which local offices or marketing agencies support active marketing efforts, research also includes monitoring potential markets with the assistance of partners such as chambers of industry and commerce in other countries and Germany Trade and Invest (GTAI), a limited liability company focusing on foreign trade and the marketing of Germany as a business location.

During the reporting period, the GNTB shifted its orientation from a largely B2B focus toward more retail-oriented marketing. This was accompanied by ongoing development of a digital strategy, marked by the expansion of online and social media marketing. Theme campaigns are now basically designed as online campaigns. The [www.germany.travel](http://www.germany.travel) website, which is available in 30 languages, is a global portal that was significantly enhanced in the reporting period, for example by the integration of videos. Influencer marketing has gained in importance. This is cooperation with individuals with a high profile in social networks who have the power to shape public opinion. Currently in active use are 16 Facebook pages, 5 Twitter accounts, one GNTB Youtube channel, Instagram accounts, Snapchat and Pinterest and, in China, WeChat and Weibo.

In addition, the GNTB uses specific traditional marketing tools in the B2B area. The most important marketing event for German inbound tourism is the Germany Travel Mart, which the GNTB puts on annually and which rotates between different regions of the country. Around 650 procurers from international travel companies and media representatives from around 20 countries meet with about 350 German tourism companies to gather information on new trends and developments in tourism in Germany, to make new contacts and maintain old ones, and to do business.

In addition to its international marketing activities, the GNBT also developed new event formats during the 18th legislative term. Numerous movers and shakers from the German tourism sector participated in Social Media Days and Digital Days to exchange experiences and align their international marketing efforts with future challenges. One highlight during the reporting period was the First Germany Incoming and Brand Summit, hosted by the GNBT in Munich in December 2016. About 100 media representatives from 18 countries participated, half of them influencers, the other half representatives of leading print and online media. Internationally renowned experts presented the latest findings on the status of Germany as a trademark in international competition for travel destinations, and used current trends to provide an outlook on future opportunities and challenges.

### Aual theme campaigns

Annual campaigns with changing topics emphasize specific tourism highlights, events and important anniversaries, in order to tap new target groups and markets.

In 2013, the GNTB underscored the growing significance of online marketing with its campaign “Youth Travel to Germany – HotSpots – Brandnew – Lifestyle.” The core project was a social media campaign entitled “Youth HotSpots in Germany – Share the moment.” This project was accompanied by numerous activities on social media platforms, including blogger projects such as the “Budgettraveler’s German Wanderlust” or the “Backpacker Survival Guides.” The GNBT also focused media efforts on the 200th birthday of Richard Wagner and “200 Years of the Brothers Grimm’s Fairy Tales.”

The topic of the campaign in 2014 was UNESCO World Heritage in Germany – Sustainable Nature and Culture Tourism, which was presented together with the German

UNESCO Commission and UNESCO-Welterbestätten Deutschland e.V., the German World Heritage division of UNESCO. In 2014, GNTB also launched a two-year campaign on the topic “The Fascination of Reunification – 25th Anniversary of the Fall of the Berlin Wall and Reunification.” It illustrated the increased appeal of reunified Germany since the beginning of the 1990s. Other focal points of media activities were the 300th birthday of Carl Philipp Emanuel Bach, and the 600th anniversary of the Council of Constance.

In 2015, tradition and customs were the focus of global marketing activities. The GNTB used this topic to combine the three pillars “Culinary Germany,” “Living Tradition” and “Art and Crafts” with a positive and modern image of Germany, with its living, authentic traditions and their strong roots in German society. The GNTB also focused its marketing on “Vacation Roads in Germany” and, with a view to the anniversary of the Reformation in 2017, on the 500th birthday of Lucas Cranach the Younger.

Under the motto “Fascinating Nature Vacations in Germany,” the Board placed its advertising focus in 2016 on the countryside and experiencing nature. Another topic was the 800th anniversary of the Dresden Kreuzchor, a renowned choir.

Given the 500th anniversary of the Reformation in 2017, marketing will be targeted on the sites of the Reformation and Martin Luther’s life. In addition to this, international attention will be drawn to two major events: the 14th documenta in Kassel, the most important international exhibition of contemporary art, and the International Garden Show in Berlin.

