



# OECD Tourism Trends and Policies 2024





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**Please cite this publication as:**

OECD (2024), *OECD Tourism Trends and Policies 2024*, OECD Publishing, Paris, <https://doi.org/10.1787/80885d8b-en>.

ISBN 978-92-64-32259-2 (print)  
ISBN 978-92-64-69850-5 (PDF)  
ISBN 978-92-64-77503-9 (HTML)  
ISBN 978-92-64-52517-7 (epub)

OECD Tourism Trends and Policies  
ISSN 2076-7765 (print)  
ISSN 2076-7773 (online)

**Photo credits:** Cover © Archiwiz/Getty Images; © topform84/Getty Images.

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# Foreword

*OECD Tourism Trends and Policies* is an international reference and biennial benchmark to support countries in driving sustainable and inclusive tourism growth. The publication brings together internationally comparable data on tourism and highlights good practices and key policy and governance reforms across 50 OECD member and partner countries. It also includes several topical and thematic chapters, and country-specific policy and statistical profiles.

The *2024 edition of OECD Tourism Trends and Policies* comes as tourism has rebounded strongly following significant declines in 2020-21 in the wake of the COVID-19 pandemic. In some countries, tourism has surpassed previous highs, demonstrating the resilience of tourism demand. However, the strength of the recovery is creating challenges in destinations that are struggling to manage demand and the impacts on local communities and the environment. Tourism can play a key role in fostering economic development that creates decent jobs, enhances social cohesion, and contributes to the shared interests of tourists, residents, and businesses. But the impacts can often be economically, socially, and environmentally unbalanced, and the benefits do not always, or automatically, accrue to local communities.

Many destinations, and governments at all levels, are now developing policies to better manage the social and environmental impacts, particularly from unplanned tourism growth, including through diversifying the tourism offer and managing visitor flows, as well as through investments in more timely and granular data to better understand the potential trade-offs. This is a core thread in this year's *OECD Tourism Trends and Policies* which builds on the recent momentum for sustainable tourism and the renewed focus on addressing unbalanced tourism development. The report considers what tourism success looks like and takes a deep dive on the sustainable development and management of tourism. It also highlights the need to accelerate efforts to develop more timely, granular data and measures tailored to the specific policy needs of destinations. A separate chapter zooms-in on tackling tourism workforce issues, particular labour shortages and related skills challenges, and discusses opportunities to address both short- and longer-term weaknesses in the sector.

This flagship publication was produced by the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) of the OECD, with co-financing from the European Union. The OECD Tourism Committee approved Chapter 1 on 2 July 2024 and Chapters 2 and 3 on 10 June 2024.

# Acknowledgements

This report presents the 2024 edition of the *OECD Tourism Trends and Policies* publication. It was produced by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), led by Lamia Kamal-Chaoui, Director, as part of the programme of work of the OECD Tourism Committee. The report was undertaken in co-operation with the European Union\*.

The report benefitted from significant contributions, feedback and guidance from policy makers and statisticians from OECD member and partner countries. It also benefitted from consultation and feedback from industry representatives and associations, including Business@OECD and the OECD Trade Union Advisory Committee, as well as intergovernmental organisations, including UN Tourism and the International Labour Organization. Chapter 2 focusing on strengthening the tourism workforce was informed by discussions at two workshops, including national industry associations and SMEs, as well as Hospitality Europe HOTREC, Les Roches, Pacific Asia Tourism Association, TUI Group and the World Travel and Tourism Council,

The report was co-ordinated and edited by Jane Stacey, Head of the Tourism Policy and Analysis Unit, under the supervision of Nadim Ahmad, Deputy Director (CFE). Kristen Corrie, Policy Analyst (CFE) authored Chapter 3 and co-authored Chapter 2. Antonia Jardim, Policy Analyst (CFE) and James Tops, Junior Policy Analyst (CFE), managed the preparation of the country policy profiles and also undertook substantial co-ordination, drafting and editing. Peter Haxton, Senior Policy Analyst (CFE), Julie Reimann, Junior Economist (CFE), Hannes Thees, Policy Analyst/Economist (CFE), Jasper Heslinga, Policy Analyst/Economist (CFE), Eva Katzer, Junior Policy Analyst (CFE) and Natalia Vankovic, Intern (CFE) also provided support in drafting and editing. Laetitia Reille, Statistician (CFE) and Sergio Montoya, Statistician (CFE) managed the statistical database and developed country statistical profiles and synthesis tables. Monserrat Fonbonnat, Assistant (CFE) provided administrative support. Jack Waters and Pauline Arbel (CFE) served as publication co-ordinators. The statistical component of the report is available via the OECD's statistical online platform – OECD Data Explorer.

External experts who drafted material include Jill Brightling (*Consultant*) for Chapter 1 and the country profiles, and Tom Baum (*University of Strathclyde*) and Richard Robinson (*University of Queensland*) for Chapter 2. Chapter 3 benefitted from review and feedback from Susanne Becken (*Griffith University*). In addition, the report benefitted from the contributions and feedback of other OECD colleagues in the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE).



Co-funded by  
the European Union

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\* This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

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**Country profiles will appear in the final version of this publication**

# Reader's Guide

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This reader's guide provides information and methodological notes on the data sources used in this book: International Recommendations for Tourism Statistics 2008, Tourism Satellite Account: Recommended Methodological Framework 2008 and Balance of Payments and International Investment Position Manual.

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The statistical data, metadata and sources in this report are accessible online in a single, consolidated source of tourism statistics <https://data-explorer.oecd.org/>. Individual data sets can be accessed through the following links: [Domestic tourism](#), [Inbound tourism](#), [Outbound tourism](#), [Enterprises and employment](#), [Internal tourism consumption](#), [Key indicators in percentage](#).

The data closely align with the main methodological references and international standards used for tourism statistics:

- International Recommendations for Tourism Statistics 2008, UN/UNWTO, [http://unstats.un.org/unsd/publication/SeriesM/seriesm\\_83rev1e.pdf](http://unstats.un.org/unsd/publication/SeriesM/seriesm_83rev1e.pdf).
- Tourism Satellite Account: Recommended Methodological Framework 2008, UN/UNWTO/EUROSTAT/OECD, [http://unstats.un.org/unsd/publication/Seriesf/SeriesF\\_80rev1e.pdf](http://unstats.un.org/unsd/publication/Seriesf/SeriesF_80rev1e.pdf).
- Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual 2010, IMF, <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>.

This note provides the reader with a methodological summary. For more detailed information, please refer to the above-mentioned methodological tools.

## International Recommendations for Tourism Statistics (IRTS)

The International Recommendations on Tourism Statistics (IRTS) provides a common reference framework for countries to use in the compilation of tourism statistics. It presents an internally consistent system of definitions, concepts, classifications and indicators, and provides general guidance with respect to data sources and data compilation methods.

Tourism can be regarded as a social, cultural and economic phenomenon related to the movement of people outside their usual place of residence. Tourism refers to the activity of visitors.

A **visitor** is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed in the country or place visited.

A visitor is a **tourist** if his/her trip includes an overnight stay; otherwise, a visitor is classified as a **same-day visitor** (or excursionist).

Three basic forms of tourism can be distinguished:

- **Domestic tourism** comprises the activities of a resident visitor within the country of reference.
- **Inbound tourism** comprises the activities of a non-resident visitor within the country of reference.
- **Outbound tourism** comprises the activities of a resident visitor outside the country of reference.

**Measuring the flows of visitors:** both arrivals and nights are used to assess the flows of visitors. A distinction is made between arrivals at borders and in accommodation, and nights spent in accommodation. As far as overnight tourism is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors.

## Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF)

The Tourism Satellite Account (TSA) is a conceptual framework for the economic measurement of tourism in its different components (domestic, inbound and outbound). It also highlights the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from

tourism industries. With this instrument, it is possible to estimate tourism GDP, establish the direct contribution of tourism to the economy and develop further analyses using the links between the TSA, the System of National Accounts and the Balance of Payments.

## Tourism characteristic products and activities

The TSA reconciles tourism data related with supply and demand. Tourism measurement and analysis therefore require a classification of products, mainly those belonging to tourism expenditure, and productive activities that are the basis for defining tourism industries. Tourism characteristic activities are those that typically produce **tourism characteristic products**. A **tourism industry** represents the grouping of those establishments whose main activity is the same tourism characteristic activity.

The IRTS 2008 and the TSA-RMF 2008 provide the typology of tourism characteristic consumption products and activities (tourism industries):

Tourism characteristic consumption products	Tourism characteristic activities (tourism industries)
Accommodation services for visitors	Accommodation for visitors
Food- and beverage-serving services	Food- and beverage-serving activities
Railway passenger transport services	Railway passenger transport
Road passenger transport services	Road passenger transport
Water passenger transport services	Water passenger transport
Air passenger transport services	Air passenger transport
Transport equipment rental services	Transport equipment rental
Travel agencies and other reservation services	Travel agencies and other reservation services activities
Cultural services	Cultural activities
Sports and recreational services	Sports and recreational activities
Country-specific tourism characteristic goods	Retail trade of country-specific tourism characteristic goods
Country-specific tourism characteristic services	Other country-specific tourism characteristic activities

Note: for detailed information on the coverage, please see annexes 2 and 3 of the IRTS 2008.

## Internal tourism consumption

The TSA Framework makes a distinction between tourism expenditure and tourism consumption. Tourism expenditure refers to monetary transactions, whereas tourism consumption also includes other transactions: services associated with vacation accommodation on own account, tourism social transfers in kind and other imputed consumption. However, the latter transactions have to be separately evaluated. Therefore, the data might refer to either consumption or expenditure, depending on the country.

Three forms of consumption are distinguished:

- **Domestic tourism consumption:** the tourism consumption of a resident visitor within the economy of reference.
- **Inbound tourism consumption:** the tourism consumption of a non-resident visitor within the economy of reference.
- **Internal tourism consumption:** the tourism consumption of both resident and non-resident visitors within the economy of reference. It is the sum of domestic tourism consumption and inbound tourism consumption.

## Tourism Direct Gross Domestic Product and other aggregates

The Gross Domestic Product (GDP) of an economy is defined as the sum of the gross value added generated by all industries. Tourism GDP corresponds to the part of GDP generated by all industries in response to internal tourism consumption. A further distinction must be made between direct tourism GDP and indirect tourism GDP. Put simply, **tourism direct GDP** reflects the direct value-added generated by industries directly in contact with visitors, while indirect tourism GDP reflects all of the upstream value-added- generated by industries supplying inputs to industries directly in contact with the visitors. The TSA Framework limits its recommendations to the evaluation of direct tourism GDP. The evaluation of indirect tourism GDP would require the use of input-output techniques or adjustments (for imports) of expenditure-based measures.

### Domestic, inbound and outbound tourism

A variety of different data sources are used to measure flows of visitors. Data can be collected directly from individuals about their tourism trips. These demand-side sources include visitor or border surveys to measure inbound tourism flows, and resident travel or household surveys to measure domestic and outbound tourism flows. These surveys feed into the tourism consumption (i.e. demand) tables of the TSA (Tables 1-4). Data on domestic and inbound visitors can also be collected from accommodation providers (supply-side).

Data from tourism demand surveys are presented in the country profile statistical tables. In the absence of data from these sources, or where data gaps exist, data from accommodation surveys are published.

For more detailed information on the data sources for individual countries, please refer to relevant datasets and metadata in the online tourism database <https://data-explorer.oecd.org/>

## Balance of Payments and International Investment Position Manual – Sixth Edition

The following items of the Balance of Payments are used to assess the monetary flows of visitors.

### **Travel**

Travel credits (**international travel receipts**) cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits (**international travel expenditure**) cover goods and services for own use or to give away acquired from other economies by residents during visits to these other economies.

The goods and services may be purchased by the persons concerned or by another party on their behalf (e.g. business travel). The standard component breakdown of travel is between business and personal travel. *Business travel* covers goods and services acquired for personal use by persons whose primary purpose of travel is for business. *Personal travel* covers goods and services acquired by persons going abroad for purposes other than business, such as vacations, participation in recreational and cultural activities, visits with friends and relatives, pilgrimage, and education- and health-related purposes. This breakdown allows for closer links with tourism satellite accounts as well as supply and use tables.

### **Passenger services**

Passenger services cover the transport of people. This category covers all services provided in the international transport of non-residents by resident carriers (credit or **international passenger transport**

**receipts**) and that of residents by non-resident carriers (debit or **international passenger transport expenditure**). Passenger services include fares and other expenditure related to the carriage of passengers, any taxes levied on passenger services, and fares that are a part of package tours, cruise fares, rentals, charters, and leases of vessels, aircraft, coaches, or other commercial vehicles with crews for the carriage of passengers.

## Other issues

**Enterprises in tourism:** An establishment is an enterprise or part of an enterprise that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added. For the purposes of comparability across countries, unless otherwise stated, all statistics for enterprises refer to establishments.

**Employment in tourism:** data on employment refer to people or jobs. In the case of people, the data refer to employees only or to employees and self-employed people (employed people). Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.

**Data expressed in US dollar terms:** for some tables, national currency data have been converted to US dollar data. Exchange rates are collected from the OECD database.

## Metadata and sources

The vast majority of the data used in this publication are submitted by countries. All the detailed metadata and sources can be found under the right-hand side information panel in the on-line OECD database at <https://data-explorer.oecd.org/>

## Country coverage

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States.

Other partner countries covered in this report are: Brazil, Bulgaria, Croatia, Indonesia, Malta, Montenegro, Morocco, Peru, Romania, Saudi Arabia, Serbia and South Africa.

## Codes used for currencies

- AUD Australian Dollar
- BGN Bulgarian Lev
- BRL Brazilian Real
- CAD Canadian Dollar
- CHF Swiss Franc
- CLP Chilean Peso
- COP Colombian Peso
- CRC Costa Rican Colon

- CZK Czech Koruna
- DKK Danish Krone
- EUR Euro (Austria, Belgium, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)
- GBP United Kingdom Pound Sterling
- HRK Croatia Kuna
- HUF Hungarian Forint
- IDR Indonesian Rupiah
- ILS Israeli Shequel
- ISK Iceland Krona
- JPY Japanese Yen
- KRW Korean Won
- MAD Moroccan Dirham
- MXN Mexican Peso
- NOK Norwegian Krone
- NZD New Zealand Dollar
- PEN Peruvian Sol
- PLN Polish Zloty
- RON Romanian Leu
- RSD Serbian Dinar
- SAR Saudi Riyal
- SEK Swedish Krona
- TRY Turkish Lira
- USD United States Dollar
- ZAR South African Rand

## Symbols for missing data and abbreviations

*These symbols are used in the country tables:*

- | Break in series
- .. Data is not available
- e Estimated data or data based on the use of a limited amount of data
- f Forecast value
- p Provisional

In some cases, due to rounding and specifics of electronic data processing technologies, slight discrepancies may occur between totals and sums of components in those tables that are based on survey information.

# Executive Summary

Tourism has bounced back strongly from recent crises, supporting economic growth and well-being. However, the recovery is uneven and rising geopolitical tensions, cost-of-living pressures and climate-related events bring new challenges. Active, forward-looking policies are needed to step up efforts to build a more resilient, sustainable, and inclusive future for the sector.

## Tourism trends and outlook as new challenges emerge

Tourism has rebounded strongly following sharp declines triggered by the COVID-19 pandemic that led tourism flows to plummet in 2020-21, following six decades of consistent growth. Tourism's direct contribution to GDP had recovered to 3.9% in 2022 in OECD countries with available data, half a percentage point below 2019 levels, and the evidence suggests that the recovery has continued since. The return of international tourism demand following the lifting of travel restrictions has been a significant driver of this recovery, with tourism's share of services exports growing to 14.8% in 2022 in OECD countries. Although this was still 5.6 percentage points below pre-pandemic shares, international tourist arrivals have continued to strengthen and already exceeded pre-pandemic levels in some OECD countries in 2023.

A full global recovery is projected by the end of 2024, buoyed by positive traveller and business sentiment, and pick up in travel in Asia Pacific, including from China, with growth anticipated to return to pre-pandemic trends as demand and supply imbalances continue to unwind. However, recovery is uneven, and challenges remain. While tourism demand has proven resilient, businesses struggle to attract and retain workers and although inflation is abating, price pressures continue to impact transport, accommodation, and hospitality costs. Geopolitical tensions remain high, and the increasing frequency of wildfires, floods, heatwaves, and other extreme weather events is impacting the sector. Looking ahead to the longer term, tourism is expected to continue to grow. This creates significant opportunities but also brings renewed challenges, reinforcing the importance of policies to support a resilient, sustainable, and inclusive future.

## Top policy priorities to promote sustainable development through tourism

Governments took exceptional measures to support tourism as recent crises raised awareness of the sector's importance as an economic and social force. The strong recovery is providing a new wakeup call for governments and the sector as a whole, as destinations struggle to manage demand and the impacts on the environment and local communities. This is putting pressure on the social licence for tourism and has highlighted the need to rebalance the impacts, understand the trade-offs and manage tourism sustainably, so the benefits outweigh the costs. At the same time, tourism offers untapped potential for many people, businesses, and places.

Governments, at all levels, have a role to play in shaping tourism development to respond to these challenges, capitalise on opportunities, and deliver better outcomes. Many countries have updated or

developed tourism strategies to reflect the post-pandemic context and priorities. These strategies look to build on recent momentum to shift to more sustainable models of tourism, to adapt to an increasingly dynamic environment and engage stakeholders around a common vision for the future of the sector. Diversifying the tourism offer and attracting new source markets and segments to emerging destinations and outside of peak periods underpins many tourism strategies, to better spread the benefits and tourist flows. Significant investments are needed to reduce the environmental impact of tourism activities, while adapting to the impacts from climate change. Tourism destinations and businesses need support to keep pace with rapid technological developments, while resources are also required to develop the transport and other infrastructure needed to better manage tourism development. Boosting the capacity of the sector to attract, retain and develop a strong and sustainable workforce is a further area of ongoing focus.

However, implementation remains an issue and there is a risk that tourism slips down national policy agendas as the sector returns to pre-pandemic levels and growth paths. Effective governance practices and co-ordinated policy action are needed to deliver on these ambitions, supported by sufficient resources at national, regional, and local level. Action at destination level has an increasingly important role to play in driving momentum for change, guided by an overarching national vision for the future of tourism that in turn considers local needs and priorities, and supported by effective co-ordination mechanisms across levels of government. More granular, timely and robust evidence is also needed to manage and track progress on potential trade-offs, determine 'what works' and identify emerging policy impacts and risks, as well as the costs of inaction.

## Key policy priorities

### ***Promote co-ordinated action to deliver on a forward-looking sustainable tourism agenda***

- Foster the development and implementation of forward-looking tourism policies to boost tourism's role in climate action and ensure the sector keeps pace with rapid technological advances.
- Encourage broad stakeholder engagement in the tourism policy process to deliver more equitable and inclusive benefits to everyone engaged in and impacted by tourism.
- Bolster co-ordination and delivery structures, including at destination level, to encourage better management of visitor flows, diversify the tourism offer and develop critical infrastructure.

### ***Strengthening the tourism workforce***

- Better integrate tourism into wider economic and community development strategies to address the specific needs of tourism workers and make tourism work a more attractive and viable option.
- Leverage private sector initiatives to address barriers to recruiting and retaining workers and implement new training and models of working to improve work conditions in the sector.
- Facilitate linkages with and between the private sector and education providers to meet the changing needs of the tourism sector and prepare for the green and digital transitions.

### ***Building the evidence base for sustainable tourism policies***

- Better define priority policy issues to identify key indicators and ensure decision makers have timely access to data to monitor these issues and balance trade-offs in the policy making process.
- Explore new opportunities to fill tourism data gaps, monitor and measure actions targeting environmental and social priorities, and accelerate shift to more sustainable models of tourism.
- Design tailored toolkits with indicators, tools, and metrics to monitor short and long-term priorities, exploring new methods, and building the capacity of decision makers at all levels to use this data.

# Chapter 1. Tourism Trends and Policies

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This chapter covers trends in tourism and associated developments in tourism governance and policy. It is based on responses to a policy and statistical survey of OECD member and partner countries. The chapter takes stock of the strong but uneven recovery and the outlook for the future as new challenges emerge. The role of government in supporting a more sustainable, resilient, and inclusive tourism in this environment is set out. Tourism policy priorities, reforms and developments are analysed with examples of country practices highlighted.

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## Recent tourism trends and future outlook as new challenges emerge

Tourism has rebounded strongly following sharp declines in 2020-21 triggered by the COVID-19 pandemic. Full recovery to pre-pandemic levels is anticipated by the end of 2024, with continued growth expected over the long term. However, while well advanced in many countries, the recovery is uneven and slow economic growth, rising geopolitical tensions, cost-of-living pressures, natural disasters, and extreme weather events have brought new challenges. At the same time, new and existing weaknesses in tourism development models and the wider tourism economy have been exposed.

Governments took exceptional measures to support the sector through recent crises, and these policies have paid off. Tourism demand has proven resilient. The strong recovery is providing a wakeup call for destinations struggling to manage demand and its impacts on the environment and local communities. At the same time tourism provides significant but still untapped potential and opportunities for many people, businesses, and places. As tourism navigates these challenges, large-scale social, economic, political, environmental, and technical trends continue to impact the sector.

Active, forward-looking tourism policies are needed to respond and build momentum for a more resilient, sustainable, and inclusive future for tourism. While the sector's role as a driver of economic prosperity and well-being has been elevated to the highest levels of government in recent years, tourism risks slipping down national policy agendas as the sector returns to pre-pandemic levels and growth paths.