Preview of upcoming GNBT marketing campaigns:

- **2018**  
Theme: Culinary Germany  
Additional focus: 200th birthday of Karl Marx
- **2019**  
Theme: 100th Anniversary of Bauhaus  
Additional focus: 200th birthday of Theodor Fontane
- **2020**  
Theme: 250th birthday of Ludwig van Beethoven  
Additional focus: Passion Plays in Oberammergau

## 4. Education and training in the tourism industry

### Training in tourism

The dual system of vocational training and education is of particular importance in the tourism and recreational industry. A total of twelve occupations in the dual system are available to the tourism industry. Over 64,000 young people are currently in training for these occupations and, in 2015, 28,000 training positions were filled (see Figure 20).

The training occupations are continually updated the competent minister in coordination together with employers,

unions and the Länder to ensure that they match market demand. These training curricula are drafted together with works councils and employee representatives. Along with the Law for Vocational Training (Berufsbildungsgesetz) and labor protection statutes, they provide the legal framework for high-quality dual vocational training. The chambers of industry and commerce also consistently monitor the quality of on-the-job training in the training companies to ensure that training is practice-oriented and based on sound foundations.

Currently, both of the air travel occupations – Air Traffic Management Assistant and Service Employee in Air Traffic – are being updated. The new curricula for these occupations

**Figure 20: Training in the tourism sector in 2015**

		Total training positions	of these, for women	New training positions filled in 2015, with change relative to the previous year in %	
1	Specialist in the hospitality service industry (Fachkraft in Gastgewerbe)	3,295	1,934	1,901	- 6.03
2	Specialist in the hotel business (Hotelfachmann/-frau)	21,507	14,923	9,063	- 2.14
3	Hotel Clerk (Hotelkaufmann/-frau)	1,055	674	416	- 3.71
4	Cook (Koch/Köchin)	19,998	4,792	8,872	- 4.05
5	Restaurant Management Specialist (Restaurantfachmann/-frau)	6,425	4,069	2,958	- 6.63
6	Food Services Specialist (Fachmann/-frau für Systemgastronomie)	3,897	1,920	1,635	- 8.05
	<b>Total occupations in the hospitality sector (I)</b>	<b>56,177</b>	<b>28,312</b>	<b>24,845</b>	<b>- 4.11</b>
7	Tourism Service Management Clerk (Management Clerk for individual holidays and business trips) (Tourismuskaufmann/-frau (Kaufmann/-frau für Privat und Geschäftsreisen))	4,936	4,163	1,906	+ 1.00
8	Air Traffic Management Assistant (Luftverkehrs-kaufmann/-frau)	129	76	55	+ 10.00
9	Shipping and Chartering Manager (Schiffahrtskaufmann/-frau)	851	391	315	+ 1.90
10	Transport Services Clerk (Kaufmann/-frau für Verkehrsservice)	1,037	596	354	- 5.30
11	Service Employee in Air Traffic (Servicekaufmann/-frau im Luftverkehr)	214	159	60	- 13.05
12	Tourism and Leisure Agent (Kaufmann/-frau für Tourismus und Freizeit)	1,070	846	402	- 1.72
	<b>Total other (II)</b>	<b>8,237</b>	<b>6,231</b>	<b>3,092</b>	<b>- 0.20</b>
	<b>Total occupations in tourism (I+II)</b>	<b>64,414</b>	<b>34,543</b>	<b>27,937</b>	<b>- 3.69</b>

will take effect as of 1 August 2017. The curricula for Transport Services Clerks are currently under review, as are the six hospitality industry training occupations.

Despite the broad selection of training occupations and the highly esteemed dual system of vocational training and education in the tourism sector, this sector is increasingly experiencing difficulty in filling training positions. The total number of trainees in the twelve tourism occupations dropped from 85,649 in 2011 to 64,414 in 2015, and the number of newly filled training positions declined from 36,159 in 2011 to 27,937 in 2015.

An online survey by the DIHK (German Chamber of Industry and Commerce) on training in 2016 confirmed that, compared with other sectors, the hospitality industry had by far the biggest problems in attracting young people to training programmes and filling training positions. Despite a slight improvement in 2016 over 2015, 61 % of the businesses in the hospitality industry still had difficulties finding sufficient numbers of trainee applicants (in 2015: 62 %, in 2012: 52 %).

By becoming strongly involved in the process, the hospitality industry was able to at least keep the applicant situation at this level. According to the DIHK online survey, this sector demonstrates the greatest willingness (88 %) compared with other industries to also offer young people with learning disabilities a training opportunity. Companies are offering long-term internships for school students to remedy

the educational deficits in potential traineeship candidates. The Federal Employment Agencies and Job Centers provide the companies with training assistance and introductory training for young people in need of additional educational help. The two-year training occupations programmes provide a valuable pathway to the hospitality industry, with a share of 12 % of all entries. The willingness of businesses to take on their trainees after completion of the training programme has gone up significantly (2016: 54 %, 2015: 47 %); 6 % of hospitality businesses are also involved in integrating young refugees into the dual training system.