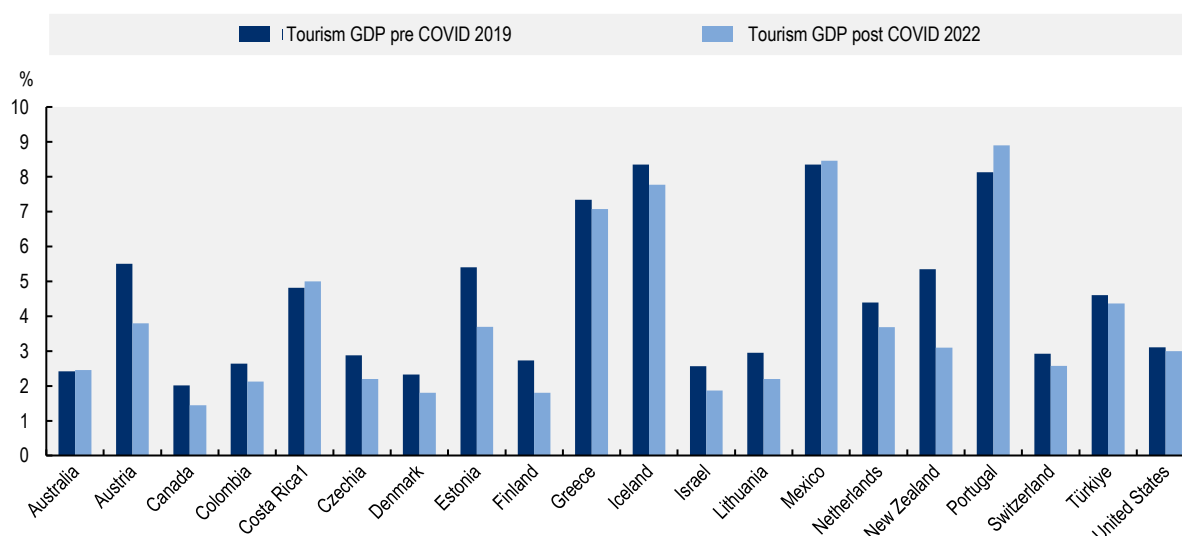
### ***Strong tourism rebound supporting wider economic growth***

Tourism remains an important driver of economic growth, and plays a key role in stimulating economic activity, creating jobs, generating income and foreign exchange, promoting regional development, and supporting local communities. Before the COVID-19 pandemic, the tourism sector directly contributed 4.4% of GDP and 6.9% of employment, and tourism generated 20.4% of service-related exports in OECD countries, on average. The unprecedented shock from COVID-19 saw the average direct contribution of tourism to GDP fall to 2.5% in 2020 across OECD countries with data available, with knock-on consequences for the wider economy. By 2022, this figure had returned to 3.9% on average across this same set of countries, with four countries returning to pre-pandemic levels or above (Figure 1.1). UN Tourism reports that globally, direct tourism GDP recovered to pre-pandemic levels in 2023 (UN Tourism, 2024[1]).

This strong recovery in the tourism economy is supporting wider economic activity, including in countries where the sector has been particularly dynamic, such as Greece, Portugal, Switzerland, and Türkiye (OECD, 2024[2]). In a few countries the relative size of the tourism economy expanded as the sector has outperformed wider economy growth. In Portugal, for example, tourism directly contributed 8.9% of GVA in 2022, compared with 8.1% in 2019. This is before the significant indirect impacts of tourism are considered, reflecting the breadth and depth of linkages between tourism and other sectors (e.g. food production, agriculture, transport). These indirect impacts account for more than one-third of value added generated in the domestic economy through tourism.

Tourism is a labour-intensive sector and labour shortages and skills gaps have constrained the sector's recovery amid tight labour markets. Employment in the accommodation and food services sector remained down 5.3% in 2022 across the OECD, while job vacancy rates were higher on average than in other parts of the economy in many countries in 2023. While not all jobs in accommodation and food services are tourism jobs, the sector accounts for around a half of tourism employment and provides a partial but useful proxy. While labour markets are now easing, persistent challenges to attract, retain and develop the tourism workforce remain. The need to address these issues is discussed further in Chapter 2 – Strengthening the tourism workforce.

Figure 1.1. Direct contribution of tourism GDP to selected OECD countries, pre-COVID and 2022



Note: Tourism Direct GDP is the preferred indicator.

Only countries with 2019 and 2022 data available are shown.

1. Tourism GDP post COVID refers to 2023.

Tourism Direct GVA is used for Canada, Colombia, Finland, Greece, Israel, Lithuania, Netherlands, New Zealand, Portugal, Switzerland, Türkiye, United States.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/riclxm>

### **Tourism demand has proven resilient, but recovery is uneven and challenges remain**

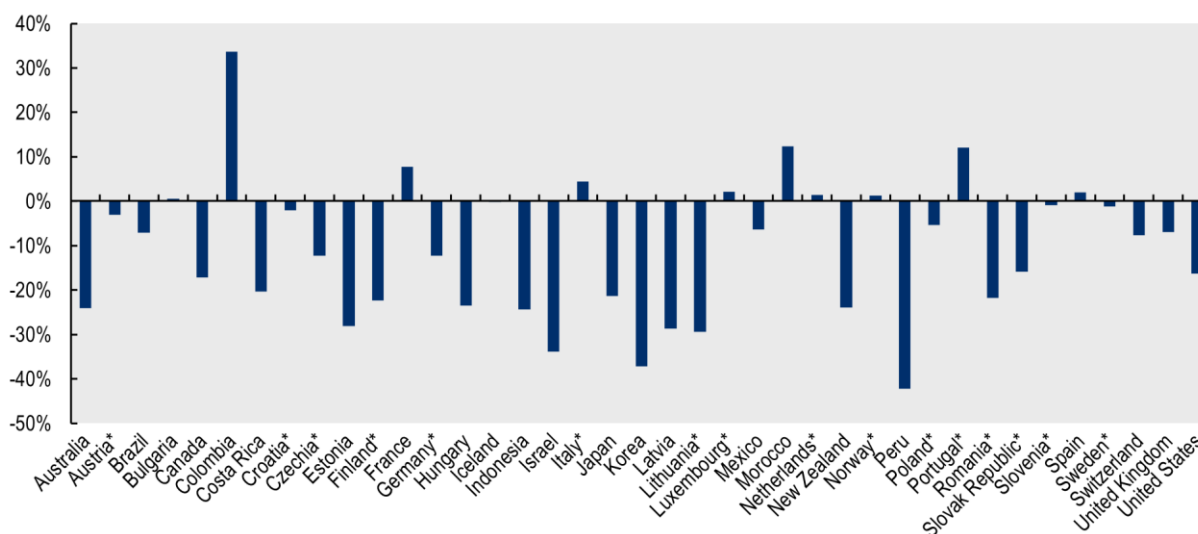
International tourism flows have bounced back strongly and are projected to fully recover by the end of 2024. However, the recovery is uneven, and challenges remain. After falling by 68.3% in 2020 – slightly below the drop of 72.3% globally – by the end of 2022 international tourist arrivals to OECD countries had recovered to 77.3% of 2019 levels – ahead of 66.6% globally. OECD countries accounted for 65% of international tourism arrivals in 2022, up from 56% in 2019, highlighting the stronger performance compared to non-OECD countries since the pandemic. A breakdown of international tourist arrivals to OECD member countries and selected partner economies is provided in Table 1.1

This recovery momentum has continued, driven by strong tourism demand that has proven surprisingly resilient. Globally, an estimated 1.3 billion international tourists were recorded in destinations worldwide in 2023, a recovery to 89% of pre-pandemic levels, and this is projected to reach 1.5 billion by the end of 2024 (UN Tourism, 2024[3]).

International tourist arrivals exceeded pre-pandemic levels in some OECD countries in 2023, with countries in Europe leading the way. Portugal welcomed a record 19.4 million international tourists, 12.1% more than in 2019. Other countries that saw arrivals reach or exceed pre-pandemic levels include Colombia (up 34%), Luxembourg (2.1%), Netherlands (1.4%), Norway (1.2%) and Spain (2.0%). Figure 1.2 presents the available data on international tourist arrivals to selected OECD member countries and partner economies in 2023 compared to arrivals in 2019. Countries in Europe benefited from significant intra-regional travel, while a strong US dollar boosted outbound travel from the United States to Europe.

**Figure 1.2. International tourist arrivals, selected OECD and partner countries**

Level in 2023 compared to 2019, %



Note: \*Data from supply side surveys.

Source: OECD Tourism Statistics (Database), Eurostat, National Websites and Country Profiles.

StatLink  <https://stat.link/mnks19>

However, the road to recovery is longer for other countries. In the Asia Pacific region, this reflects in part the later opening of borders, as well as the pre-pandemic reliance on visitors from often distant source markets and the slower than anticipated return of the important People's Republic of China outbound market. This is the case as international tourist arrivals in 2023 remained below pre-pandemic levels, for example, in Australia (by 24.1%), Japan (21.4%) and New Zealand (24.0%). The pace of recovery in the region has picked up more recently, as outbound travel from China has stepped up and air capacity and connectivity has expanded to meet demand. The historically weak yen is also stimulating tourist inflows to Japan. Recovery has also picked up in other countries in the region. A continued revival of international tourism in Thailand, for example, is underpinning a steady economic recovery in the country, supported by the lifting of visa requirements for Chinese travellers (OECD, 2024[2]).

Geopolitical conflicts and tensions are also impacting tourism flows and the wider tourism economy, including Russia's war of aggression against Ukraine and evolving conflicts in the Middle East. International tourism remains down on pre-pandemic levels in Finland (by 22.3% at the end of 2023) and other countries neighbouring Russia and Ukraine. The terrorist attacks and the subsequent war have hit Israel's tourism economy hard, significantly reducing inbound tourism (down 33.9% in 2023). This is impacting service exports and economic growth in the country more widely (OECD, 2024[2]). Uncertainty about the evolution of these and other geopolitical conflicts and tensions risk impacting tourism in surrounding areas as well as denting traveller confidence more broadly, as safety and security are key conditions for tourism.

Table 1.1. International tourist arrivals in OECD and partner countries, 2019-22

	Type of indicator	2019	2020	2021	2022	Growth rate 2019 to 2020	Growth rate 2019 to 2022
		Thousand				%	
Australia	Visitors	9 466	1 828	246	3 694	-81%	-61%
Austria <sup>1</sup>	Tourists	31 884	15 091	12 728	26 215	-53%	-18%
Belgium <sup>1</sup>	Tourists	6 800	1 804	2 313	5 728	-73%	-16%
Canada	Tourists	22 145	2 960	3 062	12 824	-87%	-42%
Chile	Tourists	4 518	1 119	190	2 030	-75%	-55%
Colombia	Visitors	4 531	1 387	2 146	4 722	-69%	4%
Costa Rica	Tourists	3 139	1 012	1 347	2 350	-68%	-25%
Czechia	Tourists	14 651	3 919	3 768	10 219	-73%	-30%
Denmark	Tourists	14 725	6 229	7 555	14 190	-58%	-4%
Estonia	Tourists	3 336	1 023	801	2 166	-69%	-35%
Finland <sup>1</sup>	Tourists	3 290	896	807	2 127	-73%	-35%
France	Tourists	90 914	41 684	48 395	93 196	-54%	3%
Germany <sup>1</sup>	Tourists	39 563	12 449	11 688	28 463	-69%	-28%
Greece	Visitors	34 005	7 406	15 246	29 876	-78%	-12%
Hungary	Tourists	15 949	6 624	6 973	11 731	-58%	-26%
Iceland	Tourists	2 202	486	698	1 715	-78%	-22%
Ireland <sup>2</sup>	Tourists	9 353	..	..	..	..	..
Israel	Tourists	4 552	832	397	2 675	-82%	-41%
Italy	Tourists	64 513	25 190	26 888	49 811	-61%	-23%
Japan	Visitors	31 882	4 116	246	3 832	-87%	-88%
Korea	Visitors	17 503	2 519	967	3 198	-86%	-82%
Latvia	Tourists	1 946	715	442	1 139	-63%	-41%
Lithuania	Tourists	2 875	937	948	2 169	-67%	-25%
Luxembourg <sup>1</sup>	Tourists	1 041	525	615	1 013	-50%	-3%
Mexico	Tourists	45 024	24 284	31 860	38 326	-46%	-15%
Netherlands <sup>1</sup>	Tourists	20 129	7 265	6 248	16 582	-64%	-18%
New Zealand	Visitors	3 888	996	207	1 434	-74%	-63%
Norway <sup>1</sup>	Tourists	5 879	1 387	1 435	4 979	-76%	-15%
Poland	Tourists	21 158	8 418	9 722	15 948	-60%	-25%
Portugal <sup>1</sup>	Tourists	17 283	4 208	6 345	16 308	-76%	-6%
Slovak Republic <sup>1</sup>	Tourists	2 475	854	576	1 594	-65%	-36%
Slovenia <sup>1</sup>	Tourists	4 702	1 216	1 832	3 936	-74%	-16%
Spain	Tourists	83 509	18 933	31 181	71 659	-77%	-14%
Sweden	Tourists	7 616	1 957	2 990	6 629	-74%	-13%
Switzerland <sup>1</sup>	Tourists	11 818	3 690	4 390	9 160	-69%	-22%
Türkiye	Tourists	51 192	15 894	29 925	50 453	-69%	-1%
United Kingdom	Visitors	40 857	11 101	6 384	31 244	-73%	-24%
United States	Tourists	79 442	19 212	22 280	50 870	-76%	-36%
Brazil	Tourists	6 353	2 146	746	3 630	-66%	-43%
Bulgaria	Visitors	12 552	4 973	7 188	10 888	-60%	-13%
Croatia <sup>1</sup>	Tourists	17 353	5 545	10 641	15 324	-68%	-12%
Indonesia	Tourists	15 455	3 981	1 546	5 761	-74%	-63%
Malta	Tourists	2 753	659	968	2 287	-76%	-17%
Montenegro <sup>1</sup>	Tourists	2 510	351	1 554	2 036	-86%	-19%
Morocco	Tourists	12 933	2 778	3 722	10 869	-79%	-16%
Peru	Tourists	4 372	897	444	2 009	-79%	-54%
Romania <sup>1</sup>	Tourists	2 684	454	879	1 674	-83%	-38%
Saudi Arabia	Tourists	17 526	4 138	3 477	16 638	-76%	-5%

	Type of indicator	2019	2020	2021	2022	Growth rate 2019 to 2020	Growth rate 2019 to 2022
		Thousand				%	
Serbia <sup>1</sup>	Tourists	1 847	446	871	1 773	-76%	-4%
South Africa	Tourists	10 228	2 802	2 256	5 698	-73%	-44%
EU27		529 748	179 506	219 142	443 045	-66%	-16%
OECD members		820 401	260 164	303 843	634 204	-68%	-23%
World <sup>2</sup>		1 465 000	406 000	459 000	975 000	-72%	-33%

Notes: For more information, please see the country profiles.

Tourists: International tourist arrivals (excluding same-day visitors).

Visitors: International visitor arrivals (including same-day visitors).

1. Data from supply side surveys.

2. UN Tourism data (World Tourism Barometer, May 2024).

Source: OECD Tourism Statistics (Database).

The top tourism destinations and markets continue to evolve as tourism recovers. France and Spain maintain their pre-pandemic positions as most visited countries in the world in 2022, the United States returned to third position as inbound travel to the US picked up after dropping back in 2021. Türkiye takes fourth place as inbound tourism continues to perform strongly, followed by Italy. Together, these five destinations welcomed just under a third (32.0%) of global tourist arrivals in 2022 (UN Tourism, 2024[3]).

In Asia Pacific, the recovery of the tourism sector is different. While outbound travel from China has picked up and domestic tourism is expanding, inbound tourism remains significantly down on pre-pandemic levels and is constraining wider economic recovery in China (OECD, 2024[4]). China has extended visa-free travel for 11 European countries and Australia, New Zealand and Malaysia until the end of 2025. While this initiative aims to boost tourism and international ties, the availability of air capacity and ongoing flight restrictions linked with Russia's war of aggression against Ukraine may limit the uptake and impact. Outbound travel from India is emerging as a future growth engine for global tourism, with the rapid expansion of the middle classes and scaling up of air connectivity across the country.

The strong rebound in international tourist flows has been outpaced by an increase in tourism receipts in current prices, though this should be interpreted with caution given the strong inflationary pressures over the same period. International travel receipts in OECD countries had recovered to 82.3% of 2019 levels by the end of 2022, ahead of the arrivals recovery (77.3%), and accounting for 67.1% of international travel receipts in 2022, up from 61.4% in 2019 (compared with 65% and 56% of international tourism arrivals).

Table 1.2 provides a summary of international travel receipts (exports), expenditure (imports), and the travel balance for OECD and selected partner economies. Countries recording the strongest performance include Türkiye (up 39.9% on 2019 in current prices), the Netherlands (21.9%), Mexico (14.0%), Ireland (8.7%), and the United Kingdom (7.9%). Recovery was weakest in Japan (down 79.9%) and New Zealand (95.3%) where borders were closed to international tourist flows for longer.

**Table 1.2. International travel receipts and expenditure in OECD and partner countries, 2019, 2022**

Million USD

	Travel receipts		Travel expenditure		Travel balance	
	2019	2022	2019	2022	2019	2022
Australia	45 522	24 108	35 299	16 279	10 223	7 829
Austria	22 941	19 915	11 602	11 153	11 339	8 763
Belgium	8 837	6 934	18 686	16 298	-9 849	-9 364
Canada	29 807	24 002	35 349	24 436	-5 543	-434
Chile	2 303	1 024	2 459	1 718	-157	-695

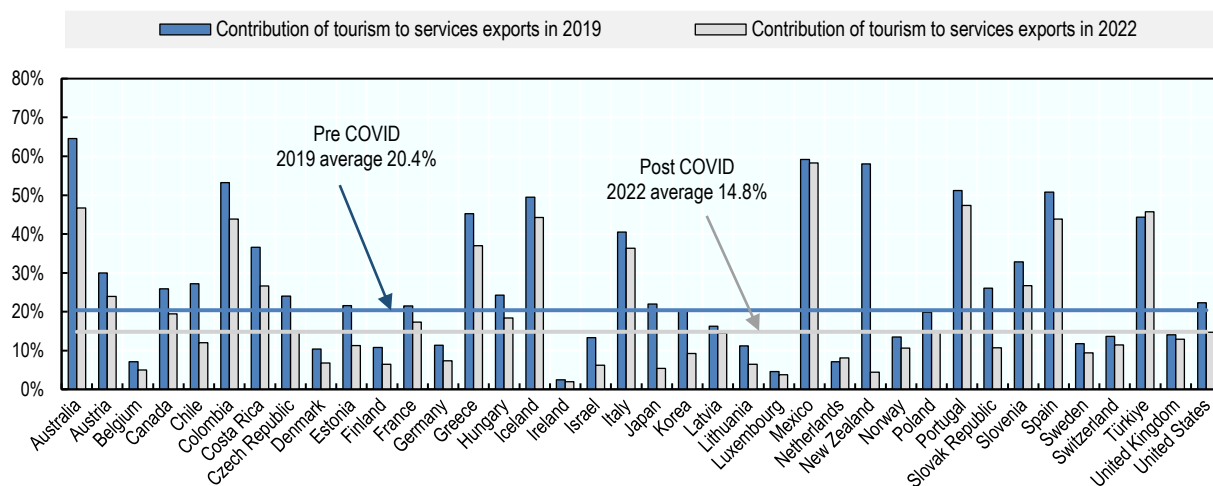
	Travel receipts		Travel expenditure		Travel balance	
	2019	2022	2019	2022	2019	2022
Colombia	5 682	5 919	4 935	4 304	747	1 615
Costa Rica	3 989	3 137	1 036	966	2 953	2 171
Czechia	7 303	5 054	5 889	4 968	1 414	86
Denmark	8 652	8 921	10 003	8 462	-1 352	459
Estonia	1 738	1 279	1 546	1 174	192	105
Finland	3 726	2 249	5 680	4 379	-1 955	-2 129
France	63 508	59 676	50 542	41 302	12 966	18 375
Germany	41 806	31 548	93 243	89 724	-51 438	-58 176
Greece	20 351	18 614	3 072	2 027	17 279	16 587
Hungary	7 305	5 663	2 749	2 412	4 556	3 251
Iceland	2 695	2 485	1 510	1 515	1 185	970
Ireland	6 478	7 041	8 256	8 480	-1 778	-1 440
Israel	7 620	5 681	8 154	7 821	-534	-2 140
Italy	49 595	46 601	30 338	27 410	19 257	19 191
Japan	46 054	9 238	21 265	4 491	24 790	4 747
Korea	20 867	11 996	32 739	19 925	-11 872	-7 929
Latvia	1 015	1 106	749	1 011	267	95
Lithuania	1 493	1 187	1 389	1 240	104	-53
Luxembourg	5 333	5 417	3 609	3 405	1 724	2 012
Mexico	24 573	28 017	9 881	7 054	14 692	20 963
Netherlands	19 729	24 056	23 124	18 822	-3 394	5 234
New Zealand	10 533	498	4 300	284	6 233	215
Norway	5 855	5 472	16 513	14 033	-10 658	-8 560
Poland	14 013	14 497	9 286	7 681	4 727	6 816
Portugal	20 476	22 263	5 736	5 827	14 740	16 436
Slovak Republic	3 203	1 360	2 589	2 249	614	-889
Slovenia	3 183	3 130	1 679	1 825	1 504	1 305
Spain	79 670	72 891	27 778	21 920	51 892	50 971
Sweden	9 193	9 038	14 366	12 365	-5 173	-3 328
Switzerland	17 950	17 348	18 753	17 564	-803	-217
Türkiye	29 813	41 702	4 108	4 092	25 705	37 610
United Kingdom	60 637	65 406	86 605	90 939	-25 967	-25 533
United States	198 982	136 869	131 990	115 312	66 992	21 557
Brazil	5 995	4 952	17 593	12 185	-11 599	-7 233
Bulgaria	4 294	3 413	1 826	1 550	2 468	1 863
Croatia	11 798	13 810	1 763	1 460	10 035	12 350
Indonesia	16 911	6 719	11 308	6 288	5 603	431
Malta	1 897	1 841	530	476	1 367	1 365
Montenegro	1 225	1 080	58	59	1 167	1 021
Morocco	8 187	9 063	2 176	1 883	6 010	7 180
Peru	3 738	2 137	2 775	2 345	963	-208
Romania	3 578	4 704	6 001	7 762	-2 424	-3 058
Saudi Arabia	16 431	23 475	15 140	15 914	1 292	7 562
Serbia	1 604	2 592	1 806	2 459	-201	133
South Africa	8 390	4 738	3 141	2 220	5 249	2 518
EU27	424 375	395 095	343 667	306 736		
OECD members	912 430	751 339	746 807	624 862		
World <sup>1</sup>	1 487 000	1 120 000	1 487 000	1 120 000		

Notes: For more information, please see the country profiles.

1. UN Tourism data (World Tourism Barometer, May 2024).

Source: OECD Tourism Statistics (Database).

Figure 1.3. Contribution of tourism to service exports, 2019-22

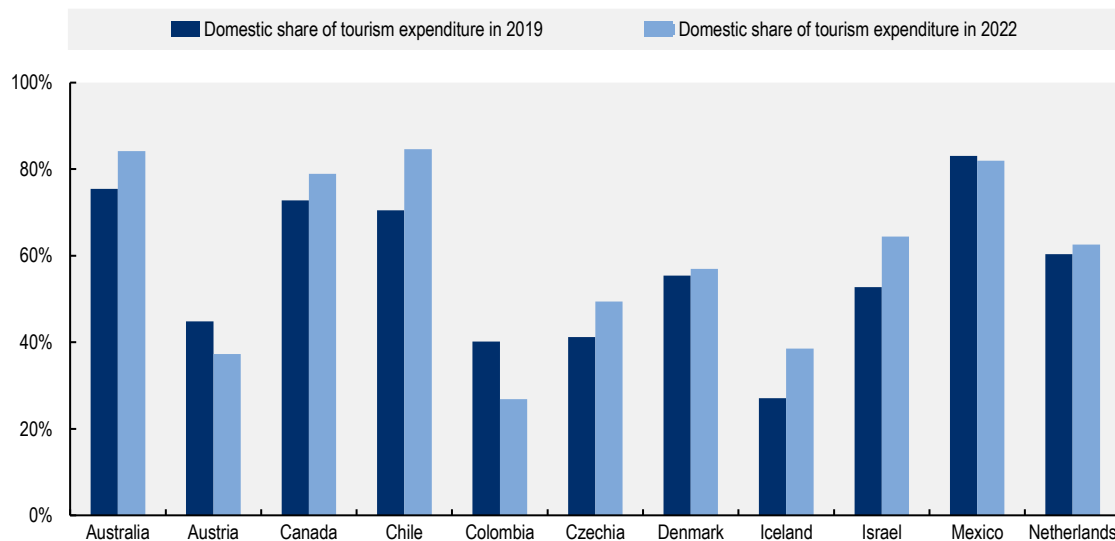


Source: OECD Trade in services by partner country (Database), extracted April 2024.

StatLink <https://stat.link/8o46vf>

Tourism’s share of services exports across OECD countries reached 14.8% in 2022, having fallen to 10.0% in 2020 and 9.7% in 2021, down from 20.4% in 2019 (Figure 1.3). UN Tourism reports that in 2023 export revenues from tourism reached 96% of 2019 levels in real terms (UN Tourism, 2024[1]). Continued recovery in international travel has helped support overall services trade (OECD, 2024[4]).

Figure 1.4. Domestic share of tourism expenditure in selected OECD countries, 2019, 2022



Source: OECD Tourism Statistics (Database).

StatLink <https://stat.link/uqplhj>

Domestic demand helped sustain the sector during the pandemic, and domestic overnight trips recovered to 90.5% of 2019 levels in 2022 among OECD countries with data1. However, its importance and the extent

to which domestic tourism is helping to support recovery varies considerably by country. Some countries recorded an overall increase in domestic tourism expenditure during the pandemic, as international travel was restricted. This was the case in 2021 in Denmark (up 12.0% compared to 2019), New Zealand (12.8%), Lithuania (7.9%), Australia (6.2%), and Sweden (6.0%). In contrast, domestic tourism consumption contracted in the Slovak Republic (down 52.1% compared to 2019), Colombia (44.4%), Austria (37.4%), Hungary (27.7%), Canada (25.9%) and the Netherlands (24.6%). Figure 1.4 shows the domestic share of tourism expenditure was higher than before the pandemic in several OECD countries in 2022.

### ***Outlook brings new challenges to adapt and manage tourism for sustainable outcomes***

Looking ahead, tourism demand is expected to remain buoyant as supply and demand imbalances unwind. In the near term, the sector continues to navigate uncertainties, while unchecked longer term growth, could bring challenges for the sustainability and future of the sector.

The global economic outlook has started to brighten, though growth remains modest and the outlook differs across countries. The OECD projects steady global GDP growth of 3.1% in 2024, followed by a slight pick-up to 3.2% in 2025. Weaker outcomes are expected in many advanced economies, especially in Europe, and may dampen tourism flows from these origin countries. This may be offset by strong growth in the United States and many emerging economies. Geopolitical tensions remain a significant near-term risk, although demand growth could prove stronger than expected, if households and firms draw more fully on the savings accumulated during COVID-19 (OECD, 2024[4]).

Inflation is falling faster than initially projected, including for energy and food prices which impact strongly on transport, accommodation and hospitality costs for tourists. Real incomes are rising in many OECD countries as inflation moderates and private sector confidence is improving, which may further stimulate tourism demand. Supply and demand imbalances in labour markets are easing, with unemployment remaining at or close to record lows. This should ease the labour shortages faced by tourism businesses, but challenges remain to attract and build a strong and sustainable workforce.

Positive traveller and business sentiment points to continued strong growth momentum for tourism. Confidence levels are high among European accommodation providers with demand expected to stabilise at as pent-up demand from the pandemic dissipates (Booking.com and Statista.com, 2024[5]). Forward-bookings for flights to Europe point to a full return to pre-pandemic levels with some notable shifts in traveller preferences toward nature and city destinations. Intra-European travel is expected to remain strong, while outbound travel to Asia Pacific has picked up as European travellers venture further afield, due in part to improved connectivity, visa waivers for Europeans entering China, and the favourable euro to yen exchange rate (ForwardKeys, 2024[6]). This follows strong air passenger travel growth in Asia Pacific this year and a return to profitability across the airline industry in all regions, led by North America (IATA, 2024[7]).

The strong tourism rebound is providing a wakeup call to governments and the sector as a whole, as some destinations struggle to manage demand and its impacts on local communities and the environment. This has been exacerbated as supply has struggled to keep pace with demand. In some destinations, these capacity constraints are expected to limit further growth (OECD, 2024[4]). In other destinations, the social licence for tourism is increasingly challenged as tourism exceeds critical thresholds and is putting pressure on infrastructure, the environment and the local community, as well as on other economic sectors and the tourist experience.

Due to its strong local dimension, tourism can play a key role in fostering economic development that creates decent jobs, enhances social cohesion, and contributes to the shared interests of tourists, residents, and businesses. However, the impacts of tourism development are often economically, socially, and environmentally unbalanced. More needs to be done to manage the social impacts of tourism,



particularly those caused by unplanned growth, and maximise the sector's potential to enhance well-being and promote social progress and inclusion, in traditional and emerging destinations.

As tourism resumes its growth trajectory, some popular tourism destinations are again feeling the pressures from increased visitor numbers on the local infrastructure, the environment and the host community. This has led to growing calls for more proactive policies and government action to better manage tourism development, across all levels of government, as well as a strong voice for local communities in the development of tourism. This includes taking action to diversify and diffuse the impacts of tourism temporally and spatially, and balance trade-offs to achieve more sustainable outcomes. It also involves anticipating when tourism in a destination could reach or surpass optimal levels, with detrimental impacts.

Diversifying the tourism offer and attracting new markets to emerging destinations and at different times of the year underpins wider strategies to build a strong, sustainable tourism economy. Considerable resources are devoted to developing business tourism in the form of meetings, incentives, conferences and exhibitions (MICE), in part to tackle seasonality and spread the benefits of tourism beyond traditional tourism hubs. Hosting major events can also provide a unique opportunity to rethink or reposition a destination in a period of changing global tourism dynamics. Hosting such events can help to facilitate the development of modern infrastructure (e.g. sporting and other facilities, transport, and accommodation), with mega events, such as the Olympics and Football World Cups, tending to have the longest legacy period. The Paris Olympics 2024 is looking to leverage this further with the associated Cultural Olympiad.

Accelerated climate change is impacting tourism. This has implications for structural shifts in destinations and travel patterns. Warmer winters are shortening the ski season in mountain destinations, while heatwaves may reduce the attractiveness of destinations during traditional peak periods but encourage visitation at other times. Tourism businesses and destinations are adjusting the offer in response, for example by no longer scheduling hiking tours during periods when temperatures peak, while expanding the offer during traditional shoulder season periods.

The sector must also play an active role in delivering on climate goals. Wildfires, floods and heatwaves have the ability to directly impact visitors, businesses and local communities, both by the initial shock, and also from the loss of infrastructure and time it takes for tourism to recover. The world experienced unprecedented climate change impacts in 2023, and as these climate-related weather events become more extreme, losses are increasing (OECD, 2023[8]). Climate change is also expected to make incidents of severe turbulence more common for air travel.

Digital technologies, including generative Artificial Intelligence (AI), extended reality (XR) and blockchain, are fundamentally reshaping tourism and represent a powerful catalyst for innovation in the sector. Technology is changing the nature of work, business operations and service delivery, and is facilitating the adoption of innovative business models, and the shift to more sustainable tourism practices. It is also changing the way tourists plan travel and experience destinations. Digital technologies present not only an opportunity to respond to the evolving needs and desires of travellers, but also reach new consumers with novel tourism products and services (McKinsey & Company, 2024[9]). The current uptake and use of new technologies varies across countries, sectors and businesses. Small tourism enterprises with low-tech business practices face particular challenges to benefit from digital opportunities and prevent the gap widening between them and technology driven, globally connected tourism businesses.

These issues are high on the agenda of governments and the private sector and require coherent, evidence-based responses. Governments and destinations face significant challenges to access the data and information needed to understand the impacts of tourism. Such data allows policy makers to take informed decisions to rebalance the impacts of tourism, understand the trade-offs and manage tourism sustainably, so that the benefits outweigh the costs for host communities, businesses, the environment, and tourists. These issues are further discussed in Chapter 3 – Building the evidence base for sustainable tourism policies.

## Governance of tourism in a complex environment

Government, at all levels, has a role to play in shaping tourism development to deliver better outcomes and shift to a more sustainable and inclusive growth path. Achieving this requires strong institutional structures, effective governance practices and co-ordinated policy action. As the world navigates successive shocks and recalibrates to moderate economic growth and geopolitical uncertainty, tourism requires integrated, adaptive, and effective governance across and between all levels of government, with the close involvement of the private sector and other stakeholders, to respond to challenges and capitalise on opportunities.

Tourism policy making is increasingly complex and highly context specific. National institutional frameworks for tourism vary from country to country, in part reflecting the different systems of government, the importance placed on the sector, and the cross-cutting nature of tourism policy. Responsibility for tourism is largely positioned within ministries responsible for economic development, trade, or industry, or in a dedicated ministry for tourism. In some countries tourism is integrated into labour or regional development ministries or alongside relevant policy sectors such as culture, sport, and transport.

While the exact institutional arrangements may differ, effective governance practices are needed to enable the planning and co-ordination of actions by key players, along with the availability of sufficient funding for their implementation. The cross-cutting nature of the sector, together with the differing national contexts, means that there is no one optimal location for tourism to be situated in national government structures.

### ***Setting a strategic, forward-looking agenda to transform tourism post-pandemic***

The OECD has long highlighted the importance for countries and destinations to develop long-term and sustainable visions for tourism, supported by forward-looking strategies and action plans. Many countries have updated or developed tourism strategies to reflect the post-pandemic context and priorities, with new strategic approaches needed to adapt to an increasingly dynamic environment and build broad stakeholder engagement around a common vision for the future of the sector. In most cases these strategies seek to balance the need to consolidate the recovery of the sector, while looking to make progress on long term priorities facing the sector.

There is evidence of sustainability being mainstreamed into the strategic direction of tourism, with an enhanced focus on developing and managing tourism sustainably. Most strategies continue to include targets to bolster visitor numbers, with 2019 considered a reference point to measure the recovery from recent shocks. However, there is a growing emphasis on the need for sustainable tourism growth and outcomes, with fewer negative externalities and greater benefits for destinations and local communities. This is reflected in the broadening of the goals and targets set out in tourism strategies and plans beyond the well-established metrics of visitor volume and expenditure to include a wider set of metrics to monitor progress and measure success differently (Box 1.1).

Strategies frequently set out concrete actions to provide future steps to meet the strategic goals and targets. A new Roadmap for the Tourism Industry in Norway, for example, aims to create a more profitable, greener and locally sustainable tourism sector. Launched in 2024, the Roadmap includes 43 actions to increase value creation through tourism, reduce the sector's climate and environmental footprint, create year-round jobs and position Norway as a competitive and sustainable destination. Initiatives range from the implementation of pilot projects to benefit from visitor contributions and support for sustainable management of natural attractions such as walking trails, to the promotion of sustainable indigenous tourism and Sámi culture.

### Box 1.1. Strategic approaches to sustainable tourism development – selected country initiatives

Canada: The National Tourism Strategy, Canada 365: Welcoming the World, Every Day (launched in 2023) sets goals and actions to reduce the environmental impacts of tourism, support the sustainable development goals, enhance the sector's diversity through support to Indigenous tourism and advance Canada's gender-based analysis. Through this, Canada also aims to increase tourism GDP to CAD 61 billion and tourism-related jobs to a total of 790 000 by 2030, up from CAD 43.6 billion in GDP and 704 100 jobs in 2019.

Costa Rica: The National Tourism Development Plan 2022-27 is based on three pillars - sustainability, innovation and inclusiveness. The Plan aims to achieve a better balance between tourism development, the protection of natural resources and the distribution of profits throughout the country, so that local communities can benefit from an improved quality of life.

Czechia: The Tourism Development Strategy 2021-30 sets out a structural reform agenda focusing on sustainable tourism and the better management of tourist flows. Progress is tracked through Czechia's position in the WEF Travel and Tourism Development Index.

Iceland: The Leading in Sustainable Development, Icelandic Tourism 2030 policy framework was updated in 2023 to better align with post-pandemic priorities for the tourism sector. The updated framework has the overall ambition for tourism to enhance the quality of life and prosperity in Iceland, as a destination known for sustainable development, quality and a unique visitor experience. An increased focus on objectives for the environment and local communities is interlinked with economic ambitions to increase productivity, value creation and competitiveness, and enhance innovation, product development and the use of technology.

Italy: The Strategic Plan for Tourism 2023-27 encourages responsible travel behaviour, cultural heritage preservation, community involvement and diversification of the tourism offer to spread the impacts of tourism across the territory and across the year. It aims to promote tourism as a sustainable driver of economic development, while delivering better outcomes for destinations, local communities and the environment.

European Union: The European Agenda for Tourism 2030 sets a strategic framework for developing a sustainable, resilient, and competitive tourism sector in Europe, focusing on the green and digital transitions, enhancing the sector's resilience to crises, and fostering innovation and skills development. The Agenda calls for co-ordinated efforts among EU member states, stakeholders, and international partners to achieve these objectives and ensure the long-term sustainability and growth of European tourism. Following the Council's Conclusions calling for a European Tourism Agenda 2030-50, this document sets out potential policies and actions to meet the requirements of the Transition Pathway for Tourism. It contains a multi-year workplan for this purpose.

Increasing awareness of the social benefits of tourism has seen strategies prioritise inclusion, community involvement and regional development, and include a focus on spreading the benefits of tourism to communities throughout the territory. Colombia's Sectoral Tourism Plan 2022-26 aims to foster economic development, social inclusion, environmental protection, and peacebuilding through tourism. To achieve this goal, Colombia is increasing community-based and ethnic tourism, community protection, and the preservation of cultural heritage and values. Other countries have integrated similar objectives as central elements of their national tourism strategies, including Costa Rica, Italy, Korea, Mexico, Portugal, and the United States.

The tourism workforce has long been an area of focus for the tourism sector, but recent crises deepened labour shortages and heightening the need for co-ordinated action to address both short-term and long-

term weaknesses. Morocco's Roadmap for Tourism 2023-26 aims to strengthen the tourism workforce through a training and management programme to offer better career prospects for young people in tourism. Recruiting and retaining skilled workers is one of four pillars of Germany's National Tourism Strategy which is currently under development.

Digital transformation is another area of strategic emphasis, to increase efficiency, streamline operations, boost productivity, adapt to tourists' needs, and improve data-driven decision making. Countries like Costa Rica, Germany, Italy, Korea, Poland and Türkiye aim to modernise the tourism sector, foster innovation, and improve the overall visitor experience, by embedding digital transformation in their strategies.

As countries look to move beyond the recent crises and prepare long-term tourism strategies, they are increasingly embracing forward-looking approaches including strategic foresight and scenario planning. Such approaches recognise the dynamic and uncertain environment and different possible futures that policy makers need to consider and can inform more agile and flexible responses to future shocks and challenges. Estonia is employing strategic foresight approaches to prepare a new long-term vision for tourism to 2035, which brings together key stakeholders from across the sector to identify and analyse various potential scenarios for tourism development in the next decade (Box 1.2).

France used future-oriented techniques as part of a Horizons 2040 study to outline four potential future scenarios for the sector. These scenarios are designed to inform tourism policy development and provide useful insights for tourism stakeholders. The initiative aims to develop forward-looking approaches and strategic thinking to better anticipate factors transforming tourism and contribute to delivering the sustainable tourism goals set out in Destination France Plan 2030.

### Box 1.2. Using strategic foresight to prepare a long-term vision for tourism in Estonia

Estonia is preparing a long-term vision to 2035 for tourism, to support the digitalisation and sustainable development of the sector. Recognising the cross-cutting nature of tourism and inter-connections with other sectors, a multi-level approach is being used to increase stakeholder engagement in the process, including through workshops, surveys, interviews, and validation seminars. Strategic foresight approaches have been adopted to better anticipate and prepare for potential futures and to understand the opportunities and challenges they may present. Tools employed include the STEEPLE analysis framework – Social, Technological, Economic, Environmental, Political, Legal, and Ethical factors – to help public and private sector stakeholders assess how external factors can impact tourism, and how tourism products and services should respond. Estonia plans to launch its long-term vision for tourism to 2035 in the first quarter of 2025.

Given the cross-cutting nature of tourism and need to co-ordinate across policy areas, integrating tourism as a pillar in wider national economic development plans and strategies can support a whole-of-government approach to tourism. In Lithuania, tourism is now part of a wider whole-of-economy Economic Transformation and Competitiveness Development programme, which replaces individual sectoral strategies. In addition, the tourism sector is supported by a separate National Tourism Pathway 2023, which further facilitates co-ordination across the public and private sector to deliver on tourism policy objectives.

The Council of the European Union has adopted a new European Agenda for Tourism 2030, based on its Transition Pathway for Tourism. With these initiatives, the Commission, member states and stakeholders are jointly supporting the tourism sector to navigate the green and digital transition and ensure its long-term resilience across countries in the European Union.

Furthermore, the global tourism agenda continues to be shaped by the work of a growing number of international institutions and multilateral fora. The tourism agenda of Brazil's 2024 G20 Presidency is focused on leveraging the potential of tourism to build a just and sustainable planet, while tourism is for the first time an official G7 workstream, under Italy's 2024 Presidency. Under Italy's leadership, the work will focus particularly on optimising the socio-economic impacts of tourism, human capital, employment and skills, and the implications of artificial intelligence for tourism.

Also in 2024, the Asia Pacific Economic Co-operation (APEC) Tourism Ministers issued a joint statement on innovating pathways for sustainable tourism growth, while the Association of Southeast Asian Nations (ASEAN) Tourism Ministers endorsed the Action Roadmap for Sustainable Tourism Development. International organisations and financing institutions have also expanded their activities on tourism. The Development Bank of Latin America and the Caribbean (CAF), for example, has developed a tourism strategy to promote sustainable and regenerative tourism development and strengthen regional integration and regional co-operation through tourism.

These examples build on the increased attention and expansion of activities seen in other international fora in recent years, including the OECD, UN Tourism and the World Bank. Maintaining the momentum of tourism work streams may support co-ordinated action and in turn help to keep tourism high on national policy agendas. However, ensuring strong collaboration across these fora is needed to best make use of resources and collectively advance work to build a more resilient and sustainable global tourism ecosystem.

### ***Co-ordinating action for effective implementation of tourism plans and policies***

Tourism strategies can help mobilise public and private stakeholders around a common vision and agreed goals but need to be underpinned by concrete action plans and resources, together with robust co-ordination and engagement of key stakeholders and supportive legal and regulatory frameworks to be effective. There is also a need to monitor progress and adjust policy measures where necessary, while maintaining the agility and flexibility to adapt to changes in the wider policy environment.

Countries have reported strong engagement across policy areas and levels of government, including from the private sector, to update and develop new strategies and plans since the pandemic. Maintaining this strong engagement is key to deliver on agreed actions and aspirations. However, as the sector bounces back, there is a risk that this engagement falls away as tourism slips down the list of national policy priorities, even as the strong rebound brings new challenges.

Multi-phased action plans provide one mechanism to maintain momentum and ongoing engagement for national tourism strategies. Australia's 10-year national strategy for the long-term sustainable growth of the visitor economy, THRIVE 2030, is broken down into three phases – recovery, consolidation, and acceleration. Each phase is complemented by a short-term action plan with clear targets against which progress is reviewed. Now in the consolidation phase, the focus has shifted away from driving visitation and addressing supply side issues, towards diversifying markets, investing in new products, and improving business practices and workforce capability. Implementation is further supported by an industry consultation round and institutional forums which regularly bring together tourism ministers from the Federal, State and Territory governments, as well as other relevant federal and state departments, to discuss tourism policies that can impact different sectors.

The Tourism Strategy of the Swiss Confederation presents the long-term vision for tourism in Switzerland. The main objectives are to improve the framework conditions, promote entrepreneurship, take advantage of opportunities offered by digitalisation, and enhance the attractiveness of tourism products and Switzerland's market presence. Published in 2021, each objective is supplemented by three action items, which are not final and are amended and extended as needed. This approach aims to ensure that the Strategy is agile and capable of both action and reaction.

Collaboration mechanisms help maintain a whole-of-government approach to tourism policy from strategy development to implementation phase. Canada for example has introduced a Ministerial Tourism Council to better co-ordinate efforts on tourism across the Federal Government. The Council brings together federal ministers whose responsibilities directly impact tourism (e.g. employment and skills, regional and national economic development, parks, transportation, immigration, border services, and housing). Collaboration across government can also occur to tackle specific issues. In Finland, a taskforce composed of representatives from the ministries of Economic Affairs and Employment, Justice, the Environment and Finance is working together to update and improve short-term rental legislation.

Effective tourism policy implementation requires the engagement of the private sector and other stakeholders. This includes maintaining an active and consistent voice for the private sector in government fora as well as ensuring the private sector is engaged and plays its part implementing actions and plans to deliver on a common vision for tourism. However, this can be challenging due to the fragmented nature of the sector. Some countries have created new mechanisms to encourage engagement with the private sector, also building on the legacy from the pandemic response.

Mexico launched the Mexican Tourism Planning System to enhance collaboration from public and private actors and support the Ministry of Tourism to analyse current policy programmes, identify actions that require immediate attention and propose data-driven recommendations. Germany has established a National Platform on the Future of Tourism which brings together tourism-related stakeholders, including leading tourism businesses and industry associations, and provides a single forum for strategic dialogue with a focus on the four priority areas of climate neutrality and nature protection, recruiting and securing staff, digitalisation and competitiveness.

### Box 1.3. Modernising the legal framework to support tourism reform agenda in Croatia

Croatia adopted a new comprehensive Tourism Act in 2024. The law aims to drive tourism reforms and provide a supporting framework for sustainable tourism development and improved tourism management. The Act defines the institutional framework, data monitoring, analysis system and tools to preserve resources and space, and to guarantee tourist satisfaction and quality of life for local communities in tourist destinations, while ensuring the competitiveness of Croatian tourism on the international market. The Tourism Act, in coordination with Croatia's Sustainable Tourism Development Strategy 2030, the National Plan for the Development of Sustainable Tourism 2027 and the Action Plan for the Implementation of the National Plan 2025, sets out initiatives and approaches to encourage a more sustainable development of tourism and tackle overcrowding in destinations. They focus on promoting year-round, regionally balanced tourism, and increasing the resilience of tourism to external influences. These measures also aim to address problems associated with short-term rentals, protect the marine environment, and preserve cultural heritage sites. In addition, Croatia is working on improving the institutional and operating framework for destination management organisations to further enhance the tourism governance landscape.