### Advanced training in tourism

A very important element of professionalizing skilled workers is continuing education, which generally builds on a state-recognized training occupation. This is also true of the tourism industry, in which many individuals continue to make use of the current continuing education opportunities. In the tourism industry there are three advanced training qualifications for Certified Specialists (Fachwirte) and three Master Degree programmes (Fachmeister), in which nearly 1,800 candidates were enrolled in 2015 (see Figure 21). The advanced training qualification for the Transport Business Administrator degree has been modernized. Valid as of October 2013 are the new examination requirements for the advanced training qualification for Certified Specialists for Passenger Transportation and Mobility.

**Figure 21: Advanced training examinations held by the Association of German Chambers of Industry and Commerce in the field of tourism in 2015**

	Candidates	Candidates that passed
<b>Certified Specialists (I) (Fachwirte/-innen)</b>		
Certified Specialist for Tourism (Tourismusfachwirt/-in)	196	170
Certified Specialist for Passenger Transportation and Mobility (Fachwirt/-in für Personenverkehr und Mobilität)	575	429
Certified Specialist in Hospitality (Fachwirt/-in im Gastgewerbe)	128	91
<b>Total Certified Specialists (II)</b>	<b>899</b>	<b>690</b>
<b>Master Degree (II) (Fachmeister/-in)</b>		
Master Chef (Küchenmeister/-in)	716	475
Master Hotel Administrator (Hotelmeister/-in)	85	70
Master Restaurant Administrator (Restaurantmeister/-in)	98	65
<b>Total Master Degrees (II)</b>	<b>899</b>	<b>610</b>
<b>Total advanced training examinations in tourism (I+II)</b>	<b>1,798</b>	<b>1,300</b>

Source: Association of German Chambers of Industry and Commerce



### Directive on the Recognition of Professional Qualifications

In some Member States of the EU, the occupation of travel guide/tour guide is regulated, for example in Italy, France and Spain. Even after amendment of the Directive on the Recognition of Professional Qualifications in 2013, German tour guides leading groups in these EU Member States and providing limited-term cross-border services must still prove that they have professional experience; however, the required amount of this professional experience was reduced from two years to one.

In order to assist German tour guides when they accompany tour groups in other Member States, the Chambers of Industry and Commerce have worked together closely with the BMWf and the German Travel Association (DRV) to create conformity certificates that are available to tour guides upon request. These certificates help the tour guides provide proof that they fulfill the requirements of the directive in those countries in which this profession is regulated. As part of their recommendations for reforming professional regulations, the European Commission has requested the Member States with strict regulations to review their justification for regulation of this profession and whether it is reasonable.

## 5. Regional tourism policy

### Regional policy – Joint Federal Government-Länder Task for Improving Regional Economic Structure (Gemeinschaftsaufgabe “Verbesserung der regionalen Wirtschaftsstruktur”: GRW)

For many structurally weak regions, the tourism industry plays a prominent role as a source of income and employment. Subsidies for tourism and the recreational industry help these areas to keep up with general economic growth and also make their own contribution to macroeconomic

growth. Apart from this, tourism also contributes to social and territorial cohesion and helps maintain and even improve Germany’s natural and cultural heritage.

The Joint Federal Government-Länder Task for Improving Regional Economic Structure (GRW) is the central instrument of the Federal Government’s regional policy. GRW project funding is provided in the form of:

- investments in trade and industry, including the tourism economy, and
- municipal investments in economic infrastructure, including basic infrastructure for tourism (developing land for tourism and public tourist facilities).

Basic infrastructure measures include, for example, information centers and systems, spa and sea-front promenades, bathing facilities, and cycling and hiking paths.

Beyond that, regional management projects, partnership networks, cluster management projects and regional budget projects are supported to pool regional development activities and drive collaboration in and between the regions. These projects are also specifically implemented to activate regional measures in the field of tourism.

This funding is based on the Act for Improving Regional Economic Structure (GRW) passed in 1969, last amended on 31 August 2015. The coordination framework of the GRW, which spans several years, stipulates the rules agreed on by the Federal Government and the Länder for funding in accordance with EU state aid rules. The current coordination framework entered into force on 1 July 2014. There have been no changes in rules on subsidies for tourism. Support for tourism remains a focal point of the Federal Government’s regional policy. For example, the average portion of the GRW budget set aside for tourism has been 14% over the past five years. This translates into an average

Figure 22: Overview of aid intensity

	small/medium-sized/large companies	
	Period: 1 July 2014 – 31 December 2017	Period: 1 January 2018 – 31 December 2020
Predefined ‘c’ areas	35/25/15 percent	30/20/10 percent
Predefined ‘c’ areas bordering on ‘a’ areas	40/30/20 percent	40/30/20 percent
Non predefined ‘c’ areas	30/20/10 percent	
‘d’ areas	20/10 percent/€200,000	

of €167 million of GRW funding annually (divided evenly between federal and Länder contributions) that is invested in the tourism industry and tourism infrastructure.

GRW funding is subject to the EU rules on state aid. On the basis of the new guidelines that entered into force in July 2014 regarding regional aid provided up to 2020, the German area receiving assistance was redrawn based on a GRW ranking of structural weakness, and applied to the new subsidy period. This new definition of the area to receive state aid is a balanced and professional approach to dealing with the regional problem areas in Germany. The new Länder have lost their previous ‘a’ status, marking the highest aid intensity, but the overall region still retains the status of an area qualified to receive subsidies under EU regional state aid rules. Overall, Germany has a regional aid area ceiling (‘c’ areas) equaling 25.85 % of the total population. Added to this are ‘d’ regional aid areas amounting to 14.38 % of the total population that are not subject to regional state aid rules. Tourism-related investments may be subsidized in both the ‘c’ and ‘d’ areas, though at differing rates.

The level of state aid intensity allowed under state aid rules for commercial investments decreased at the beginning of the new funding period, especially in the new Länder. The maximum aid intensities are categorized by region as fol-

lows, according to the size of the company and the severity of structural problems (Figure 22).

As a rule, subsidies for business-related infrastructure are granted for up to 60 % of costs eligible for subsidies. Under certain conditions, this amount may be increased to 90 %.

The following tables (Figure 23 and 24) demonstrate the use of GRW funding (distributed equally between federal and state funds) for tourism between 2013 and 2016 – differentiating between trade and industry and business-related infrastructure.

In the 2017 Federal Budget, Chapter 0902 Title 882 01, an amount of €600 million has been earmarked for “Allocations for commercial investments and economic infrastructure measures within the framework of the joint Federal Government-Länder Task for ‘Improving Regional Economic Structure (GRW).’” This includes €7 million for losses incurred through guarantees. In addition, the Title includes commitment appropriations in a total amount of €593 million, distributed over the three years 2018, 2019 and 2020.

In addition, in the context of the Federal investment package of 2015, additional commitment appropriations were budgeted in the Individual Plan (Einzelplan) 60 in the

**Figure 23: Trade and industry: Funding for lodging and food services**  
Appropriations between 2013 and 2016

	Number of cases	Investment volume in € millions	Appropriations of GRW funding in € millions	Permanent jobs	
				additional	safeguarded
Old Länder	175	516.95	67.51	1,418	1,499
New Länder (incl. Berlin)	246	498.01	143.93	1,356	2,271
Total	421	1,014.96	211.44	2,774	3,770

**Figure 24: Economic infrastructure: funding for land development and public facilities for tourism**  
Appropriations 2013 – 2016

	Number of cases	Investment volume in € millions	Appropriations of GRW funding in € millions
Old Länder	44	87.90	47.87
New Länder (incl. Berlin)	305	462.12	370.62
Total	349	550.02	418.49

amount of €24 million for each of the years 2016, 2017 and 2018. The cash funds planned for financing the commitments agreed on will be put in the budget as of 2017 in Chapter 0910 Title 882 02.

#### Assistance after the flood catastrophe in Germany in summer 2013

After the severe flooding in May and June of 2013, the Federal Government instigated an assistance programme together with the affected Länder to ameliorate the grave economic consequences, also for tourism. The Federal Ministry for Economic Affairs and Energy held a round table in July 2013 specifically to address the consequences of the flooding on tourism. Representatives of the affected Länder and of the tourism industry participated.

The Federal Government and the Länder set aside a total of €8 billion in 2013 for assistance for the victims within the framework of the special fund “Rebuilding Assistance.” These measures also benefited tourism companies and helped rebuild tourism infrastructure. The key elements of the various reconstruction programmes of these government agencies were regulated in an administrative agreement between the Federal Government and the Länder, which was signed on 2 August 2013.

Approximately €1.4 billion from the rebuilding fund were provided as subsidies for businesses in trade and industry, for independent professionals and for the reconstruction of economic infrastructure, including recipients in these groups that belonged to the tourism industry. The appropriation period for reconstruction aid ended on 30 June 2016, yet disbursements are still being made.