Several countries have also taken steps to modernise the regulatory and legislative frameworks for tourism, to better align with the new strategies and plans and support a shift in focus to promote sustainable models of tourism development. In Greece, a new 2021 Law on Destination Management and Marketing Organisations and Model Tourism Destinations of Integrated Management has been established. It aims to advance optimal destination management through the creation of a stable co-operation framework between the public and private sectors. This legislation also acknowledges unique destination characteristics that may necessitate tailored planning and monitoring support.

Croatia modernised its legal framework, adopting a new Tourism Act in 2024 as part of a wider reform agenda to shift to a more sustainable and inclusive tourism economy. Developed in line with the national

Sustainable Tourism Strategy launched in 2023, the Law establishes a structured framework for tourism development (Box 1.3).

### ***Enhancing governance and management of tourism at regional and local level***

Regional and local governments are increasingly important in developing and implementing tourism strategies and plans. Local action, guided by an overarching national vision for the future of tourism can help drive momentum for change. The regional and local dimension is also important to harness tourism's potential as a driver of economic and social development and to effectively manage tourism on the ground. Effective co-ordination across different levels of government enhances the overall impact of tourism policies, helping to align goals, use resources effectively and foster a unified approach to tourism development. It also empowers regional and local tourism bodies to create and promote tourism products and services that are bespoke and meet the economic, social, and environmental needs of places while better managing stakeholder interest for more sustainable and inclusive outcomes.

Actively involving local and regional bodies in the development of national tourism strategies helps incorporate place-based considerations and support the adaptation of actions to local needs. In Chile, for example, regional and local bodies have been involved in the development of the National Tourism Strategy 2035 through a series of regional workshops. This bottom-up participatory approach helps regional and local governments set relevant and coherent objectives while also ensuring that local needs and conditions are reflected in national strategies, and can in turn support effective implementation at destination level.

Advancing reforms to enhance co-ordination between national, regional, and local governments and strengthen destination management structures is an area of focus in many countries. Approaches vary depending on the system of government and the extent to which regional and local authorities have competence and are active on tourism development. However, there is widespread recognition of the importance of involving sub-national stakeholders, who play a key role in achieving broader tourism goals.

Streamlining and reforming destination governance structures can help to empower destinations in the strategic process of tourism development, as the focus continues to shift from marketing to management to better respond to the issues facing destinations. For example, Croatia, Estonia, Greece, Romania, and the United Kingdom have recently conducted extensive reviews of the destination governance structures and operating framework for destination management organisations, as part of wider reform agendas (Box 1.4).

Transformative destination development means destinations need to face the challenge of becoming an agent of change. As the role of destination management organisations (DMOs) continues to evolve and expand, new skills, capacities, and resources are required. DMOs are increasingly performing in similar ways as national bodies, including to address longstanding issues of seasonality by promoting the geographic and seasonal spread of tourists, however, human and financial capacity and resources are often constrained.

In Norway, as part of the National Tourism Strategy 2030, an official report on destination development and visitor management recommended that destination management teams be embedded in each region to provide strategic advice and delivery of sustainable visitor management. The aim is to help tourism develop in a more attractive manner to local communities, residents, and visitors. New Zealand has provided support for all 29 tourism destinations to develop tailored destination management plans which empower tourism stakeholders to determine the scope and approach that best serves the destination's interests and aspirations.

Destination management organisations are often better placed to more effectively partner and mobilise tourism businesses and reach a larger number of tourism SMEs in a smaller geographic footprint. Other benefits of regional and local planning include the creation of a stable and accessible co-operation

framework for government and SMEs, co-ordination of activities and investments to promote tourism development, and closer integration with wider regional and local economic development policies. It can also help cross-sector initiatives that increasingly impact tourism at national level.

#### **Box 1.4. Strengthening destination management structures – selected country examples**

**Estonia:** A programme has been undertaken to reform and rationalise destination management structures to make DMOs more competitive, facilitate sharing of knowledge and best practice, reduce overlap and duplication, deliver national priorities around product development and address the growing performance gap between the capital city Tallinn and the rest of the country. In 2019, Estonia had approximately 40 DMOs, each employing an average of 1.5 people. By 2024, these had been consolidated into 7 DMOs capable of strategically leading the visitor economy in their areas. Long-term funding from the Government provides DMO staff with security of tenure and supports tourism development actions, but regions are expected to contribute at least half of all costs through co-financing.

**Greece:** A new operational framework was presented in 2023, following the passing of a Tourism Law for the establishment of destination management and marketing organisations. The operating framework aims to support local and regional authorities to develop and manage tourism sustainably, including establishing tourism observatories to enhance evidence-based policies. Key considerations have included the need to foster enhanced collaboration, ensure quality standards, and promote sustainable tourism development.

**New Zealand:** Collaborative Destination Management Plans (DMPs) were created to empower tourism stakeholders to determine the scope and approach to tourism that best serves each destination's interests and aspirations. The 29 DMPs aim to maintain a positive social license and establish robust local agendas for destination management. Each DMP is developed by building consensus among tourism businesses, local communities (including Māori communities), local government, and other stakeholders. The preparation of the DMPs was funded by central government, and implementation will be undertaken locally (including resourcing). Destination Management Guidelines were prepared to support stakeholders in their efforts to develop the Plans and provide suggestions on components that could be included and questions to stimulate discussion and identify gaps, opportunities, and areas for further investigation.

#### ***Resources to support sustainable tourism development***

The tourism sector benefited from significant government support during the pandemic and its aftermath. This support was vital in helping the tourism sector weather the crisis and recover. Reflecting this, many countries reported an increase in the operating budget for tourism during the pandemic, while the sector also benefited from wider economic support measures not captured by tourism budgets. Many of these supports have been withdrawn as the recovery advanced, with countries reporting tourism budgets returning to similar or lower than pre-pandemic levels in 2023 and 2024.

While the withdrawal of the exceptional financial supports introduced during the pandemic is to be expected, this comes at a time when countries are setting out ambitious strategies and plans to develop and manage tourism more sustainably. Effectively implementing these strategies and delivering on anticipated policy outcomes requires sufficient resources – financial and human. However, few strategies and action plans include details on the resourcing requirements or commitments to deliver on the ambitions set out, and successfully meet the evolving demands of the sector.



Recognising this challenge, the Danish Government has allocated an additional DKK 100 million to the sector for the period 2024-27, or DKK 25 million annually, to deliver on sustainable tourism goals in the country. In Poland, tourism was allocated PLN 110.3 million, including PLN 84.5 million for the Polish Tourism Organisation, a total increase of 53% compared to 2022 to support the development of a new long-term strategy for tourism. The supplementary tourism budget in fiscal year 2023 in Japan increased to JPY 68.9 billion, which included JPY 18.4 billion to attract international visitors to local regions, JPY 20 billion to add value to tourist destinations and tourism industries, and JPY 30.5 billion to better manage tourism flows and promote sustainable tourism growth.

Significant investments are also required to reduce the environmental impact of tourism activities, while adapting to the impacts from climate change. Tourism destinations and businesses also need support to keep pace with rapid technological developments, while resources are also required to develop the infrastructure and mechanisms needed to better manage tourism development. This needs to be understood within the broader budgetary context and priorities of countries. Securing the necessary support will require a clear demonstration of the impact and effectiveness of tourism measures to promote economic growth while meeting wider policy goals and ambitions.

While national tourism budgets can serve as a practical indicator to measure the level of government support to tourism, the sector also benefits significantly from funding from other governmental bodies, including for infrastructure, transport and other tourism-related projects, and contributions can also be made to regional and local tourism authorities. Funding from international or supra-national institutions also supports tourism development. In the European Union, funds from a variety of funding sources support tourism development across member states, including through the EU Technical Support Instrument, and the European Regional Development Fund.

## Building a more balanced future for tourism for more sustainable outcomes

Recognition of the need for tourism to transition towards more sustainable and resilient models of development has grown in recent years. Co-ordinated policy action across all levels of government is needed to address structural weaknesses that have impeded the sector in the past, not least to address issues linked with unbalanced tourism development and ensure jobs, resident well-being, and other benefits from tourism flow to local communities. However, preparing for the future will require accelerating mitigation and adaptation measures so tourism can play its part in the low carbon transition, as well as continued progress to support digital uptake by businesses, and particularly SMEs.

Rethinking the tourism system and preparing for future shocks, while addressing long-term priorities and moving to more balanced and sustainable models of tourism development require policy makers to seize new opportunities to deploy transversal approaches that achieve multiple objectives. More granular, timely and robust evidence is needed to inform policy and business decisions, and to manage and track progress on potential trade-offs, determine 'what works', and identify emerging policy impacts and risks, as well as the costs of inaction.

### ***Boosting the role of tourism in climate action to deliver on net zero targets***

Urgent and transformative action is needed across all sectors, including tourism, if countries are to reach the target of net zero emissions by 2050 - or earlier in the case of countries that have set more ambitious targets. Tourism has an important role to play in delivering on these ambitions. Accurately estimating tourism's carbon footprint is challenging. However, a 2023 assessment of progress and gaps in critical dimensions of tourism climate action attributed 8 to 10% of global greenhouse gas emissions to tourism (Tourism Panel on Climate Change, 2023[10]). This aligns with previous estimates, with high-income countries responsible for most of these tourism-related emissions.

Tourism is also heavily exposed to multiple and often cumulative climate impacts, as evidenced in recent years with the wildfires, heatwaves, floods, and other weather events which have impacted visitors, businesses and local communities in countries around the world – both by the initial impact, but also from the loss of infrastructure and time it takes for tourism to recover.

Previous OECD Tourism Committee work has highlighted the need to accelerate the transition to a greener tourism economy, to translate commitments into real actions and outcomes, and embed environmental objectives into tourism policies and programmes. This includes promoting greener business models and destinations, encouraging consumers to make more sustainable travel choices, and the adoption of mitigation and adaptation measures along the tourism value chain. Co-ordinated action with other policy areas (e.g. transport, investment, infrastructure, skills) and across levels of government is also required to maximise the positive outcomes for tourism, while minimising unintended consequences.

Despite this widely acknowledged urgency, tourism policies to address climate mitigation and adaptation remain limited, and more needs to be done to translate net zero ambitions and related policies into action. Setting and monitoring against specific targets for tourism – or specific parts of the tourism economy – and then monitoring progress, would help to mobilise and guide action to manage and reduce the sector's carbon footprint. The complex nature of tourism, which is composed of many different sub-sectors and global value chains, makes this process challenging. Allocating emissions from international tourism, and in particular from transport, is challenging. Indicators or estimates of emissions, such as those reported in New Zealand's regular national greenhouse gas inventory, or air travel emissions in the EU Tourism Dashboard, provide guidance at the national level.

Many countries are yet to set tourism-specific greenhouse gas reduction targets and related emission budgets, even though tourism must follow national regulations and contribute to Nationally Determined Contributions to reach international targets set out in the Paris Climate Agreement. Tourism is instead often assigned to the transport or service sector. However, signatories to the Glasgow Declaration on Climate Action in Tourism commit to taking action to reduce emissions by 50% by 2030, and to reach net zero as soon as possible before 2050. This is supported by practical recommendations on how to get started with climate action (UN Tourism, 2024[11])

In recognition of tourism's contribution to the climate crisis and the need deliver on these commitments and ambitions, climate action is increasingly being integrated into national tourism strategies and plans, as shown for example by Greece, New Zealand, Norway and Slovenia. In a few cases, these strategies and plans set out specific targets to guide and monitor progress. For example, in Belgium, Visit Flanders launched a sustainability plan in 2022 to reduce emissions from tourist accommodation by 50% and tourism operators primary energy consumption by 35%, by 2030. Slovenia aims to reduce the carbon footprint of Slovenian tourism per overnight stay from 39.9 to 30.3 kgCO<sub>2</sub>eq/night, a reduction of 33% by 2028.

Beyond economy-wide climate action plans, several countries have developed tourism specific roadmaps and action plans setting out how the sector can play a more active role in achieving net zero ambitions and mobilising stakeholders to take action, including Chile, Ireland and the Netherlands (Box 1.5). These roadmaps and action plans cover a wide range of measures, including inter-ministerial and cross-sectoral workshops to build climate literacy, the launch of carbon calculators for tourists and tourism businesses, the reduction of dependence on air transport by strengthening rail infrastructure, the introduction of renewable energy programmes, climate risk analyses or the development of technical guidelines on mitigation.

Climate action roadmaps and plans recognise the role of businesses and propose concrete actions for and at the interface of different stakeholders. This includes initiating a shift in consumer behaviour away from high-emitting tourist activities, while education and climate capacity building for the tourism workforce are necessary to drive change in the sector.

### Box 1.5. National roadmaps and action plans for tourism to contribute to net zero goals

Chile: The Plan for Adaptation to Climate Change in the Tourism Sector was jointly developed through extensive inter-ministerial co-ordination and adopted in 2020 to increase the resilience and sustainability of the tourism sector. It identifies tourist areas most at risk from climate change by analysing climate indicators and defining potential impacts on the tourism sector, such as changes in biodiversity and extreme weather events. Based on this assessment, the Plan sets out concrete objectives to develop the capacity and conditions to adapt and cope with the current and future impacts of climate change. The lines of action include increasing the capacity of the National Tourism Service, SERNATUR, to integrate climate change into tourism planning, public-private co-ordination, information management and communication. An update of the Plan is being undertaken in 2024 to reflect the Climate Change Framework Law.

Netherlands: Launched in 2022, the Road to Climate Neutral Tourism supports the broader Government goal for the Netherlands to be climate-neutral by 2030. With expertise from the scientific community and tourism professionals, the Roadmap outlines strategies to take action in line with the pillars of the Glasgow Declaration: measurement and research; reducing emissions; strengthening ecosystems; funding and support; and co-operation and leadership. For each measure, the Roadmap lists actions for government, businesses, branch organisations, knowledge institutes and destination management organisations. The lines of action include for example: reduce dependence on aviation, faster rollout of charging infrastructure for bicycles and cars, decrease dependence on the sea cruise industry, labels and certifications or climate neutral business as the norm.

Ireland: The National Tourism Development Agency, Fáilte Ireland, developed a Climate Action Roadmap in 2022, to help tourism and hospitality businesses reduce carbon emissions and contribute to national net zero targets. The Roadmap sets out 8 steps in the climate action journey for businesses, and provides climate action guides on water, waste and energy management, as well as carbon offsetting, biodiversity, meetings and events and festivals.

Countries also have initiatives to support tourism businesses, and SMEs in particular, to adapt and meet climate commitments, including through knowledge exchange, communication, networking and representation of specific interests in the greening of the tourism sector. SMEs as critical actors as drivers of technological change and adopters of green business models and practices to reduce their environmental footprint (OECD, 2024[12]).

In Ireland a Climate Action Programme complements Fáilte Ireland's Climate Action Roadmap and offers dedicated mentoring and investment advice to help tourism businesses reduce carbon emissions and develop tailored action plans to become more sustainable. The Programme has been oversubscribed since it was launched, reflecting strong demand from tourism businesses.

In Switzerland, the Competence Centre for Sustainability in Swiss Tourism aims to make Swiss tourism a leader in sustainability, by initiating and implementing projects and providing a central contact point for sustainability issues. It was launched in 2022 by the Swiss Tourism Federation, as part of Switzerland's Tourism Strategy. The Swiss Parliament will soon decide on a new Law for tourist accommodation that will be implemented by the Swiss Association for Hotel Credit, to support the renovation of accommodation facilities in the Alpine region and seasonal tourist areas, with a focus on energy efficiency.

The German Climate Fund for Tourism aims to accelerate the implementation of climate protection actions as part of the National Climate Initiative. Model solutions for the reduction of emissions by tourism service providers and destinations are being developed and tested. In addition, the German association Klimalink works on the transparent presentation of the carbon footprint of travel, which has recently been joined by

the tour operator association as well as companies from Austria and Switzerland. Germany is also increasingly promoting environmentally friendly tourism, including through a campaign to encourage travellers to “stay a little bit longer” as part the German National Tourist Board’s sustainability strategy.

As decarbonisation measures are frequently linked to cost-intensive infrastructure improvements, various national programmes provide incentives or funding. In addition to the programmes above, Austria and Germany are among the countries with targeted support and programmes for tourism SMEs, including funding, to lead green transition initiatives and comply with climate neutrality goals (Box 1.6).

### **Box 1.6. Supporting tourism SMEs in the green transition – selected country examples**

**Austria:** New funding guidelines have been launched to support investments by family-run and owner-managed tourism SMEs to strengthen sustainability and financial resilience. The scheme includes subsidised loans and guarantees, as well as a 7% sustainability bonus for investment costs up to a maximum of EUR 350 000. Eligible costs can be related to ecological, staff, regional, and digitalisation investments.

**Germany:** The LIFT Transformation funding is aimed at activating tourism SMEs and destinations to deal with relevant issues for the future of tourism, in line with the UN Sustainable Development Goals. The aim is to develop future-proof, applicable solutions on how tourism can be made sustainable and contribute to sustainable development. In addition, the recently established Centre of Excellence for the Green Transition of Tourism aims to support the tourism sector on its way to climate neutrality and sustainable transformation by communicating knowledge on climate-friendly and resource-saving innovations.

### ***Balancing tourism flows with support of sustainable transport and infrastructure***

The shift in focus towards more sustainable tourism development has led to a greater awareness of the role of tourism flows in destinations. Diversifying tourism to better manage the movement of visitors, both spatially and temporally, provides opportunities to strengthen destinations, build resilience to future shocks, while optimising the economic benefits and balancing the environmental and social impacts.

Efforts to sustainably disperse visitors and better spread the benefits of tourism both within and across destinations are becoming more common and are increasingly part of the strategic agenda for tourism, as is the integration of tourism into wider national and regional development agendas.

Portugal’s Tourism Agenda for the Inland Territory, for example, aims to boost the tourism sector in inland Portugal to act as a catalyst for the cohesion and economic development of low-density territories. Launched in 2023, this Agenda consists of initiatives and measures aimed at connecting territories, enhancing resources, and investing in companies and the tourism offer, with a budget of around EUR 200 million.

In the United States, the Recreation Economy for Rural Communities programme has supported 25 small and rural communities in 17 states to develop strategies to increase outdoor recreation economies, help establish vibrant town centres, conserve natural resources and attract more visitors to rural areas, a key objective of the National Travel and Tourism Strategy.

Many initiatives focus on shifting tourists beyond well-established destinations to less visited or populated areas. In Korea, for example, the Digital Tourism Card initiative aims to attract Korean residents to regions facing population decline, encourage longer stays in regional areas, and foster economic growth by providing discounts on accommodation, meals, experiences, and other tourism services.

Japan's Tourism Nation Promotion Basic Plan 2023-25 focuses on attracting longer-staying and higher-spending visitors and fostering regional revitalisation by developing more offerings for high-end travellers, and funding events, tourist accommodation and facilities beyond the main tourist destinations. In 2023, 11 Model Tourist Destinations for creating Luxury Inbound Tourist Destinations were designated in regional areas with the aim of encouraging international tourists to explore Japan beyond its main cities and to attract travellers to rural areas where tourists can experience nature, history and unique culture.

The development of a more diverse tourism offer requires investments in tourism and community infrastructure to support increased visitation. Successfully encouraging tourists to visit new destinations can have significant economic and social benefits for local communities, if supported by adequate planning and resources. Hungary reintroduced the Tourism Development Contribution in 2023 to collect revenue from catering and commercial accommodation with the aim of financing new infrastructure projects to support tourism. In Iceland, the Tourist Site Protection Fund and the Icelandic Route Development Fund are both essential to support destination development and distribute tourists more evenly throughout the country. This approach aims to ease the strain on popular tourist destinations, while benefitting the sector and local communities.

The focus on balancing tourism flows has brought a renewed emphasis on the concept of carrying capacity in destinations. While there is no clear approach or methodology for determining the carrying capacity of tourism destinations, the sector can learn from the extensive work and experience on managing visitor flows in protected areas. Improved access to data and communication with local communities can also help better understand destination capacities, balance trade-offs, and determine critical thresholds, which may differ for visitors and residents. Countries are now working with attractions, destinations, and local governments to better identify the critical thresholds for tourism.

France launched the National Strategy for Managing Tourist Flows in 2023, which includes the creation of a national Observatory for major tourist sites. The Observatory will measure the perceptions of tourist flows among locals and raise awareness about the positive and negative impacts of tourism, targeting tourists, locals and travel influencers. In Austria, the Find the Right Balance Guide supports regional decision makers to deal with imbalances in tourism and is supported by a funding call to develop tailor-made solutions to address the challenges of impacted regions.

Connecting destinations in a sustainable and accessible way is key to dispersing the benefits of tourism. The nature of tourism makes transport an integral part of the sector and creating easy-to-use and environmentally friendly transport options are typically high on the tourism policy agenda. Transport in tourism is often synonymous with aviation, which is a significant and growing contributor to global greenhouse gas emissions. The decarbonisation of air travel is therefore a priority if tourism is to have a viable and sustainable future.

At the national level, countries are working to advance sustainable aviation agendas. Australia and the United Kingdom have each convened Jet-zero councils to address sustainable aviation issues, particularly related to SAF. Air New Zealand, which is 51% owned by the Government is taking a multifaceted approach to deliver on carbon neutral by 2050 commitments, including investing in SAF, new aircraft technology and the renewal of the existing fleet, and reducing emission in ground operations.

At international level, the International Civil Aviation Organization (ICAO) Air Transport Action Group has set the ambitious target of achieving net-zero carbon emissions by 2050, however significant progress is needed to achieve this goal. The International Transport Forum (ITF) at the OECD is actively supporting this agenda, including by convening a common interest group bringing together government, private sector and other stakeholders to explore opportunities to advance policies to decarbonise aviation. One area of focus is the opportunity presented by increased use of sustainable aviation fuels (SAF). As part of this work the ITF is exploring the consequences of decarbonising aviation on travel patterns and tourism.

While the aviation sector plays an important role in the tourism sector, particularly for remote and island destinations, ground transport to and around destinations remains essential for most tourists. Reflecting this, Italy's Sustainable Tourism Fund identifies intermodal routes that leverage the use of electric means of transport with aims to mitigate overcrowding, create innovative itineraries and de-seasonalise destinations. The Fund also provides support to accommodation facilities and tourism businesses to obtain sustainability certifications, with funding of EUR 10 million available in 2024 and in 2025. Australia meanwhile is leveraging the National Electric Vehicle Strategy to give tourists more sustainable transport options, recognising the lack of a comprehensive rail system outside of capital cities.

Morocco's high-speed train has significantly impacted the tourism sector by reducing travel time between Tangier and Casablanca, making it more convenient for domestic and international tourists to travel within the country. This improvement in infrastructure, which transported over 5 million passengers in 2023, also made lesser-known cities more accessible, helping to distribute tourism benefits more broadly across the region. In 2023, the national government committed to extending the high-speed train system to other tourist destinations, such as Marrakech and Agadir.