The KfW Flood Relief Action Plan expired on 30 June 2014. It supplied funding to commercial businesses, the self-employed, owners, lessors and lessees of residential buildings, municipal companies, social organizations and municipalities. The benefits were primarily in the form of interest rate subsidies and deferments of principal and interest payments. In total, 442 loans were made, equivalent to a volume of €28.7 million. Of these, 95 grants were made in the amount of €12 million for trade and industry.

## 6. Protecting children from sexual exploitation in tourism

Sexual exploitation of children and young people in the tourism trade is a global phenomenon, of which poverty in tourist countries is a major cause. The Federal Government is involved in the Second Action Plan for Protecting Children and Young People from Sexual Violence and Exploitation (also see Part IV – The role of other federal ministries in tourism policy, contributions from the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) and the Federal Ministry of Justice and Consumer Protection (BMJV)).

During the 17th legislative term, the Federal Government had already initiated a trilateral campaign against child abuse in tourism, together with the governments in Austria and Switzerland. The programme titled “Don’t look away – Nicht wegsehen!” created a close alliance between government, the travel industry and NGOs of these countries. The campaign has been intensified since then, with France, Luxembourg, the Netherlands and Poland joining in 2015.

A core element of the international awareness campaign is the video spot “Witness – Zeugen”, which aims to sensitize travelers to the topic of protecting children in tourism, and should encourage them to do something about misuse. A further element is a pan-European central registration site ([www.reportchildsextourism.eu](http://www.reportchildsextourism.eu)) for providing information on suspicious situations.

The national network of the “Don’t look away” initiative has continued to grow, and now comprises federal agencies (BMWi, Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, the Federal Ministry for the Interior, the Federal Ministry of Justice and Consumer Protection, the Federal Foreign Office and the Federal Criminal Police Office), the tourism industry (in particular, the German Travel Association), and civil society (especially ECPAT Deutschland). Activities of this network are supported primarily by the travel industry and civil society.

In 2014 the national Internet platform [www.nicht-wegsehen.net](http://www.nicht-wegsehen.net) was created. This website was instigated by the Federal Association for the German Tourism Industry (BTW), the German Travel Association and ECPAT Deutschland, and supported by the BMWi and the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. It provides information on sexual exploitation of children in tourism and contains links to the Federal Criminal Police Office and ECPAT Deutschland. Travelers observ-

ing criminal behavior can contact these agencies using the website, and lodge candid and anonymous reports on what they have witnessed. The electronic media, including social networks, have been advertising this possibility for notifying the authorities. In the 2016 travel season, for example, the Federal Foreign Office addressed the message “Child Protection: Show Civic Courage!” in its travel app “Safe Travel.” The Federal Government plans to continue increasing awareness of this problem within society.

The Federal Government aims to improve protection of minors from sexual abuse with cross-border cooperation in criminal prosecution and by means of codes of conduct for travelers and tourism companies. The Federal Government also works closely with the travel industry and NGOs and has agreed a code of conduct with them. In addition to sensitizing tourists, activities also include training sessions on responsible behavior of employees in the travel industry both in Germany and abroad.

## 7. European and international collaboration on tourism policy

The Federal Ministry for Economic Affairs and Energy has lead responsibility for tourism policy and, as such, represents the German government in European and international matters regarding tourism. This applies to the treatment of tourism policy issues, for example at the EU level, in the framework of the OECD, at the UNWTO, the T20, and in bilateral interaction with other countries.

### 7.1 European tourism policy

The European Union has only supportive authority in the area of tourism. Its task is to augment tourism policy measures taken by Member States, in particular regarding the competitiveness of tourism companies. Specifically, Article 195 of the Treaty on the Functioning of the European Union – which entered into force in 2009 and granted the EU responsibility for tourism in primary legislation for the first time – mentions the creation of a favorable environment for tourism companies and the encouragement of cooperation between the Member States, particularly by the sharing of good practice.

The EU has initiated corresponding projects through its Directorate General on Growth (Internal Market, Industry, Entrepreneurship and SMEs). This includes the creation of an ICT platform for disseminating new information tech-

nologies and initiatives or measures for ensuring sufficient young and skilled employees. The marketing campaign launched by the European Commission to promote Europe as a travel destination (Visit Europe.com) is aimed at kindling the interest of tourists from countries outside of Europe, particularly from overseas. One of the countries targeted was the USA. In this aspect the European Commission works closely with the European Travel Commission (ETC), which is the parent organization of the national tourism marketing organizations in Europe.