### Box 1.7. Promoting sustainable tourism and mobility across Europe

The Transport, Health and Environment Pan-European Programme (THE PEP) is an initiative launched by the World Health Organization (WHO) and the United Nations Economic Commission for Europe (UNECE). It aims to integrate environmental and health considerations into transport, mobility and urban planning to improve the quality of life for people across Europe. At the 5th THE PEP High-Level Meeting in Vienna in 2021, Ministers decided to launch a new THE PEP Partnership on Sustainable Tourism Mobility, supported by the Secretariats of UNECE and WHO. THE PEP Partnership on Sustainable Tourism Mobility, led by Austria, aims at bringing together the relevant national stakeholders responsible for mobility, climate action and tourism in a European platform in order to further promote sustainable tourism development in the pan-European region. The aim of the partnership is to raise awareness of sustainable multimodal mobility in tourism, strengthen co-operation between stakeholders and improve the institutional capacity of relevant organisations. The members of this European partnership work together on a document addressed to the national level including recommended actions and best practice examples in the following areas: foster institutional capacity, integrate sustainable tourism mobility in national strategies, understand mobility requirements of different user groups, mobility management at destinations, long-distance travel options, flexible transport systems, cycling and walking as part of the tourism experience, multimodal travel information as well as integration of sustainable mobility services into tourism packages, marketing and communication.

Sustainable mobility is becoming increasingly important as countries look to balance the need to provide adequate and diverse transport options to get to and around tourist destinations, with the need to decarbonise tourism activities themselves. Building the necessary infrastructure, reducing congestion through public transport, optimising routes and developing green transport options, like electric buses and vehicles, but also self-powered or soft mobility options such as bike-sharing programmes, and pedestrian-friendly pathways are important measures that improve the visitor experience and directly benefit local communities. In this context, the ministries responsible for climate, transport and tourism in Austria launched a pan-European partnership for sustainable tourism mobility in the framework of the Transport, Health and Environment Pan-European Programme (THE PEP) in 2021 which promotes sustainable and multimodal means of tourism mobility including public transport, active mobility (cycling, walking) and flexible transport systems (Box 1.7).

At destination level, countries are looking to promote carbon-free or low carbon transport. Luxembourg, for example, has introduced Velosummer to promote active tourism, restricting motorised transport on certain

roads in August. In 2023, the initiative included 12 routes covering over 500 km, attracting almost 25 000 cyclists, and it not only reduced emissions from motorised vehicles but also encouraged greater dispersion of tourists in Luxembourg. In Italy, the Urban Trekking project in Grosseto is a regional venture to promote slow tourism, local art and history and aims to establish a network of walking and cycle paths connecting the entire province, inspiring green mobility and responsible exploration. Grosseto was awarded the 2024 European Green Pioneer of Smart Tourism.

### ***Optimising the socio-economic value of tourism for local communities***

Tourism has a key role to play to foster economic development that creates decent jobs, enhances well-being and social cohesion, and contributes to the shared interests of tourists, residents, and businesses. It also provides opportunities for SMEs to integrate into global tourism value chains. Tourism, when well-managed, can be a key driver of inclusive community development contributing to resiliency, inclusivity, and empowerment, while safeguarding natural and cultural resources (OECD, 2021[13]). However, existing models of tourism development often mean the impacts of tourism are unbalanced, with some destinations receiving visitor volumes that can place considerable strain on local communities while others seek more visitor spending to support their local economy.

Optimising the socio-economic value of tourism requires better planning, improved understanding and management of the trade-offs involved, and engagement with the local community to create a more inclusive sector where the benefits (and costs) are more widely shared. One area of increased focus is on measuring tourism acceptance, local sentiment, and the social aspect of tourism. Countries like Austria, Costa Rica, France, and New Zealand have implemented new survey approaches to measure social acceptance and the well-being of residents. This is explored in more depth in Chapter 3.

Accessibility and inclusion have become key areas of focus with countries looking to promote the potential tourism provides for inclusive growth, for tourists, the workforce, and communities (Box 1.8). This can be stimulated by enhancing accessibility for people with disabilities, providing access for vulnerable income groups, ensuring fair representation and opportunities for minority groups, and advancing gender equality in tourism-related employment and leadership.

Australia's WELCOME Framework encourages tourism businesses to view accessibility and inclusivity as a universal approach to business. Developed in 2024, the Framework brings together important aspects for tourism operators to consider in making their products and services more accessible. It guides operators to understand the needs of, and promote their business to, the accessible tourism community.

Creating liveable destinations and ensuring that the local population benefits from tourism has become a policy focus for many destinations. The impact of tourism on local communities is increasingly being integrated into national tourism strategies. In 2023, Peru implemented the Community Tourism Strategy which is accompanied by the Law for Promotion and Development of Community Tourism. Through the Strategy and Law, Peru aims to generate socio-economic dynamism and improve the quality of life of local populations through tourism.

The Slovak Republic is finalising the National Sustainable Tourism Strategy for 2035, which aims to increase the competitiveness of tourism, better use its potential, balance regional disparities, and create new jobs. A key pillar under this Strategy is to create durable destinations which can provide quality stays for visitors and quality of life for residents.

### Box 1.8. Initiatives that promote more inclusive growth – selected countries

Greece: Accessible tourism is a key component of the National Strategy 2024-30. In this frame, Greece introduced the Accessible Tourism Destination and Accessible Tourism Enterprise quality labels, aiming to promote accessible tourism in Greece through the implementation of accessibility standards in tourism installations and destinations.

Italy: The Tourist Accessibility Fund was launched to promote social inclusion and diversification of the tourist offer. Additional funds are available specifically targeted to small municipalities with a tourist vocation, to encourage innovations in accessibility. These funds support the international reputation of Italy as a safe and inclusive destination, through the proposition of a diversified, inclusive, resilient, and safe offer.

Japan: A survey was undertaken to assess the prevalence of accessible tourism, identify its challenges, and evaluate market size, with the objective of promoting inclusive travel accessible to all individuals, including older people and those with a disability. Addressing the travel needs of these groups, for whom there is substantial potential demand, is crucial for stimulating travel activity and revitalising the economy with a forward-looking perspective.

United Kingdom: Actions are focused on building on existing best practice and toolkits on accessibility and inclusion, such as the National Accessible Scheme, and examining the access limitations of tourism services, based on different needs. These have been undertaken with consultation through the Tourism Industry Council Working Group on Inclusivity and Accessibility, the Disability and Accessibility Ambassador, England's Inclusive Tourism Action Group, and other stakeholders.

United States: Accessibility, diversity and inclusion is a pillar of the US National Travel and Tourism Strategy. For its implementation, the Federal Government has engaged with the Travel and Tourism Advisory Board, by installing a Private Sector Advisory Body to the Secretary of Commerce who provide recommendations on Accessibility, Sustainability, Infrastructure, and promoting diverse tourism products.

Participatory approaches which involve local communities in tourism planning and development decisions can support more balanced outcomes for residents, and in turn lead to greater acceptance of tourism. In Mexico, the Kuxatur programme aims to create sustainable tourism development zones, and integrate local communities into tourism policy development, with a focus on capacity building, so that residents can implement actions to achieve sustainable tourism targets.

Tourism can also be a catalyst for regional development, especially in rural and remote areas, and thereby increase well-being and liveability. In Korea, the Ministry of Culture, Sports and Tourism has launched an initiative to address rural and population decline in some parts of the country. Tourism plays a pivotal role to help regions realise their potential and under this initiative projects have started to stimulate digital nomadism and workcations in these areas.

Housing affordability is a well-documented issue for tourism destinations, at a time when real house purchase and rental prices have risen faster than inflation and incomes in recent decades and have disproportionately affected poorer and younger households (OECD, 2022[14]). The rise of online accommodation booking platforms and short-term rentals, second home tourism and unplanned tourism growth in some destinations have also contributed to greater housing demand, sometimes resulting in situations with residents and seasonal workers are unable to secure affordable housing. In 2024, the Council of the European Union adopted a new regulation on data collection and sharing for short-term accommodation rental services. These new obligations are not intended to regulate access to the market



on these activities, but to increase transparency and support local authorities in Europe to develop and enforce policies for vacation rentals, while keeping housing accessible for residents (Box 1.9).

### **Box 1.9. Regulation to increase transparency and evidence on short-term rentals in the EU**

In March 2024, the Council of the EU adopted a regulation on data collection and sharing for short-term accommodation rental services. It aims to help authorities produce reliable statistics and take well-informed regulatory measures to address key issues like housing affordability. The new rules introduce harmonised registration requirements for hosts and short-term rental properties, including the granting of a unique registration number to be displayed on property websites and online platforms. Local authorities and short-term rental platforms have 24 months to comply with the regulation.

Hosts need to submit simple information to obtain this registration number, which will be required to provide short-term accommodation rental services. Online platforms will be required to regularly provide information on the rental activities of their hosts (for example, number of nights sold, number of guests, address, registration number) to a single digital entry point in relevant member states.

This regulation is not intended to regulate access to the market, but rather increase transparency on these activities. Online platforms will need to ensure host information is reliable and complete, and that the registration number is clearly visible on each listing. They will also be required to conduct random information checks on hosts. Local authorities will be able to suspend registration numbers, request platforms to delete illegal listings, and sanction non-compliant platforms or hosts.

### ***Supporting tourism SMEs to innovate with rapid technological change***

Digital technologies are reshaping processes in tourism and represent a powerful catalyst for innovation in the sector. New technologies, including generative Artificial Intelligence (AI), extended reality (XR) and blockchain, are changing the way people plan and experience travel, and present opportunities to not only reach new consumers with novel tourism products and services, but also improve business operations and performance, and accelerate the transition to greener, more sustainable business models.

Despite potential benefits, SMEs lag behind larger firms in their adoption of digital technologies, and digital adoption by SMEs is to a large extent still confined to basic services, including in the tourism sector (OECD, 2021[15]). Addressing these adoption gaps, as technologies become more sophisticated, is important to a widening of the digital divide between SMEs and large, technology-driven businesses. Small tourism businesses require support to overcome key barriers to digital uptake, including a lack of digital skills, hardware costs, infrastructure gaps or adequate privacy protection (OECD, 2024[16]).

National policies can play a pivotal role in shaping the digital landscape for tourism and ensuring tourism businesses can implement new technological solutions to improve internal operations and innovate tourism services. Digital tourism strategies and plans are now being developed by countries, either dedicated to tourism, or as part of wider national digitalisation strategies and plans. These initiatives often include a tourism data space, and strategies to improve the tourist experience and digitise business models.

In Slovenia, the Digital Transformation of Slovenian Tourism 2022-26 plan aims to boost tourism competitiveness, sustainability and worker skills, through the implementation of a National Market Intelligence Hub and introduction of smart business solutions or competence vouchers. The Spain Digital 2026 Strategy includes an initiative building on a modular platform to implement the Digital Transformation Plan for Tourist Destinations. This is complemented by the development of new tools for the Network of Smart Tourist Destinations, and a Tourism Intelligence System to integrate sources of tourism information and provide analytical services.

Tourism-specific strategies and economy-wide plans can set the strategic direction for the sector, but these need to be complemented by targeted programmes and initiatives to support SMEs through digital transformation. This includes providing support to access finance and capacity building and improving the awareness of available tools, as well as opportunities to use the data generated by tools to better tailor product and marketing strategies for tourists.

The awareness of the transformative role that AI and other technologies may have on the tourism sector is still developing. The implications of AI for tourism and tourism policymaking is a key area of focus for the G7 Tourism Working Group, under Italy's 2024 G7 Presidency. Policymakers face the challenge of keeping pace with the rapid rate of change, and to support tourism businesses to overcome barriers to the use and uptake of AI, while managing the new risks and challenges it brings for all businesses.

Countries are starting to support research and development for AI in tourism. In 2022, Spain implemented initiatives to promote AI in tourism businesses (EUR 45 million) and to foster digital development of tourism destinations (EUR 115 million) over a three-year period. As part of this funding, Spain has developed a Digitisation and Intelligence Programme for destinations and tourism businesses to develop smart destination platforms. This aims to make interoperable public and private services available to tourists.

France has encouraged tourism companies to integrate digital technology into the tourism value chain by supporting travel tech startups based on technological building blocks, including for example AI, blockchain, Internet of Things and 5G. The programme aims to support innovative start-ups and promote further innovation in the tourism sector. France has also commissioned a study on the impact and implications of AI for tourism. Korea also provides digital transformation programmes to tourism businesses including through the introduction of Innovation Vouchers for tourism SMEs (Box 1.10).

#### **Box 1.10. Accelerating the digital transformation of tourism SMEs in Korea**

To enhance the competitiveness of Korean tourism in a rapidly changing digital world, the Korean Government assists tourism businesses to embrace digital innovation. The comprehensive digital transformation programme supports tourism businesses through different stages of their lifecycle. This includes the establishment of digital infrastructure, skills enhancement for companies and workers and access to financial aid for tourism SMEs and start-ups.

Innovation Vouchers plays a key role in accelerating the digital transformation of the tourism sector. In 2024, over 150 SMEs received a voucher for digital services. Beneficiaries of the programme can access an online platform with 242 providers offering specific solutions for digitalisation, such as building a website, improving user experience, creating AI chatbots, online promotion using ads, etc.

In support of the programme, the Korea Tourism Data Lab website provides access to tourism statistics and private data, promoting granular analysis for customised tourism products and addressing issues like overcrowding.

As the digital transformation advances, there is a need to build the skills and capacity to adopt and use these technologies. Many countries have developed programmes that promote digital literacy, including through workshops, mentoring, assessment of digital maturity or concrete technical support. In Estonia, the Tourism Digital Mentoring Alongside Digitalisation Roadmap aims to increase digital literacy and uptake within tourism businesses through mentoring, which requires businesses to contribute 10% of the cost of the mentoring over a five-month period. In return, businesses receive training in digital resource management and a roadmap catered to their business needs to help achieve greater profitability and efficiency over a three-year period. Estonia also offers a support measure for tourism service providers that encourages the use of central digital solutions for resource management and makes interfaces between digital solutions in use.

In Ireland, the Digital that Delivers programme is designed to power digital transformation for visitor attractions, activity providers and day tours over a two-year period. The programme includes training and mentoring by leading digital experts and financial support, and helps businesses to become more promotable, searchable, and bookable online. The German Mittelstand-Digital Centre for Tourism provides practice-oriented knowledge on digital technologies, data systems and other digital solutions for SMEs along the entire tourism value chain. It connects businesses and digital solution providers and focuses on technology and future focused areas that are particularly relevant to the sector.

Centralised platforms can provide an entry-point for tourism businesses providing increased exposure, but also access to online tools to improve knowledge management, training and data visualisation. These initiatives often provide incentives for tourism SMEs to participate and actively use the online services but can also collect data for analysis and tailored policies. Italy has developed the Digital Tourism Hub to incentivise digital uptake. The Hub is an open and agile platform that facilitates content publication, destination promotion, and integration of public and private tourist offers. The platform helps tourists connect to the Italian tourism ecosystem better, increasing personalised experiences. The Hub has the potential, in the future, to provide the basis for strategic decision-making, informed by data processing and the incorporation of AI and machine learning.

Greece is developing My Digital Tourism, an online platform that aims to support businesses to create new products, streamline processes, and boost investment in the sector under the 2024 Action Plan. It aims to facilitate document submissions for licensing, manage tourist complaints, conduct business inspections, and gather statistical data on tourist accommodation, through a subsystem recording arrivals and departures. The platform is expected to be launched in early 2025 and benefit over 100 000 tourism businesses.

High-speed Internet access is crucial to leveraging social and economic opportunities of digitalisation, such as teleworking and new business processes and models. In 2022, on average in OECD countries people in metropolitan regions experience 40% faster Internet than those in regions far from metropolitan areas (OECD, 2022[17]). Implementing advanced technologies requires investment in the necessary digital infrastructure, particularly for tourism destinations, which are often outside of capital cities. In the United Kingdom, investments in digital connectivity across the country, such as full fibre and 5G, have helped to drive innovation in the visitor economy. This is because remaining globally competitive requires an innovative tourism sector to make full use of digital technology and data to enhance the visitor experience.

### ***Strengthening data to guide and evaluate policy action for tourism***

The rapid changes in the tourism sector have brought increased focus to the role of data in the policy-making process, and the types of data that are necessary to inform tourism decision making. As governments globally reshape their tourism strategies, and set shorter-term targets and metrics, the collection and dissemination of timely, granular, and comparable data is increasingly important to inform and evaluate tourism policy. This is particularly important to effectively navigate the dynamic and evolving landscape with often scarce resources.

The shift towards sustainable development in longer-term tourism strategies and plans has brought visibility to the lack of data beyond economic and financial measures. This requires new measures to implement and evaluate the effectiveness of efforts to shift towards more resilient, sustainable, and inclusive models of tourism. Internationally, efforts have focused on identifying potential measures, including through the recently endorsed Statistical Framework for Measuring the Sustainability of Tourism (SF-MST), led by UN Tourism. International and country initiatives to improve the tourism evidence base for sustainable tourism policies is explored in depth in Chapter 3.

An enhanced focus has been placed on monitoring and evaluating the effectiveness of tourism policies, with the incorporation of more concrete targets, indicators and goals in new strategies and plans. However, the fragmented nature of the sector, the high number of SMEs and the lagging technical capability of tourism businesses render data collection on tourism more complex. The tourism recovery has also brought an increased awareness of the role of forecasts and nowcasts for more strategic policy setting. Portugal recently conducted a feasibility study to develop a new international tourist demand forecasting model to support better informed decisions on resource allocation, marketing, and tourism development, through more accurate demand forecasts.

As decision making increasingly shifts to the sub-national and local levels, aided by more collaborative and multilevel governance practices and the evolving role of DMOs, relevant data needs to be made available at more granular levels. In response, the Slovenian Tourist Board has implemented the National Information Centre for Tourism, a platform to collect and process local, national and international tourism data. While a collaborative approach has been adopted in Denmark, integrating multiple data sources into a national data hub, to facilitate more timely decision making for DMO's and businesses (Box 1.11).

### Box 1.11. Creating national data platforms to improve data access at sub-national levels

Slovenia: The National Tourism Information Centre aims to create a unique centralised data hub where local, national, and international tourism-relevant data will be collected and processed, to support data-driven decision-making. The focus of the Information Centre will be on acceleration of the green and digital transition and upgrading the Green Scheme of Slovenian tourism. The project covers two parallel phases:

- Implementing a modern digital analytical tool for measuring the impacts of tourism on all leading Slovene tourism destinations, to foster the sector's sustainable transition.
- Measuring tourism flows and determining the carrying capacity of leading destinations and the geographical distribution of tourism development in a more sustainable way.

The prototype development phase was completed in 2023 and incorporated the analysis of data sources, preparation of functional specifications, and the implementation design and architectural scheme for the Information Centre. The implementation phase commenced in 2024. Due to the complexity of the project, experts on information technology, data analytics, artificial intelligence and machine learning, will participate in the implementation phase, which is expected to be completed by the end of 2025.

Denmark: A national data platform for tourism launched in 2023 aims to provide DMOs and partners with data and tools to support decision-making. By connecting various data sources and combining data, Danish tourism stakeholders can gain new insights into the behaviour of tourists and make better business decisions. The platform combines data from both public and commercial sources (e.g. Visa, telecom companies), providing DMOs with new data options, previously unavailable at this level, as well as data on the number of nights, attractions and visitor numbers. In the long run, this platform will enable DMOs to draw on the experiences of other destinations and compare local results with new relevant benchmarks. The platform also enables DMOs to store their data securely. By the end of 2023, all Danish DMOs were connected to the platform, with companies expected to connect by 2024.

Germany's new Data Dashboard for Sustainable Travel Trends supports users with detailed information regarding inbound consumers sentiment towards sustainability, climate protection and interest in sustainable travel. It also provides data on perceptions of Germany as a destination, and current travel behaviour from a sustainability perspective, including the relevance of multi-destination trips, length of stay, tourism density, and CO<sub>2</sub>-equivalent emissions for transport.

The need to better monitor tourism policies and quantify results continues to prompt greater demand for alternative data sources. Traditional statistics adhere to internationally agreed methodologies and processes, ensuring cross-country comparability. However, these statistics are often released with a significant time lag and may lack detailed granularity. Conversely, alternative data sources, such as transaction and mobile positioning data, although not adhering to these same rigorous statistical standards, offer more timely and detailed insights into tourism flows and expenditure. This enables policymakers to respond more swiftly to emerging trends and developments, particularly when used to complement official statistics.

Digitalisation has opened new opportunities to obtain more granular, timely data. However, this requires policymakers to clearly communicate their data needs, and in return, data users and data makers need to clearly communicate data and insights to policymakers. This includes promoting automation to improve efficiency and reduce costs, which will require political buy-in through the allocation of resources to build and run the systems. Sweden is leading a Nordic collaboration project to integrate transaction data into the compilation of national Tourism Satellite Accounts (TSA). This method should provide more precise estimation and granularity of tourism data and allows for a shorter delivery time at a lower cost. The project, launched in 2022, is funded until the end of 2024, with hopes to secure further Nordic funding until 2025 so that the new TSA model can be fully operational in Nordic countries by 2026.

While new data sources provide new opportunities, data demand should not focus on increasing the overall volume of data collected but instead on collecting the right data, at the right time, and getting this information to decision-makers in a timely manner and in a format that is easy to understand.

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## Note

<sup>1</sup> Australia, Belgium, Canada, Chile, Colombia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Korea, Latvia, Lithuania, Mexico, Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Türkiye, United Kingdom.

## Chapter 2. Strengthening the tourism workforce

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Workforce issues are a long-standing vulnerability for the tourism sector and have been exacerbated since the COVID-19 pandemic. Tackling existing and emerging workforce issues in tourism requires new and whole-of-sector responses to improve the quality of tourism jobs, strengthen the tourism offer and reduce tourism's (over)exposure to future crises. This chapter analyses policy approaches to support the sector to attract and retain talent across all skills levels and areas within the sector since the pandemic. It highlights the actions governments can take to create the right framework conditions to enable policy-led change, in collaboration with the private sector to build a more resilient tourism, considering the impacts of the green and digital transitions. Key policy considerations are identified to strengthen the tourism workforce.

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Tourism is a significant employer and contributor to economic growth. Prior to the COVID-19 pandemic, tourism is estimated to have accounted for 6.9% of employment in OECD countries (OECD, 2022<sup>[1]</sup>). Tourism employment also provides important social and economic functions which are not always recognised. As an important employer of youth, women, migrants and other workers frequently marginalised from the workforce, the sector builds social capital and agency and contributes to overall social, economic and political outcomes, including in rural or remote communities.

Workforce issues are a long-standing vulnerability for the tourism sector and have been exacerbated since the COVID-19 pandemic. Tourism businesses have struggled to attract workers back into the sector amid tight labour markets and cost-of-living pressures, which deepened the impacts of the crises and further exposed tourism to labour market challenges. The interconnected nature of tourism saw shortages in one part of the tourism system have knock-on impacts throughout the sector and constrained the sectors ability to recover and cater to the post-pandemic demand for tourism services.

This has spurred a greater focus on building resilience in the tourism economy, including by addressing persistent challenges to attract, retain and develop workers. Tackling existing and emerging workforce issues in tourism requires more innovative and whole-of-sector responses to address these challenges and will in turn improve the quality of tourism jobs, strengthen the tourism offer and help avoid tourism's (over)exposure to future crises.

The chapter reviews and analyses policies and measures designed to support the sector to attract and retain talent across all skills levels and areas since the pandemic. It highlights the actions governments can take to create the right framework conditions to enable policy-led change, in collaboration with the private sector. The chapter is informed by a survey of OECD member and partner countries and two workshops, including a dialogue with the private sector. The need to tailor workforce resilience approaches to the specific policy needs of destinations is highlighted. Priority issues are identified, and considerations for policy-focused action are proposed to increase resilience across the tourism sector.

## Importance of the tourism workforce for building resilience

A vibrant and sustainable workforce is key to the development of a resilient tourism system. Tourism is highly labour intensive and offers strong potential to support a job-rich economy for people of all ages and skill levels across a variety of job types and activities. At the same time, the sector is highly dependent on quality human resources to manage, develop and deliver a competitive tourism offer, and to adapt and benefit from the green and digital transitions. However, the positive aspects of jobs in tourism and the opportunities this can provide for workers to enter and move around the labour market are often lost amid wider issues, including the nature of tourism jobs and working conditions in the sector, which are frequently associated with unstable, low-wage work.

Tourism jobs can offer opportunities for people to enter the labour market and provide a stepping-stone for workers who face higher barriers to employment, such as young, low-skilled and migrant workers. Other benefits include social mobility, socially vibrant workplaces, intercultural learning, opportunities for rapid career progression, entrepreneurial prospects and the development of transferable skills. Analysis of tourism job advertisements shows that a huge diversity of skills, from more social and interpersonal skills to highly specialised and technical skills, are sought after in tourism work (CEDEFOP, 2020<sup>[2]</sup>). The interpersonal nature of tourism means that its workers often have highly developed emotional intelligence, communication and teamwork aptitudes, and it is these 'high touch' or 'interpersonal/people skills' that are highly transferable and make tourism workers desirable to other sectors. Working closely with the private sector, workers and employers organisations, policy makers can use tourism jobs as a vehicle to improve the lives of underserved populations, and the economy as a whole, by improving labour market participation.



However, there is a need to address tourism workforce issues and decent work challenges which have been a long-standing vulnerability for the sector. Many countries faced labour shortages and skills gaps in tourism before the pandemic, generated from a complex web of underlying drivers including: a lack of skilled workers; the prevalence of casual and informal work; variable and long working hours; low wages; limited access to social protection; gender-based discrimination; poor occupational safety and health practices; and the weak regulation, enforcement and organisation of labour (ILO, 2022<sup>[3]</sup>). These issues have contributed to poor perceptions of work in the tourism sector and need to be addressed to challenge attitudes that dismiss work in tourism as low skilled and dispensable (ILO, 2023<sup>[4]</sup>) while improving the quality of tourism jobs to attract and keep workers in the sector.

The COVID-19 pandemic caused significant disruption for the tourism workforce causing many workers to leave the sector for jobs elsewhere in the economy, with people in casual or informal employment disproportionately impacted. Despite a strong rebound in tourism, the sector has been unable to attract a sufficient inflow of workers to tourism jobs. This has highlighted the transferability of skills required by tourism work which are desirable to other sectors. It also brought awareness to the structural issues facing the workforce and prompted government and industry to take action to address these.

The private sector has a lead role to play to address these issues, by implementing measures to change those factors within its control while working closely with government, the role of which is to create appropriate framework conditions. The contribution of policy is to ensure co-operation across government to build better work environments and to leverage other areas of government (horizontally and vertically) to address a range of factors external to the sector (migration, housing, care, community services) that may limit the capacity of the private sector to change.

Building resilience in the tourism economy requires addressing the new and existing fragilities in a systemic way. Tourism demand has bounced back strongly, showing strong resilience amid slow economic growth and geopolitical uncertainty. However, this masks new and existing underlying structural weaknesses on the supply side that continue to impede the resilience of the tourism economy.

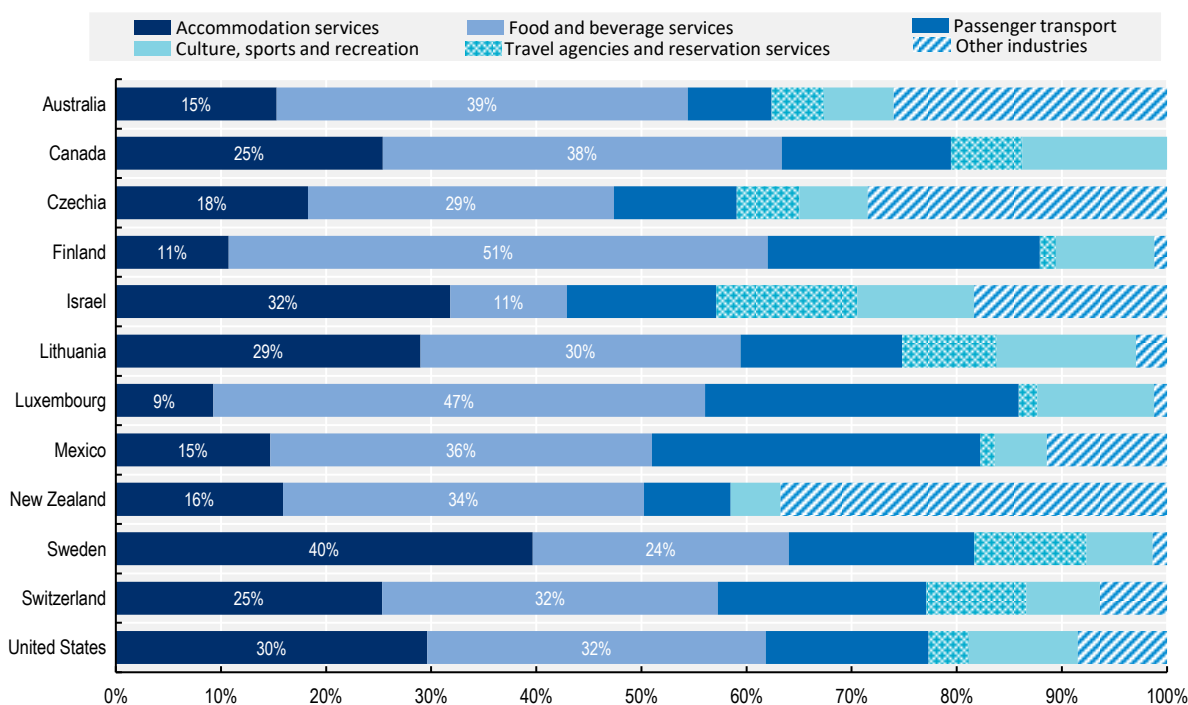
Beyond enabling the sector to adapt and respond to crisis, a forward-looking systemic approach is needed to mitigate emerging risks and drive resilience in preparation for future shocks. There are also opportunities to learn from other sectors that like tourism are highly reliant on services and human capital, such as the health sector where some countries have taken steps since the pandemic to offer better working conditions and build the resilience of the health workforce (ILO, 2023<sup>[4]</sup>).

### ***Understanding the complexities of the tourism workforce***

Tourism is a hugely diverse sector, and this is reflected in the employment opportunities and nature of work on offer across the tourism workforce. This diversity is reflected in the range of sub-sectors that make up tourism (Figure 2.1) as well as its dispersal across different locations and the range of businesses, from micro and SMEs through to global corporations with diverse ownership and operating models. The emergence of the platform economy in tourism has added further complexity to the sector's operating environment and nature of tourism employment.

Building resilience in tourism requires understanding of the complexity and breadth of the tourism workforce and recognition that not all areas of the tourism sector are facing the same issues. For example, while both hospitality and aviation have faced an overall workforce deficit in recent years, the reasons are different, reflecting working conditions in the former and blockages caused by problems with the costs of training, accreditation and clearances in the latter.

Figure 2.1. Share of tourism jobs in subsectors of the tourism economy in 2019, selected countries



Note: The shares are shown for selected countries with available TSA data for all tourism sub-sectors in 2019. The base year 2019 was selected as it shows the breakdown of tourism employment uninterrupted by the impacts of COVID-19.

Source: OECD Tourism Statistics (Database).

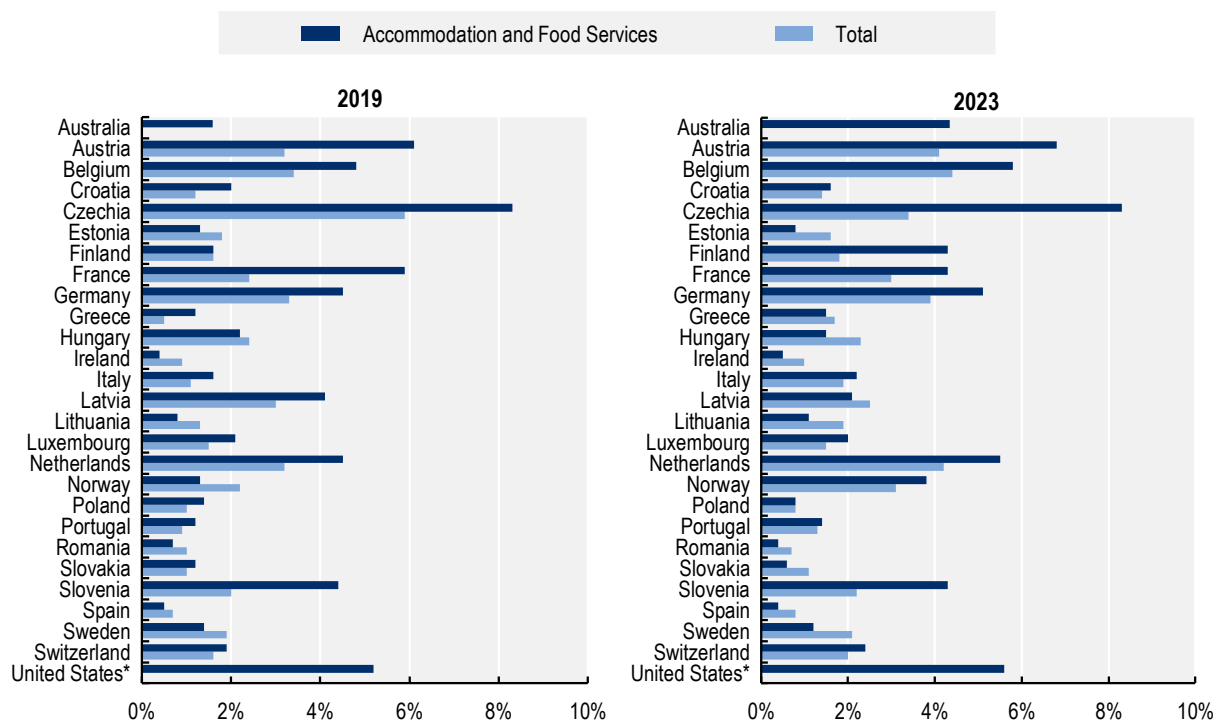
StatLink  <https://stat.link/6ewz2d>

The complexity of the sector creates significant diversity in employment opportunities and the wide range and level of skills required in the tourism workforce. Understanding the range of jobs within the sector and the different issues this brings for attracting, retaining and developing workers is an important first step to developing targeted solutions. There is no one-size-fits-all solution to workforce challenges in such a diverse and fragmented sector as tourism. However, one constant is that accommodation and food services jobs account for more than half of all tourism jobs, based on available TSA data from countries (Figure 2.1). It is also these sub-sectors that experience persistent workforce shortages across many countries – before, during, and post COVID-19 (Figure 2.2).

Supply and demand imbalances in labour markets are now easing, with unemployment remaining at or close to record lows across OECD countries (OECD, 2024<sup>[5]</sup>). Job vacancy rates, which measure the share of jobs in the economy or sector that are vacant, are falling across most countries. However, in 2023 the vacancy rates in the accommodation and food services industries were still higher than the rate for all industries, in general (Figure 2.2). While job pressures have continued to ease, job vacancy rates in the accommodation and food services industries remain higher than in 2019 and the shortage of skilled workers is a key challenge for accommodation businesses in the short term (Booking.com, Statista.com, 2024<sup>[6]</sup>). Addressing core issues in these sub-sectors to improve employment in the sector is therefore a common challenge across countries.


**Figure 2.2. Job vacancy rates in tourism compared to the wider economy, selected countries**

Job vacancies in accommodation and food services sectors compared to all industries in 2019 and 2023.



Note: Australian vacancy rates have been derived from available data. Time periods relate to Q4 of the stated year. \*United States vacancy rates are seasonally adjusted.

Source: OECD calculations.

StatLink  <https://stat.link/v98ugi>

## Priority issues for a stronger tourism workforce

The extended closure and disruption caused by the COVID-19 pandemic led many workers to leave the tourism sector for job opportunities elsewhere in the economy and restricted worker mobility. The resulting labour shortages and skills gaps are not new for tourism, but have deepened since COVID-19, despite unprecedented support to maintain workers in jobs and as many workers who left the sector have not returned. The pandemic also exacerbated the early retirement of many workers in the sector and created disruptions in the education and migration pipelines for some countries. This comes on the back of historical shortages in the sector, even in countries such as Austria, where numerically the tourism workforce has recovered beyond its levels in 2019, the sector still faces labour shortages and skills gaps.

The wider economic and employment environment further exacerbated the situation. High demand for workers amid low rates of unemployment and labour shortages put tourism in direct competition with other sectors, while inflationary pressures disproportionately impacted lower paid workers. Attracting workers back to the sector to fill the existing shortages and retaining existing workers to prevent further gaps is therefore a priority for businesses and policymakers, and workforce shortages pose one of the biggest risks to making the system resilient, including for tourism (OECD, 2023<sup>[7]</sup>).

Evolving tourism and wider trends, including the green and digital transitions and ageing populations, are also changing the nature of work in the sector. This has highlighted the need to upskill and reskill the tourism workforce to adapt and respond to changing consumer and business needs. Ensuring that the workforce is equipped with the right skills to meet future needs is key to building a stronger tourism workforce. A strategic approach to skills development is necessary to create an attractive, productive and sustainable sector. Effective training and career development strategies, as well as worker satisfaction and retention, may positively impact the sectors productivity (ILO, 2022<sup>[8]</sup>).

### ***Attracting and retaining tourism workers amid competitive labour markets***

Attracting and retaining appropriately skilled workers to fill the labour shortages and skills gaps in the tourism workforce is a key priority for countries. The sector faces the challenge of a workforce deficit in a world where competition for skilled labour has intensified through a global race for talent (European Commission, 2023<sup>[9]</sup>). While labour shortages across the economy have eased in recent months, unemployment rates across the OECD remain close to historical lows (OECD, 2024<sup>[5]</sup>). Tourism therefore continues to directly compete with other sectors for workers and impacts the ability of the sector to attract workers.

Demand for flexible working conditions has also been accelerated since the pandemic, as workers across many sectors shifted by necessity to work remotely, highlighting the possibility of flexibility in many jobs. Based on evidence from the United Kingdom and Australia, the option to work from home on a regular basis is equivalent in value to workers to just over 20% of the average annual salary (OECD, 2023<sup>[10]</sup>). The challenge for tourism is how to respond to this desire for employment flexibility. The front-line nature of many tourism jobs may make it less desirable for those seeking such flexible working arrangements.

The loss of corporate knowledge and skills from workers leaving the tourism sector, either to move to other sectors or to exit the workforce, for example through early retirements, has in some cases led to inexperienced workers being promoted to fill shortages in higher level positions. This has amplified the mismatch in skills between the needs of the tourism sector and the available workforce, with consequences for maintaining the quality-of-service delivery.

Workforce competition extends beyond high skilled workers. In countries where temporary migrants are an important source of labour to fill the shortages in their tourism workforce, including international students and working holidaymakers, these pipelines and flows of workers were cut off during the pandemic. These workers are often more readily available to respond to seasonal surges in destinations during peak tourism seasons. Attracting these workers back to countries requires horizontal co-ordination across government, on visas and other issues.

### ***Adapting to the changing needs and values of tourism workers***

Post-pandemic, the employee value proposition has changed. Job seekers are increasingly looking to find more meaning in their work, with wellbeing and work-life balance now key differentiators. Competitive salaries and benefits remain important to workers but are now closely followed by the importance of work-life balance and job security (Randstad, 2022<sup>[11]</sup>). The traditional professional career model is increasingly being rejected in favour of work as a means to an economic and social end. Mobility within working lives has taken on added attraction and significance (European Commission, 2022<sup>[12]</sup>).

Adapting to more flexible ways of working can be difficult for the tourism sector, where service delivery models often require employees to interact with tourists in person, often at specific and sometimes antisocial hours. Many people entering or returning to the workforce are now opting for shorter hours and greater flexibility in their working conditions. Iceland has implemented pilot projects to shorten working hours, with over 2 500 workers moving from a 40-hour week to a 35- or 36-hour work week without a pay cut. This pilot demonstrated successful outcomes in both worker wellbeing and productivity. Similarly, a

number of OECD countries have piloted a four-day working week of equivalent hours as an alternative to the traditional working week. Understanding and implementing these flexible working models will be a challenge to overcome for the tourism sector.

Rapid changes in the world of work are also associated with greater job instability across all sectors, with potential costs for companies, workers and society (OECD, 2023<sup>[10]</sup>). Across the OECD, the average length of a job held by the same worker declined by around nine months between 2012 and 2019, with the main reasons for switching jobs being low pay, feeling undervalued and lack of advancement (OECD, 2023<sup>[10]</sup>). These are core issues commonly linked to tourism jobs and can have detrimental impacts for the retention of workers.

Understanding the changing workforce environment, especially in relation to the expectations of young people entering the workforce, has led organisations to address and seek to change their workplace cultures in order to be in tune with what their existing and future employees are looking for. To address cultural issues after the pandemic, Intercontinental Hotel Group has focused on lifestyle, flexibility and wellbeing of a diverse workforce, particularly celebrating inclusion of diversity within their teams (Box 2.1).

### **Box 2.1. Creating an inclusive work culture at the Intercontinental Hotel Group**

Intercontinental Hotels Group's (IHG) response to a challenging environment for recruitment has been to focus on creating an organisational culture that is more aligned with the expectations of the post-pandemic labour market, respecting individual needs with a focus on employee wellbeing.

In 2022, IHG launched myWellbeing, a framework to support employees across a range of important areas, including their health, lifestyle and workplace. The myWellbeing resources include an employee wellbeing handbook, wellbeing guidelines for people managers and financial education materials, designed to provide a holistic wellbeing offering, which employees can access quickly and easily.

In response to the global shift to hybrid working, IHG also took steps to create more flexible workspaces to allow employees to adopt a balance of remote and office working where practical. The 'myFlex' HR system allows employees active under the system to self-schedule their own hours at any IHG managed hotel in Australia. Employees can work as and when they want while being paid under the full terms and benefits. The new highly flexible arrangements are an effort to appeal to new and experienced workers across the accommodation and hospitality landscape and address a critical skills shortage.

## ***Harnessing the green and digital transitions in tourism***

Many aspects of contemporary tourism are shaped by the growing and transforming influence of technology. Technology drives the tourism experience for guests from searching for the initial idea, travel planning, engagement with providers and operators, financial transactions, the sharing of experiences and, increasingly, service delivery. The tourism sector is rapidly evolving due to all aspects of this digital transformation. The platform economy for example is transforming the way work is organised and performed, with new challenges emerging in ensuring that workers on platforms have access to decent work (ILO, 2024<sup>[13]</sup>). Customers of all generations now expect a seamless experience with the technology with which they interact and a consequent high level of digital maturity from service providers.

The rapid development of generative Artificial Intelligence (AI) and robotisation in the world of work and the wider digitalisation of the economy spur both innovation and productivity growth, but also changes the way that work, and production, are organised, creating in turn challenges for jobs and skills. While the adoption of AI is still relatively low, rapid progress including with generative AI, falling costs and the increasing availability of workers with AI skills suggest that OECD countries may be on the brink of an AI revolution (OECD, 2023<sup>[14]</sup>). This has important repercussions for work in the tourism sector.

Tourism is traditionally a labour-intensive sector and the digital transformation in tourism creates opportunities and challenges for the workforce. Digitalisation has already contributed to job displacement in tourism through automation and online transactions in areas such as reservations and check-in for airlines and hotels. Such trends will continue to gather pace. At the same time, some areas of tourism work may remain relatively immune to the impacts of digitalisation in the short- to medium-term, given the customer-facing nature of service delivery and centrality of people-to-people interactions as part of the tourism experience.

Small businesses, which make up the majority of operators in global tourism, face significant challenges in availing of and adopting digital transformation due to costs, budget constraints, labour shortages and complexity in implementation. Tourism SMEs will need to invest in their digitalisation to thrive in the future. This means small tourism business owners and employees need adequate skills and knowledge to take advantage of these digital tools, which can sometimes seem out of reach for SMEs.

Technological solutions can make an important contribution to a green transition in the workplace. However, digital transition also affords challenges and opportunities in the workplace as companies adopt robotisation and harness the power of AI in the delivery of tourism products, services and experiences. There is also a need for tourism to adjust to new, greener practices to comply with net-zero targets, and enabling businesses to transition towards a greener future requires new skills sets at all levels within organisations (OECD, 2023<sup>[15]</sup>).

In practical terms, the green transition will require tourism employees to upskill to understand and comply with new sustainable standards within the sector in areas such as energy use, food standards and waste management. The availability of the right skills paves the way for the transition to carbon-neutral, environmentally sustainable and socially inclusive economies and decent work (ILO, 2022<sup>[16]</sup>). This transition has implications for who is recruited into the sector, the pre-entry education and training they receive and for the upskilling needs of employees within the sector. The transition is therefore conditional on investment in training to develop skills to meet new requirements and avoid skills mismatches, particularly for smaller businesses in tourism. Forward-looking skills strategies are necessary to train young people and reskill the current tourism workforce to meet the skills needs of the new jobs generated in the transition process.

The green and digital transitions present challenges, but also opportunities for the tourism workforce. Digital technologies like AI can automate repetitive tasks that are often seen as unattractive and low paid, increasing productivity. This could lead to a redistribution of some work in the sector towards more creative and high-skilled jobs, which can in turn help to raise the average wages and make the sector more attractive. Striking the balance between increased innovation and productivity while maintaining human-centred experiences will be an ongoing challenge for the tourism sector. Coherent policies, together with social dialogue, have an important role to play in promoting a just transition (OECD, 2022<sup>[17]</sup>).