The German Federal Government welcomes the EU Commission’s efforts to ensure that the industry has enough qualified employees. Tourism is one of the six pilot sectors for developing “blueprints” in the context of the “New Skills Agenda For Europe” adopted by the European Commission in 2016. In promoting Europe as a tourist destination, it is nevertheless important to retain the distribution of responsibility between the European Union and the Member States.

The European Commission and Member States coordinate their treatment of tourism policy topics, especially in determining task priorities and budget issues, at a biennial meeting in Brussels of the Advisory Committee on Tourism, in which Germany is represented by the BMWf.

### 7.2 EU structural policy

The aim of EU structural policy is to strengthen the economic, social and territorial cohesion in the EU and reduce the disparity in various levels of regional development.

To this end, the European structural and investment funds (ESI Funds) – European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD) – as well as the European Maritime and Fisheries Fund (EMFF) are primarily channeled into areas with lower growth, in order to assist them in their economic development. In the funding period 2014 – 2020, a total of nearly €29 billion of ESI funds are available to Germany, of which approximately €10.77 billion come from the ERDF.

The overall strategy of ESI funding in Germany is set forth in the Partnership Agreement between Germany and the European Commission on use of ESI under the Joint Strategic Framework in the Funding Period 2014 – 2020. This partnership agreement forms the basis for operational and development programmes of the Länder and the Federal



Government, which in turn are the basis for selecting specific projects. It is also the basis for implementing ESI funds to sponsor tourism in Germany.

In contrast to the previous period, ERDF financing in 2014–2020 will be more strongly tied to the goals of the Europe 2020 Strategy. In terms of content and financing, this will lead to a stronger emphasis on R&D, support for SMEs and reducing CO<sub>2</sub> emissions. Accordingly, other areas of funding, for example the environment, urban development or tourism, will see a decrease in funding compared with the previous period. In addition, both the ERDF and ESF financing for Germany between 2014 and 2020 will be reduced by more than one-fourth compared to 2007–2013.

Nonetheless, ESI funds may still be used to fund tourism projects during the 2014–2020 period. In the ERDF directive, sponsoring sustainable tourism in all regions of the European Union is anchored both in the considerations for funding and in the description of the areas of intervention. Sustainable tourism is addressed by the ‘thematic objective’ titled “Enhancing the competitiveness of SMEs” (TO3); “Preserving and protecting the environment and promoting resource efficiency” (TO6); “Promoting sustainable and quality employment and supporting labor mobility” (TO8); “Promoting social inclusion, combating poverty and any discrimination” (TO9); as well as by TO4, “Supporting the shift towards a low-carbon economy in all sectors.”

These thematic objectives have been incorporated into a number of specific investment priorities of relevance to tourism: “Promoting SMEs ... in particular with regard to internationalization ... and supporting the extension of advanced capacities for product and service development ... and supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes” (TO3); “... Conserving, protecting, promoting and developing natural and cultural heritage” (TO6); “... Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, ... and enhancement of accessibility to, and development of, specific natural and cultural resources ...” (TO8); as well as “... providing support for physical, economic and social regeneration of deprived communities in urban and rural areas ...” (TO9).

Many Länder have taken advantage of financial assistance provided by operational ERDF programmes to promote tourism in their states. The total budget for all funding of tourism in German ERDF programmes in the period 2014–2020 is approximately €350 million.

One focus is on measures for supporting productive investment activity of SMEs in the area of tourism, in order to enable them to participate in market growth and innovation processes. For example, investments in accessibility are eligible for funding.

The second area of focus is the expansion and modernization of tourism infrastructure and services. This is aimed at sponsoring cultural and natural heritage infrastructures, and natural and cultural monuments, in order to maintain or improve ecologically sound use of these elements. Another emphasis of funding for public tourism infrastructure is the competitiveness of SMEs involved in the tourism business, which should in particular be improved with regard to innovative or accessible infrastructure and services. One example is improvement in public tourist infrastructure for visitors with limited mobility, hearing or vision.

Tourist organizations can also receive assistance in helping small companies to adjust to the new challenges in the tourism market, e.g., medical tourism, adapting to demographic change or smart networking for services.

Another area involves energy optimization for public infrastructure with a special focus on tourism. This includes thermal baths, water parks, youth hostels and youth retreats.

One example worth mentioning is, an Integrated Territorial Investment (ITI) of a regional ERDF programme that provides €30 million specifically for projects related to “Resource-friendly Tourism,” “Renewable Energies and Energy Efficiency,” “Sustainable Urban Development and “Recycling Fallow Land.” AnITI is an innovative implementation tool for the 2014–2020 period for implementing a territorial strategy in an integrative manner, by including the affected parties on site in the further development of that region.

### 7.3 Bilateral cooperation

Issues revolving around tourism are frequently the topic of basic economic cooperation with governments of other countries. For example, many countries visited by Germans are interested in specific collaboration with the Federal Government in the area of tourism. The Federal Government views formal collaboration at the government level as unproductive – direct cooperation between industry service providers is more important for developing bilateral tourism relationships than bilateral cooperation agreements.

The Federal Government therefore does not aim at signing bilateral tourism pacts or agreements at the government level. Instead, it focuses on bilateral cooperation in tourism at the level of the tourism industry. It recommends and supports collaboration between tourism companies (especially tour operators) and their associations, which has in many cases led to fruitful cooperation. If governments of other countries have particular interests, these can usually be addressed in permanent committees of the general economic cooperation entities.

In the case of a few countries, Germany has special working groups in these committees. With India, for example, there is currently still an active bilateral working group for tourism at the government level. The most recent meeting took place in January 2015 in New Delhi, after an 8-year hiatus.

#### 7.4 Tourism policy collaboration with the OECD

The BMWf represents Germany in the Tourism Committee of the OECD (Organisation for Economic Co-operation and Development). In this committee, OECD members exchange information and thoughts on new trends in tourism affecting tourism policy, and discuss their experience in implementing them. Other areas of the OECD relating to tourism topics and research are included in these discussions, e.g., climate change, sustainability, art and culture, liberalization, travel safety and infrastructure.

The most important tasks of this committee are:

- maximizing the positive effects of tourism on economic and social areas and on the environment;
- promoting sustainable tourism development as the basis for economic growth, job creation and combating poverty;
- enhancing infrastructure and the images of destinations in the interest of local populations, tourists and investors;
- supporting OECD countries in creating better conditions for tourism.

The OECD also focuses on key digital innovations that affect classic tourism structures. For example, the 2016 issue of the biennial report “Tourism Trends and Policies” contained a chapter on the sharing economy and its impact, including legal aspects.

Affiliated with the Tourism Committee, the OECD Working Party on Statistics has been doing trendsetting work for many years. Comprising tourism statistics experts from OECD countries, this group has cooperated with EUROSTAT and the World Tourism Organization (UNWTO) to develop a methodology for the tourism satellite account (TSA) that is now used worldwide, also by Germany. This methodology is continually being updated by the Working Party on Statistics.

The close cooperation that was initiated in 2011 between the OECD Tourism Committee and the UNWTO and the European Commission has been reinforced and expanded.

#### 7.5 Tourism policy collaboration with the UNWTO

Based in Madrid, the World Tourism Organization UNWTO is a specialized agency of the United Nations. According to its statutes, its fundamental aim is the “promotion and development of tourism with a view to contributing to economic development, international understanding, peace, prosperity, and universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.”

Accordingly, the most important tasks of the UNWTO include:

- promoting global tourism that is responsible, sustainable and accessible to everyone;
- advertising tourism as a motor for economic growth and development, and for the sustainable use of nature and the environment;
- supporting the tourism sector by publicizing globally the most recent findings in tourism policy, economics and marketing;
- recording statistics on the development of tourism worldwide; and
- developing tourism as a tool for attaining the Sustainable Development Goals (SDGs).

Germany became a full member of the UNWTO in 1976. The organization’s membership includes 156 countries, 6 Associate Members (individual regions) and 2 Permanent Observers. More than 400 Affiliate Members represent the business and scientific communities. The secretariat of the

UNWTO is lead by the Secretary-General and orients its work toward programmes. Germany was elected to the Executive Council in 2005 and will serve its term until autumn of 2017.

The current 2016 – 2017 UNWTO work programme has the following strategic goals:

- improving competitiveness and quality (for example by providing information and statistics on national and international tourism trends and easing travel restrictions); and
- pursuing sustainability and ethics in tourism (for example by requiring ethical standards, accessibility, combating climate change, etc.).

The General Assembly of the UN has declared 2017 to be the International Year of Sustainable Tourism for Development, and named the UNWTO as the lead agency for the initiative. The goal is to advance the contribution of the tourism sector to worldwide sustainable development with events and campaign activities. The centerpiece of this task is the Agenda 2030 for Sustainable Development and its Sustainable Development Goals adopted in 2013 at the UN Summit by all member countries. The Federal Ministry for Economic Affairs and Energy joined together with Switzerland and Austria to have the UNWTO brochure “Tourism and Sustainable Development Goals” translated into German. This was an effort to raise awareness across Germany for the importance of sustainable tourism for global economic development and to support job creation (see also Part I, Section 7, Sustainable and responsible travel).