### ***Understanding external structural factors impacting the workforce***

Tourism's workforce challenges and opportunities do not exist in isolation and are not exclusively tourism issues. There is a complex inter-relationship between tourism employment and the wider economic and societal ecosystem with which the sector interacts. The resilience of tourism employment is affected by a wider range of locational, structural and infrastructure policies, practices and related factors over which tourism policymakers and wider sector interests may have limited influence.

Tourism activity often takes place in seasonal or remote locations, which may have limited other economic opportunities. Housing availability and affordability is an important issue, for example. The cumulative impacts of successive crises significantly increased the cost of living while real wages remained stagnant. Even before the COVID-19 crisis, house prices had been increasing dramatically in OECD countries, especially for renters, and the supply of affordable housing has failed to meet demand (OECD, 2024<sup>[18]</sup>).

The pipeline of resources to increase housing stocks also experienced blockages through the pandemic slowing construction. The expansion of short-term rentals has also created increased pressure on housing availability and affordability during peak season in some destinations, a time when the need for housing workers is greatest.

Tourism destinations developed to cater solely to the needs of tourists may miss the essential community services required to attract and retain a stable workforce. Some key considerations can include: public transport appropriate to the needs of work shifts; access to education and health care for dependents; childcare that suits the needs of tourism worker shift patterns as well as community infrastructure, more generally, to give tourism workers opportunities to participate fully in community life. The impact of tourism in communities often sees increases in the cost of living, making it more difficult for local residents. Integrating tourism into wider economic and regional development plans and ensuring that policymakers consider the needs of people and the community when implementing new programmes is important to address these issues.

## Tackling tourism workforce issues for a more resilient tourism economy

Creating policies for a more resilient tourism economy requires addressing the current weaknesses, while also anticipating the future needs of the sector. Long-standing workforce issues within the sector have been exacerbated by the recent disruptions, compounding the challenges for the tourism sector to attract and retain workers in tight labour markets. While there is pressing need to address these issues in the short term, this should be done within the frame of longer-term changes impacting the workforce.

Immediate and short-term actions have relied on retaining the existing force and attracting new workers into the sector to fill shortages. Some countries, like Australia, Colombia and Peru, have explored strategies with older workers or people underrepresented in the workforce including women, youth, culturally diverse and indigenous workers. Australia for example has introduced a Work Bonus to increase earning potential of pensioners before impacting their income support, to help address worker demand and provide relief from the cost-of-living crisis (Box 2.2). The tourism sector has also provided employment opportunities for the influx of refugees, mainly women, from Ukraine following Russia's invasion, including in Estonia and Poland. Other initiatives included positioning tourism as a vehicle for the empowerment of women. Tourism is a prioritised sector under Mexico's Gender Parity Initiative, a public and private sector initiative to identify and reduce barriers preventing women from accessing job opportunities on equal terms.

Identifying the broader trends and what they could mean for the tourism sector, specifically the workforce, will help to better shape initiatives that are prepared for future challenges and shocks, helping to build resilience within the system. Megatrends including climate, demographic and technological change have emerged and have the potential to profoundly transform societies in the coming decades (OECD, 2023<sup>[19]</sup>). For example, shifting consumer trends in tourism, like nature tourism and digital nomads, could change the type of workers that are needed in the sector, while a greater dispersal of tourists out of popular destinations could require the workforce to live in different areas, which could require the development of new community services and infrastructure.

The private sector has a key role to play in tackling workforce issues, with government working to ensure that the right policy and regulatory frameworks are in place to support businesses, including through the education pipeline. At the same time, the trend towards values-driven work, work-life balance and wellbeing means the role of community has become increasingly important in workforce policy considerations. Continuing the good collaborative frameworks established through the COVID-19 pandemic can provide greater communication, consultation and co-ordination within government and with the private sector and education providers to create processes for smoother and well-established extensive collaboration and coordinated action.

### Box 2.2. Leveraging economy-wide scheme for older workers for tourism vacancies in Australia

Australia identified older workers as an untapped market to address workforce shortages in the tourism sector. In September 2023, there were 90 500 less workers in the sector than in December 2019. With years of knowledge and skill to offer employers, older workers can help address the demand for workers while obtaining relief from the cost-of-living crisis. A Work Bonus incentive was introduced to increase workforce participation and provided the opportunity for pensioners to earn an additional AUD 4 000 from employment income between 1 December 2022 and 31 December 2023 before income support payments.

Implemented by the Department of Employment and Workplace Relations and the Department of Social Services, these benefits were automatically credited to eligible pensioners. This reform was not limited to tourism vacancies, but the Tourism sector has benefited significantly from this economy-wide initiative, experiencing a yearly increase of 85 600 employees as of September 2023. From 1 January 2024, all new eligible entrants to Work Bonus can earn an additional AUD 4 000 (previously AUD 0) in employment income with additional income maximum of AUD 11 800 (previously AUD 7 800).

### ***Improving job conditions to promote a strong and skilled tourism workforce***

Pay, working conditions and job quality are widely recognised issues in many parts of the tourism sector, and are key contributing factors in the long-standing skills gaps, labour shortages and high turnover rates experienced by tourism businesses in many countries. Addressing these at a policy and, where appropriate, regulatory level offers one route to change, with outcomes that can benefit attraction and retention of employees and ultimately contribute to the resilience of tourism businesses (ILO, 2017<sup>[20]</sup>).

A longstanding approach has been policy actions to promote tourism jobs while positioning the sector as a dynamic place to work and build a career to help attract talented youth workers, and similar initiatives are also being used post-pandemic. As part of France's Destination Plan launched in 2022 to strengthen the attractiveness of the tourism sector, the Tourism Careers Week initiative aims to raise awareness of tourism training and professions, promote opportunities, and attract young people and job seekers to the sector. A third edition is planned, following the edition held in 2024 which mobilised public and private stakeholders from the education and training sector at national and sub-national level to organise more than 2 300 events across the country. This included an event sponsored by Michelin-starred chef Mory Sacko, who is also an Ambassador for the French President's Make it Iconic, Choose France initiative. National campaigns have also recently been launched in Austria and Slovenia to promote careers and professions in tourism to raise the profile of hospitality and tourism professions and enhance enrolments in tourism-related education programmes.

Putting worker welfare and motivations at the forefront has become a priority to address working conditions. Promoting tourism as a place for rewarding work and careers can only succeed if the negative realities of the sector are addressed. Supporting businesses to enhance the attractiveness of the industry to prospective employees is a strategy employed by Fáilte Ireland's Employer Excellence Programme (Box 2.3).



### Box 2.3. Promoting better tourism employment practices in Ireland

The national tourism development agency Fáilte Ireland created the Employer Excellence Programme to address longstanding challenges related to staff attraction and retention in the tourism sector. The Programme aims to address this by supporting tourism businesses to attract talent, drive retention, and embed a culture of quality employment practices in the sector and position the tourism and hospitality sectors as rewarding and appealing places to work.

Launched in 2022, the Programme spotlights employers over three years to profile the sector as a rewarding and attractive place to work to prospective employees. The key components of the programme are:

- A confidential employee survey and actionable insights provided by an expert in employee engagement.
- Online training in the fundamentals of people and performance management.
- Providing support to develop and implement an action plan to improve employee engagement and build the appeal of the workplace.
- Creating marketing materials to promote businesses as an Excellent Employer.
- Providing access to continuous improvement supports.

In its first year, the Programme saw 225 businesses registered and 2 100 managers completed the training. Following this positive experience, the focus is now moving to support smaller businesses with less than 20 employees in 2024.

The often unstable, irregular, and seasonable nature of tourism work remains a barrier for long-term employment in the sector. Measures to extend seasons through marketing and new product innovation can help to safeguard employment in tourism and create more stable, long-term positions in the sector, to the benefit of individuals, their employers and their communities. This is particularly important in highly seasonal destinations such as mountain and coastal destinations seeking to diversify their offer to extend the tourism season, for example through events and festivals or developing the meetings, incentives, conferences and events (MICE) market activities.

A core priority of Croatia's Sustainable Tourism Development Strategy 2030 is to extend the season through the development of tourism products with high added value and through investments in public tourist infrastructure and promotion, including through targeting domestic tourism. One key aim of the Strategy adopted in 2023 is to help reduce the number of tourism workers on short fixed-term contracts.

Modifying the tourism offer to extend the season is not viable for all destinations, and as such more creative measures are being considered. France developed a government-led 3-year plan to support and train seasonal tourism workers between 2023 and 2025 in response to raising concerns in recruiting tourism workers, especially in the lead up to the 2024 Paris Olympic Games. As part of this plan France is establishing a network of centres of excellence for training, increasing services to assist seasonal workers in their personal, administrative, and professional lives, and to offering housing solutions to meet their accommodation needs. The French Government will also work to develop local partnerships with companies interested in using or sharing the skills of seasonal workers to retain seasonal workers throughout the year.

In Finland, tourism employers have developed well-functioning co-operation between businesses operating in different high seasons to offer year-round or longer-term employment and maintain their skilled workforce. For example, employees working in a tourism safari company for the winter season have the opportunity to transfer to a hotel or a restaurant in the same location for the shoulder seasons and summer

season. Similarly, the TUI Group is exploring opportunities for employee sharing across its business functions to help address seasonality issues and diversify the skills of employees. Potential exists to expand practices such as these, which remain limited in the sector.

Employee benefits, labour protections and stable employment are an ongoing area for government intervention to address structural weaknesses in the tourism workforce. Türkiye has put in place mechanisms to ensure local entrepreneurs operating SMEs in tourism comply with international labour standards and regulations ensuring a respectful, safe, and secure working environment that upholds the rights of workers. Businesses are further supported to understand and address issues and expectations related to salary levels, working conditions, and job security through employee satisfaction surveys, aiming to create a fair and respectful work environment.

The introduction of competitive collective bargaining agreements or competitive minimum wages are possible mechanisms to improve employee benefits. In Slovenia, negotiations with the trade union for tourism employees have led to an agreement on the minimum annual leave allowance and the setting of a basic minimum salary. However, it is also important to consider the impact of mandating higher wages, especially where business and labour costs are already relatively high, and the cost of living and doing business has been negatively impacted by recent crises. Collective agreements can help tourism businesses and workers find tailored and ad hoc solutions to fairly share the cost of inflation and avoid a wage-price spiral (OECD, 2022<sup>[21]</sup>).

Decent wages are central to economic and social development and to advance social justice. The idea of a living wage, which is a wage that provides workers and their families with enough income to live on at some level considered adequate, has experienced a resurgence of popularity in recent years. While a living wage is not a silver bullet to in-work poverty, which in OECD countries is often the result of underemployment rather than low pay, living wages can be useful in establishing a norm of fair pay and providing valuable information on the cost of living that firms and social partners may embed in their wage-setting processes, including in tourism (OECD, 2023<sup>[22]</sup>). In March 2024, the ILO Governing Body endorsed an agreement reached at a Meeting of Experts on the issue of the living wage and called on the ILO to continue to provide support to governments and social partners toward strengthening wage-setting processes and activities related to living wages (ILO, 2024<sup>[23]</sup>).

Individual initiatives help to improve conditions for tourism workers, but a suite of actions may be required to build a strong and stable workforce. New Zealand launched a Better Work Action Plan in 2023 which featured 14 initiatives to address key systemic issues facing the workforce including demand fluctuations, pay and conditions, firm maturity and scale and the current and future skills gap. The Plan aimed to enhance employment practices; improve the education and training system for tourism; provide for more consistent and stable employment in an industry where there is seasonality of work; improve cultural competency to build more diverse and inclusive workplaces; lift technology uptake and innovation; and showcase career pathways and people in tourism.

### ***Promoting digital uptake to ease tourism workforce pressures***

The evolution and application of new technologies are profoundly changing the way people live, work, travel and do business. It is also transforming and reshaping tourism, with implications for the nature and organisation of work in the sector. More consideration is needed on how new technologies can be adopted to improve productivity and working conditions in the tourism sector (e.g. AI, virtual reality, robotisation), and the consequences and impacts on the tourism workforce.

Rapid developments with AI in particular have the potential to drive significant further changes to work and productivity (OECD, 2023<sup>[14]</sup>). The resulting opportunities present challenges to the level playing field, including a growing gap between tech-driven and globally connected tourism businesses and traditional

micro and small businesses, as well as between urban and regional destinations. Automation powered by customer data, machine learning and generative AI risks widening the technology gap for SMEs.

Embracing digitalisation throughout the tourism ecosystem is also key to building resilience, including through investing in human capital and skills to retain and develop a skilled workforce (OECD, 2021<sup>[24]</sup>). It will in turn increase demand for skills that support the development and application of such technologies by tourism businesses. Responding to the ever-increasing pace of technological advancement will require tourism workers to develop a wide range of skills, including digital skills which should interface with soft, technical and hard skills in formal and informal training (OECD, 2023<sup>[25]</sup>). Continued changes in tourism consumption patterns will have implications for experience delivery, new workplaces/spaces and the skills required. Ensuring that the workforce is equipped with the right skills to meet future needs will require working closely with the industry, including workers' and employers' organisations, and education providers.

Technology-driven innovation in tourism is led by the private sector. Airlines, travel intermediaries, tour operators and large accommodation providers have long been at the forefront of adopting new technologies in the sector, often revolutionising the interface between the consumer and service provider. Tourism providers have demonstrated innovation in the technological solutions to personalise experiences for their guests. Hilton Hotels for example has invested in digital check-in and keyless entry systems to streamline the guest experience while improving guest satisfaction scores.

The digital transformation also provides opportunities for small businesses to address their current workforce shortages. A small rural hotel in Scotland, Brambles of Inverary, invested in digital technology to maintain and improve the quality and efficiency of service delivery when faced with ongoing recruitment difficulties (Box 2.4).

For many tourism SMEs and business owners, the opportunities that digital tools present are often unknown or seem out of reach. There is a need to establish support programmes to inform and engage effectively with eligible tourism SMEs and integrate their staff development with digital uptake. The Integration and Interface Support for Tourism Sector Software initiative in Estonia looks to assist in the digitalisation and automation of work processes for tourism service providers. It supports the adoption of software, such as new resource management software which integrates with the cash register system and accounting software.

Countries are now working on policy documents and tools to support tourism stakeholders, as well as additional support in data management, the use of big data, and AI. Luxembourg's Tourism Strategy aims to drive digitalisation of the sector, including by encouraging investment and attracting qualified workers into the sector. Romania's Competences for Competitiveness Project meanwhile aims to improve the digital skills of 380 employees across the tourism and hospitality industries in specific regions to increase their professional capacities and make them more adaptable to changing sectoral needs.

### ***Better aligning training with the needs of the tourism workplace***

Promoting the acquisition of skills, competencies and qualifications for tourism workers throughout their working lives is at the heart of a human-centred approach to crisis recovery and the future of work (ILO, 2022<sup>[8]</sup>). For example, skills development and lifelong learning can help workers find new jobs, develop the necessary skills for the digitalisation and greening of the sector and build resilience into long-term recovery

#### **Box 2.4. Using technology to address workforce shortages in a small rural hotel in Scotland**

In response to the severe workforce shortages experienced in the wake of the COVID-19 pandemic, Brambles of Inveraray in Scotland have turned to digital solutions to reduce the burden on existing staff. As a small business located in a remote and highly seasonal destination, the inability to attract and retain an adequate workforce had led to concerns about the viability of the business. The goal has been to reduce labour needs by digitising and automating, without distorting the positive and organic customer experience tourists expect.

The owners, who have a background in IT and data analytics, explored alternative ways to reduce the labour need, by slowly introducing technology to match requirements of customers and staff. To date several initiatives have been implemented, including:

- QR code food and drinks ordering – introduced as an alternative to the traditional ordering style, this has become popular with those who are more digitally minded or groups who like to pay separately. It takes pressure off wait staff and there is an aim to have at least 30% of guests use this method to order.
- Revenue management app – app automates the changing of room prices to meet demand.
- Accounting and financial apps – financial apps can sync with traditional accounting systems and when working alongside an accountant takes the burden out of filing and posting administrative paperwork.
- Wellbeing apps for employees – the promotion of employee wellbeing has been a core focus. Some wellbeing apps include an Employee Assistance Program and Virtual GP and when used alongside HR support and 'coffee catchups' with management have been beneficial.

There are many existing automated systems which are yet to be adapted for a small business model. The business owners expect that when AI becomes more common place (and cheaper) there will be a positive place for it in a smaller businesses.

strategies. To facilitate a flexible and future-oriented approach to emerging occupational skills, Canada has implemented a Future Skills Framework to support tourism education (Box 2.5).

### Box 2.5. Framework to address future tourism skills and labour challenges in Canada

Canada's Future Skills Framework is designed to strengthen the tourism sector and address the skills and labour challenges. Through a library of competency elements that are easily updated to adapt to the increasing pace of change within today's workplace, the Framework aims to eliminate costly and time-consuming processes associated with updating occupational skills on a job-by-job basis. The Framework provides tourism stakeholders with a better way to align the skills of individuals in the Canadian labour market, minimising gaps and mismatches. It is being informed by ongoing feedback to ensure the Future Skills Competency Framework will best meet the needs of potential users. Canada is actively engaging with employers, Indigenous tourism business representatives and hospitality students nearing the end of their studies to inform this important discussion. It provides a complete picture of the entire sector, making it easier to collect, analyse, and map information.

A focus on education and training for tourism at all levels features in the post-pandemic responses of many countries. Many introduced free online training platforms to help tourism employees to upskill through shutdowns, which they have continued to develop and adapt.

Costa Rica launched a free virtual training platform, ICT CAPACITA, to improve workforce participation in the tourism sector through the pandemic. Post-pandemic, the platform continues to support tourism entrepreneurs and businesses on tourism resilience and sustainability issues such as access to sustainable finance and certification. Luxembourg launched the Tourism Academy platform to centralise vocational training related to the tourism sector. Available on the Luxembourg Travel website, it provides a collection of online resources on the latest communication and digital marketing techniques, and how to put these into use for tourism professionals.

As part of the recovery from COVID-19, Greece implemented a programme for the upskilling and reskilling of the tourism workforce, funded by the EU's Recovery and Resilience Facility. The programme delivered brief vocational programmes to equip the workforce with the skills needed in the labour market in line with the green and digital transition. Training vouchers to support participation in the programme are expected to be issued to 18 000 beneficiaries by 2025. Greece also announced the creation of the country's first tourism academy in 2023, to offer contemporary tourism education, monitor the needs of the tourism market, and improve employment opportunities in the sector under government supervision.

Other initiatives focus on building a pipeline of workers and supporting students and young people to transition from formal education to the workplace. Türkiye has restructured the education of tourism vocational high schools to provide practical training in tourism facilities in line with the needs of the sector. Similarly, in Canada the tourism sector is included in the Student Work Placement Programme, which has been introduced to create quality work-integrated learning opportunities for students.

Slovenia's strategic Development Partnership for Innovation in Tourism implements a special programme to promote the enrolment of young people in vocational, secondary, and higher education programmes for hospitality and tourism. The programme activities are aimed at young people who are thinking about further education, upskilling, or reskilling as well as their parents, teachers, and school counselling services.

Australia introduced the First Nations Tourism Mentoring Programme, which matches First Nations businesses with skilled and experienced mentors. This programme is designed to support mentees to grow their tourism businesses and achieve their business goals while mentees will have access to expert advice, tailored learning, and culturally respectful industry specialists.

Skills mismatches remain a critical issue for the sector, despite the opportunities for education and learning. Curricula need to keep pace with and meet the ongoing needs of the sector, considering the employing foresight to pre-empt the skills needs in the sector when the student enters the workplace. Building closer linkages between the world of work and educational and training institutions, and more closely incorporating education and training into the workforce system can complement on-the-job learning, including through internships and close collaboration with the private sector in the development and delivery of the curriculum. As part of the Agenda for Tourism Professions, Portugal is implementing the International Tourism Academy which will integrate higher education, vocational education, research and development, and entrepreneurship. Les Roches International School of Hotel Management collaborates with the private sector to provide master classes that inform students about current trends and needs of the sector in line with topics covered in the curriculum.

The changing needs of the sector have seen much consideration given to the curricula of tourism and hospitality training institutions, with many countries undertaking reviews of their existing education systems. Morocco has implemented a training programme aimed at middle managers in the tourism sector, with a new public-private partnership model for vocational training management. This includes efforts to reposition the International Higher Institute of Tourism in Tangier as a reference centre for hotel and tourism management and leading business school, with the creation of six new competency-based programmes. Another vocational training institute, the Ouarzazate Institute, has created four new programmes and adapted one programme also using a competency-based approach. In Germany, the dual vocational education system which comprises training in the vocational school with on-the-job training in the business has proved to be effective over time. To further enhance the attractiveness of this kind of training to prospective students and workers, seven new or updated hospitality professions containing adapted training regulations have been created.

At European level, the EU Pact for Skills in Tourism sets a vision to address current and future challenges by 2030 (Box 2.6). At international level, the UN Tourism Academy Partnership in Education initiative fosters partnerships with educational institutions to develop tailored training programmes. The ILO e-learning module on social justice in rural areas through decent jobs in tourism is part of an online course that provides an opportunity to learn about innovative approaches, tools and methods for promoting decent work and advancing social justice in the rural economy. The Brazil G20 Presidency and the Italy G7 Presidency have also put human capital and skills issues in tourism as priority issues in the respective workstreams in 2024, building on outcomes from the India and Indonesia G20 Presidencies.

### Box 2.6. Addressing the future skills needs of tourism across Europe

The EU Pact for Skills in Tourism was implemented as a recovery strategy to implement an upskilling and reskilling framework, maximising the potential of the tourism sector, building resilience and meeting the challenges of the green and digital transition. Launched in 2021, under the broader EU Pact for Skills initiative, the tourism initiative sets a vision of 12 objectives and indicators, to be achieved by 2030 across Europe through a close cooperation between social partners, training and education system, and public authorities. Some of the key objectives include to:

- Improve and extend the skills of the full tourism workforce
- Raise awareness of and access to training for all tourism services
- Provide training and education for 10% of the tourism workforce each year between 2022 and 2030 to tackle the skills gaps in the tourism ecosystem both for the current workforce and new entrants.
- Create more hands-on learning and training through blended concepts
- Increase training activities and participation by 40% of the employed workforce and 80% of the unemployed workforce by 2025
- Detect new and emerging skills through data mining and provide training opportunities to avoid gaps
- Retain current workers and attract new employees to work in tourism
- Develop more stable and better paid contracts due to higher qualification.

### ***Promoting private sector-led workforce initiatives***

Private sector-led initiatives provide opportunities to target workforce issues at a more granular level, taking into account the issues on the ground and allowing for tailored solutions. However, government intervention can help to improve operating conditions and leverage existing private sector programmes to make them more accessible across the sector, particularly for SMEs. Addressing structural issues in the tourism workforce through private-public co-operation can help to ensure local implementation, ongoing feedback and adaption of existing initiatives.