A work party of the UNWTO was created in 2011, comprising individual member states of the UNWTO and the umbrella organizations of the tourism industry and consumers, to prepare a draft for an international convention on the protection of tourists and on the rights and obligations of tourism service providers. In particular, this convention should contain international requirements for protecting tourists in the event of catastrophes, and to regulate package travel contracts and lodging agreements. The UNWTO has announced that it will submit this draft to its members at the 22th General Assembly in the autumn of 2017 in China. The German government is critical of this approach, and feels that a separate negotiating process involving UNWTO members and utilizing the findings of the working party is necessary for proper proceedings under international law. Furthermore, the Federal Government pointed out to the UNWTO and the European Com-

mission early on that the draft convention contained rules that are within the (exclusive) competency of the European Union. As a result, the EU Member States will not be in a position to negotiate or adopt the convention at their own individual discretion, rather a Council Decision on a joint negotiation mandate would be required. In February 2017 the European Commission submitted a recommendation for a negotiation mandate.

The UNWTO also pursues the goal of converting the Global Code of Ethics for Tourism adopted in 1999 by the General Assembly into a convention binding under international law. It was originally planned to adopt a draft prepared by the World Ethics Committee, which is responsible for implementing and monitoring the Code of Ethics, in the 21st General Assembly in 2015. There had been no previous negotiations among the member countries or any other discussion of the draft. The recommendation was not adopted, due to the resistance of several countries, including Germany. The Secretary General instead was asked to appoint a working group to rewrite the draft. The draft convention should be submitted for approval to the 22nd General Assembly in autumn 2017 in China.

The Federal Government clearly supports the Global Code of Ethics, which is a valuable instrument for anchoring standards for responsible and sustainable development in tourism. Many businesses, including several German tour operators and the Federal Association for the German Tourism Industry (BTW) and the German Travel Association (DRV) have already signed the Code of Ethics. However, the efforts of the UNWTO to transform the Code into a binding convention under international law is viewed by the Federal Government with skepticism because, in its opinion, this contradicts the essence and intent of the Code of Ethics. The Code of Ethics aims to set moral and ethical standards that go beyond statutory norms – as a voluntary obligation. Accordingly, the Federal Government questions the UNWTO drive to transform the Code into binding convention norms. Furthermore, the procedural law requirements mentioned in the foregoing also apply.

## 7.6 Tourism policy collaboration with the T20

The T20 is a members-driven initiative of the UNWTO, and was founded in October 2009. It is an informal meeting of the tourism ministers of the G20 countries, with the goal of emphasizing the opportunities provided by tourism for economic development in those countries and to promote tourism-friendly economic policies.

The seventh and most recent T20 meeting took place in May 2016 in China. The sixth meeting also took place during the 18th legislative term, in September 2015 in Turkey, and the fifth meeting in November 2013 in the UK. The hosts of the T20 meeting in Turkey and China were also the countries that chaired the G20 meetings at those respective times. The focus of the fifth meeting in London was easing travel restrictions. The ministers concurred that there is much room for improvement – particularly regarding visa and entry conditions – despite the progress that has been made. In the joint closing statement, they agreed to cooperate more closely on this issue. The main topic of the sixth T20 meeting in Antalya was employment prospects related to tourism, which shifted the central focus of the T20 group's work to the growth and employment potential of tourism. At the same time the group addressed issues relating to the labor market, working conditions and professional qualifications.

The seventh meeting in Peking centered on sustainability with the motto “Sustainable Tourism – An Effective Tool for

Inclusive Development.” The discussion was aimed at achieving a better understanding of the contribution of tourism to the UN Sustainable Development Goals, with a specific view to alleviating poverty, improving participation and promoting peace, as well as to constructive dialog of the strongest industrialized and emerging economies.

The T20 meetings are an important platform for strengthening tourism ties between the G20 countries and thereby contribute to easing travel and visa restrictions, to investment in tourism projects or to education of young people for employment in the hospitality industry. Tourism is of particular significance for developing and emerging economies.

The Federal Government supports this dialog because it recognizes the positive impact of cross-border travel, particularly in developing and emerging economies. In addition to growth impetus and employment opportunities, positive effects include improvement of the municipal infrastructure such as water or power supply.