International hotel chains and tour operators have taken steps to create better environments by offering support for families and the physical and emotional well-being of workers. While these large businesses have greater capacity to provide these programmes, they provide practical examples of initiatives that could be leveraged for the sector more widely. For example, Marriott provides a comprehensive benefits package to its employees, including healthcare coverage, retirement savings plans, employee assistance programmes, travel discounts and employee well-being support. The TUI Group has sought employee feedback and suggestions on how things can be better done from the ground rather than the head offices and to better understand the best package of benefits for their candidates.

Tourism industry associations can provide opportunities for the private sector to combine resources to tackle existing workforce issues through industry-led initiatives. Restaurants Canada published information for their members on issues including ensuring a positive and inclusive workforce.

Public-private partnerships provide opportunities to target support while leveraging the knowledge of the sector. For example, Switzerland's hotel and catering association, GastroSuisse, launched a five-point plan in 2023 to address workforce shortages by better utilising the domestic workforce. The Swiss Government is providing financial assistance to implement this private sector-led initiative (Box 2.7).

In the United Kingdom, a Hospitality and Tourism Skills Board was set up in 2021 as part of the Hospitality Strategy: Reopening, Recovery, Resilience. The Board's aim is to pursue a coordinated, proactive, employer-led approach to recruitment, retention and upskilling, including by developing innovative new recruitment campaigns. The Board is drawn from senior operators and business leaders from across hospitality, tourism and travel, including SMEs.

### Box 2.7. Governmental support for a private sector-led initiative in Switzerland

In 2023, GastroSuisse launched a 5-point plan to create more skilled workers in the hospitality sector and better utilise the domestic labour potential. This was formulated in direct response to skills shortages and perceived failures in the existing apprenticeship system, with the benefits recognised by the Swiss Government who have provided additional financial and operational support. The integrated and long-term programme includes:

- Promotion of the image of the industry and the profession.
- Targeted training of entrepreneurs.
- Succession.
- Qualifications for people in professional retraining.
- Increase the attractiveness of working conditions.

The strengths of the initiative are the long-term perspective, bundling of measures, involvement of the companies, adaptability, and innovation and integration of existing programmes that aim to improve working conditions and the perception of the industry. GastroSuisse intends to attract 250 businesses to participate in the training courses and 50 businesses to test the current working conditions in the sector. In May 2024, the project was named "Avanti!" to emphasise the dynamic and future-oriented nature of the measures.

Iceland provides funding for the Tourism Skill Center, with the primary goal of enhancing competence and quality within the Icelandic tourism sector. In collaboration with the Tourism Skill Center, the Icelandic Tourist Board launched a new website in 2023 called "Good to Know." This website serves as an informative hub for the tourism workforce, offering a variety of information and facts about Iceland and the Icelandic tourism sector. In 2022, the Innovation – Lighthouse Funding in Austria sought innovative projects on new employment models and employee concepts in tourism to address continued workforce challenges for both tourism businesses and destinations. Six innovative projects were selected by a jury of experts, with the winning projects receiving a total of approximately EU 1 million from federal tourism funding and the European Fund for Rural Development.

### ***Adopting a strategic and integrated policy approach to tourism workforce issues***

Tourism is a complex sector that spans across many sub-sectors, meaning policy levers often sit beyond tourism policymakers. In the case of the workforce, regulation and policy decisions often reside within labour or employment ministries. Creating tailored policies for the tourism workforce therefore requires co-operation across ministries. However, in many cases, labour laws will be addressed through whole of government actions, or targeted actions with specific subsectors of the tourism sector.

Recognition of the significance of employment for the tourism sector, regional development and socio-cultural ecosystems is evident through the preparation of free-standing tourism workforce analysis and strategies that sit alongside more general tourism strategies and plans. Australia's Visitor Economy Workforce and Skills Interim Action Plan 2023-24 focuses on priorities related to tourism workforce capability by addressing structural challenges and domestic and international workforce supply issues,



improving the skills and capability of the tourism workforce and promoting the sector as a career of choice. Across each of the key priorities, the action plan considers opportunities for progress and takes stock of the existing national and state actions and initiatives from the private sector. It includes tourism workforce outcomes like improving the understanding of structural trends or increasing opportunities to enter the sector through internships or industry placements which are underpinned by potential measures.

In Canada, a report on Barriers to Employment and Skills Mismatches examines the key workforce challenges facing the sector in the recovery from COVID-19 including the shift to more flexible work, the declining youth labour market and the need for specialised training for most tourism occupations. It also considers a need to address structural challenges in the tourism workforce, including seasonal employment, immigration constraints and regional development and planning factors such as housing, transportation, and education (Tourism HR Canada, 2022<sup>[26]</sup>).

The UK's Hospitality Workforce Strategy: Fixing the Crisis provides a framework for collaborative action across the sector and considers the ongoing needs of the sector related to recruitment, skills and training, the sectors image, peoples working lives as well as the infrastructure needed to support the workforce. The Strategy is based on a partnership approach between industry bodies, training and employment stakeholders and the government. Chile's Human Capital Strategic Plan 2023-26 brings together actors from the tourism, hotel and gastronomy sectors to address tourism workforce issues in an integrated approach.

Tourism workforce also needs to be situated within wider strategic thinking and workforce planning. The Morocco Roadmap for Tourism 2023-26 aims to reposition tourism as a key sector in the national economy, with the inclusion of specific tourism employment creation targets, strengthening of human capital across the sector and offering better prospects and careers for young people. Meanwhile, in Colombia and Slovenia the economy-wide national workforce strategies highlight the potential of tourism employment to act as a vehicle for social, political, economic transformation and inclusion.

Addressing tourism workforce issues has also become a more prominent focus in national tourism strategies. There is a growing understanding of the importance of a strong tourism workforce to enable sustainable and resilient development of the tourism sector. Including the tourism workforce as a part of a national approach to tourism development provides opportunities to address structural weaknesses within the wider context but also signals the importance of the workforce to the sector. This can help to bring better recognition to the issues the tourism sector is facing that might be missed in national labour force approaches. Within these national tourism strategies, the tourism workforce is not always a standalone pillar, but often included as a clear goal or action (Box 2.8).

The role of government is to create good framework conditions for education and gainful employment, and may require action on issues beyond the tourism system that impact the tourism workforce. This includes a lack of affordable transport and housing in popular tourism destinations, the need for amenities like childcare to be available during tourism working hours and facilitating the availability of migrant workers. Addressing these issues may require action at national level, but some issues may also be addressed at the local level. In France, for example, the coastal destination of La Baule has undertaken several initiatives to meet the housing needs of seasonal workers. During the 2023 summer season, a former municipal campsite was converted into 80 residences dedicated to seasonal workers while a campaign to connect homeowners and seasonal workers secured housing for a further 32 employees, while units have also been reserved for tourism workers in new social housing projects. More needs to be done to ensure that the needs of tourism workers are integrated into wider government policy setting.

### Box 2.8. Prioritisation of workforce in national tourism strategies - selected countries

Addressing tourism workforce issues is a key area of focus to support the strategic development of tourism. Many countries have integrated workforce issues into their national tourism strategies, with a focus on addressing tourism labour and skills shortages as part of a broader approach to tourism development. Targeted actions related to the workforce include:

**Malta:** The Malta Tourism Strategy 2021-30 aims to strengthen human capital and improve the sector's attractiveness by enhancing continuous training opportunities and improving wage attractiveness relative to competing sectors. To inform this, a survey to understand the skills needs and gaps and perceptions of workers and a campaign to shift the views of potential new workers was undertaken in 2023.

**Norway:** The National Tourism Strategy 2030 aims to ensure the tourism sector has access to staff with relevant and up-to-date skills. This includes working with the Norwegian Institute for Adult Learning to ensure education meets the needs of workers and businesses.

**Switzerland:** An action item under the Federal Government Tourism Strategy is to tap into the potential of the tourism labour market. The Swiss Government sees its role as one to encourage co-operation and dialogue but also to provide analysis to support discussion and enable innovative and creative solutions.

**United States:** Under the 2022 National Travel and Tourism Strategy, the US seeks to attract and retain a diverse workforce, including in customer service positions on federal lands and waters. One of the identified actions is to support and fund local workforce development and entrepreneurship ventures that create and sustain well-paying, quality jobs and boost skills among residents to fill workforce gaps, within applicable laws.

The changing needs and values of workers have seen more emphasis put on the community and the living environment available in addition to the job. Creating liveable tourism destinations could help to address some of the barriers currently seen in the attraction and retention of workers, especially to destinations in rural and remote areas or those that are highly seasonal. Ensuring equitable access to quality public services and infrastructure and providing the right skills and quality job opportunities in regional labour markets are also key recommendations for reducing regional inequalities, but they require co-ordinated and sequenced actions at different government levels (OECD, 2023<sup>[19]</sup>). Addressing the community needs of workers should be a core consideration as countries look to diversify their tourism offer beyond established destinations.

Tourism is a significant employer of migrant workers, while international workers also play an important role in filling labour and skills needs in many countries. However, these worker flows and pipelines were disrupted in many countries during the pandemic. Several countries have introduced initiatives to restart these worker flows and respond to pressures to access more workers, with tourism continuing to feature as a key sector. For example, in Austria the annual quota for seasonal workers in tourism was increased from 1 200 to 3 000 in 2022 and was further increased to 3 400 in 2023 and to 4 300 in 2024. In addition, new occupations were placed on the shortage list including chefs, housekeepers, hotel clerks and waiters. Other countries also have long-standing programmes in this area, including Canada's Temporary Foreign Worker Program which has been in place for many years and is designed to be responsive to changes in the labour market, helping employers fill labour and skills shortages on a temporary basis, including in the sector.

### ***Better measurement to tackle tourism workforce issues***

The importance of timely and granular tourism data to enable evidence-based decision making is well-recognised in the tourism sector (see Chapter 3 for further discussion). A key issue in creating evidence-based policies for the tourism workforce is identifying tourism workers in official statistics. Only a handful of countries have meaningful statistics on employment in the tourism industries (UN Tourism, 2024<sup>[27]</sup>), and the shortcomings with available employment data was highlighted during the pandemic as many countries lacked access to relevant data to design target policies for tourism workers.

The Tourism Satellite Account, and the OECD Employment Module, provide an internationally accepted methodology for calculating tourism employment in a standardised and comparable way, summing proportions of employees from across nine tourism-related industries. However, the underlying data to prepare these calculations remains a challenge in many countries. The tourism workforce is a complex jigsaw of people working across many industries and geographies, many of whom may not identify as tourism workers, and the high levels of casual and informal workers in the sector means tourism workers are often not captured in official workforce or labour statistics.

Identifying tourism workers and understanding the trends within the sector is essential for evidence-based policy to build a strong and stable workforce. This requires clear definitions and shared understanding with respect to the various employment categories across tourism sub-sectors and the skills levels within them that are applicable to both large corporations and SMEs as an important starting point. It is becoming increasingly recognised that many tourism workforce issues are outside of aggregate estimates like the number of employees, average wages and hours worked.

Work is underway by UN Tourism and ILO to develop a statistical list of tourism occupations as the foundation for data to inform issues related to the tourism labour market, aligned with broader statistical guidance beyond tourism. However, the absence of such clarity in many countries and, internationally between countries, is a major limitation in the development of coherent policy.

Many countries rely on the accommodation and food services subsector as a proxy for tourism, which can be beneficial for identifying core issues, but it also provides a partial view and may skew the analysis of the issues in the tourism sector. Countries have also begun to implement more in-depth surveys and studies to build evidence and better understand the tourism workforce, such as recent in-depth studies of the labour market in tourism conducted in Ireland and Switzerland, at Federal and sub-national level. Other initiatives to better understand the tourism workforce include the development of a quarterly infographic on employment in tourism activities which inputs into the National Tourism Human Capital Model in Chile and environmental scanning and analysis of trends on both the supply and demand sides of tourism and to assess their impact on employment in Colombia.

An increased recognition of the importance of tourism well-being and sentiment has led to the introduction of new data collections in some countries. New Zealand's Voices from the Front-Line Survey and Tourism and Hospitality Workforce Survey are designed to better understand workforce issues with an emphasis on listening to the frequently neglected voices of the tourism workforce itself to better understand the issues faced (Box 2.9). Finland is now gathering qualitative data on tourism employment and employee wellbeing directly from businesses as part of the Sustainable Travel Finland programme, which will be used in the future to develop indicators to help evaluate and develop target setting of the national tourism strategy and its actions regarding tourism employment.

### Box 2.9. Building evidence for tourism workforce sentiment in New Zealand

The need to better understand both workers and working conditions saw New Zealand implement two custom tourism employment surveys. The Voices from the Front Line survey asked 40 questions related to tourism work and gathered 396 responses. The survey was aimed at the voices of those who are often overlooked or marginalised voices of employees. The findings highlight unfair and illegal practices but also aim to be the starting point for discussion to improve work experiences and long-term sustainability for the hospitality sector.

The Tourism and Hospitality Workforce Survey is the most detailed survey of tourism and hospitality employees and their employment conditions undertaken in New Zealand, with 902 valid responses covering all sub-sectors of hospitality and tourism industries. The survey findings follow the well-established patterns of concern including low pay, unsatisfactory working conditions, insufficient career progression, and a high level of turnover intention.

## Policy considerations to strengthen the tourism workforce

Strengthening the tourism workforce requires addressing real and perceived issues related to pay, working conditions and skills development. The private sector has a key role in creating conditions to attract and retain workers in the sector, while governments and policymakers have an important role to facilitate these initiatives by creating supporting policy conditions. As the sector focuses on addressing the current workforce pressures, policymakers also need to consider the strategic impacts of longer-term changes for both tourism and the workforce, and what that might mean for the needs of workers, businesses, and communities to build a more resilient tourism sector.

Based on the analysis discussed in this chapter, key policy considerations to strengthen the tourism workforce include:

- **Integrate the needs of tourism workers into the wider economic and community development strategies and plans.** More needs to be done to understand and address the needs of workers to make tourism work a more attractive and viable option. This includes factors that occur outside of the job itself including issues related to housing, transport and childcare services which sit outside the mandate of tourism administrations. Addressing these issues effectively requires strong co-ordination across government, horizontally and vertically. Incorporating the specific needs of tourism workers in wider economic, community and workforce development strategies can also encourage greater consideration of the importance of sustainable tourism development and how the benefits can be captured and maximised in local communities.
- **Leverage private sector initiatives to improve working conditions and attract and retain tourism workers.** The private sector has an in-depth understanding of the labour and skills needs at business and sector level, and the barriers to recruiting and retaining workers. Governments have a role to play in ensuring the framework conditions are in place to support and encourage businesses to address issues related to pay, conditions and other factors within their control. Potential also exists to learn from and leverage private sector initiatives, including large multinational corporations and industry associations, to address workforce issues and implement new training and models of working to improve conditions in the sector. This may include financial or operational support to help extend the benefits of these initiatives across the sector. Supporting the development of local partnerships may also boost the benefits of existing initiatives and improve the attractiveness of the sector through opportunities for career progression and the retention of seasonal workers.

- **Facilitate linkages with and between the private sector and education providers to meet the changing needs of the tourism sector and prepare for the green and digital transitions.** Formal education remains integral for many parts of the tourism workforce, supplemented with on-the-job training to ensure that workers are job-ready. Encouraging collaboration between businesses and the education sector can help to better prepare workers as they enter the workforce and ensure they have the skills needed now and for the future. It will also better align education and skills training with the skills needed in the sector to ensure the tourism sector can benefit from the opportunities created by the green and digital transformations, and help workers navigate the significant impacts of these transformations on labour markets.
- **Support tourism SMEs and workers to adapt to digitalisation and encourage the adoption of digital technology to innovate and ease tourism workforce pressures.** Tourism SMEs are at risk of being left behind in the digital transition, maintaining the burden of manual tasks and impacting their ability to attract and retain a quality workforce. More needs to be done to raise awareness and uptake of digital technologies that can support the tourism workforce including through automated human resource planning and booking systems, digital marketing and artificial intelligence. Providing support to tourism businesses to access finance and ensuring business owners and workers have the tools and skills required to harness these technologies will help keep pace and introduce more innovative business and work practices.
- **Collect and share robust and granular data on tourism employment and workforce issues.** Tourism decision makers need to understand and respond to the changing needs of the sector. This includes developing a better understanding of the nature of work and workforce issues in tourism, and how this is changing. In depth workforce studies and the introduction of employee surveys to capture worker sentiment and working conditions of the tourism workforce provide one approach to building the evidence required to address the key structural issues and policy framework conditions for the sector. Sharing this data in a way that can be used to inform policy decisions is key, also to support the private sector with workforce planning and decision making.

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## Chapter 3. Building the evidence base for sustainable tourism policies

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Recent crises spurred momentum for sustainable tourism and placed a renewed focus on addressing unbalanced tourism development and measuring tourism success differently. The strong rebound in tourism demand has highlighted the need for more and better data to manage the impacts of these tourism flows on destinations, local communities, and the environment. Measuring the economic, environment, and social dimensions of tourism is a significant area of focus at international, national and subnational level. Navigating the different approaches and frameworks and understanding how these fit with the policy needs in countries remains a challenge. This chapter takes stock of the different frameworks and approaches to address data gaps and support the sustainable development of tourism. It highlights the need for further work to develop and implement practical, granular and timely measures linked to the policy needs of destinations to plan and manage tourism sustainably.

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Recognition of tourism's contribution to economic and social progress increased significantly in the wake of the crises triggered by the COVID-19 pandemic. The call for the tourism sector to 'build back better' led to increased momentum for sustainable tourism and a renewed focus on addressing unbalanced tourism development. However, the strong rebound in demand and the economic priority to return to pre-COVID levels, has reinforced the need to measure tourism success differently. Evidence-based policy action is needed to strike a better balance between the benefits and costs associated with tourism development and implement a vision for the future of tourism which is better aligned with sustainability principles and the Sustainable Development Goals (SDGs) (OECD, 2021<sup>[1]</sup>).

Governments at all levels need robust, timely and relevant data to better understand the impacts of tourism on economies, destinations, and local communities, and design targeted and concrete actions and manage the trade-offs to achieve better outcomes. However, the recent crises have revealed shortcomings in existing tourism data, not least with respect to measures to monitor the progress of sustainable tourism development and evaluate the effectiveness of strategies, policies, and programmes.

Improving the evidence base for sustainable tourism policies is not a new area of work. However, the topic has risen high on the policy and data agenda in recent years to support the shift to more sustainable models of tourism. This has resulted in significant work at international, national and subnational levels to better measure the economic, environment, and social dimensions of tourism. While collectively these efforts help to advance this important agenda, navigating the different approaches and frameworks and understanding how these fit with the policy needs in countries remains a challenge.

This chapter takes stock of the different frameworks and approaches to address data gaps and support the sustainable development of tourism. It examines initiatives to measure and monitor the sustainability of tourism, building on work at country level and recent progress on forging international consensus on robust and comparable measures, including the internationally endorsed Statistical Framework for Measuring the Sustainability of Tourism and other initiatives. The chapter considers the need for further work to develop and implement practical, granular and timely measures linked to the specific context and priorities to plan and manage tourism sustainably in different places. The priority policy issues for sustainable tourism development identified from a survey of OECD member and partner countries are presented, stressing the importance of tailoring indicators and data tools to the policy needs of destinations.

## Balancing tourism development for a more sustainable future

Sustainable tourism has been defined as tourism that takes full account of its current and future economic, social, and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities (UN Tourism and UNEP, 2005<sup>[2]</sup>). Significant progress has been made to highlight the importance of sustainable tourism development at all levels of government and in the private sector, including through the integration of tourism into the 2030 Agenda for Sustainable Development (United Nations, 2022<sup>[3]</sup>). However, more needs to be done to translate this increased recognition into meaningful actions to promote sustainable tourism development and management. This requires the development of strategies and policies for more sustainable tourism, and measurement instruments, indicators and other tools to make the policies work on the ground (UN Tourism and UNEP, 2005<sup>[2]</sup>).

Sustainable tourism development is now mainstreamed in many national tourism policies, strategies, and plans, setting a path for future programmes and co-ordinated action. Many countries have developed new, or updated existing, tourism strategies and plans to reflect the changed and evolving policy context and priorities post-pandemic (Box 3.1). While the targets in the strategies remain primarily based on the role of tourism as a driver of economic development, broader sustainability targets and indicators to monitor progress are increasingly being embedded in these strategies or subsequently developed as part of the monitoring frameworks, at national and subnational level.

### Box 3.1. Mainstreaming sustainability in tourism strategies – selected country examples

**Australia:** The THRIVE 2030 Strategy for sustainable growth contains over 60 actions including to restore the tourism sector to its pre-pandemic visitor spend of AUD 166 billion by 2024 and AUD 230 billion by 2030, with approximately 40% of this expenditure to go to regional Australia. A key action item has been the development of an industry sustainability framework and toolkit to provide clarity on what sustainability means for the tourism sector, to put forward a vision, goals and priority actions for the sector, and to assist businesses implement and improve sustainability practices.

**Colombia:** The Tourism Sector Plan 2022-2026 Tourism in Harmony with Life lays out a detailed roadmap to address the fundamental priorities of the tourism sector, with a particular emphasis on sustainability and inclusion. The overarching targets of the plan are to receive 7.5 million tourists over the four-year period and to employ 215 000 people a month (on average) in activities associated with tourism by 2026. Initiatives promoting sustainable tourism seek to: strengthen co-operation; encourage innovation and knowledge exchange; prioritise the well-being of local communities and cultural and natural heritage; and promote sustainable economic development.

**France:** The Destination France Plan aims to revive and transform tourism by positioning France as the world's leading sustainable destination by 2030. France aims to: raise awareness of environmental issues linked with tourism; extend the tourism season towards 'four seasons'; promote local tourism and enhance dispersal of tourists across the country; and increase the sustainability of accommodation infrastructure and decarbonise transport. The Plan sets out 20 measures across five strategic areas, including a target to invest EUR 44 million to support sustainable tourism infrastructure.

**Iceland:** The long-term vision Leading in Sustainable Development aims to position Iceland as a leader in sustainable development. The vision is built on four interconnected pillars, economy, community, environment, and visitors, that support the development of a profitable and competitive tourism industry in harmony with country and nation.

**Slovenia:** The Slovenian Tourism Strategy 2022-28 aims to implement a balanced growth scenario under the principle 'a little more and much better'. The Strategy sets out five goals: increasing the quality and value of 'four season' tourism; increasing the satisfaction of workers and visitors; positioning tourism as a generator of value and sustainable development; decarbonisation; and ensuring a competent and efficient tourism governance structure. To monitor progress, the Strategy defines 14 indicators and 25 measures in total, with targets for 2028.

**United States:** The National Travel and Tourism Strategy 2022 aims to build a sector that is resilient to natural disasters, public health threats, and the impacts of climate change, and to build a sustainable tourism sector that protects natural resources, supports the tourism economy, and ensures equitable development. The US aims to reach 90 million international arrivals and US 279 billion in tourist expenditure by 2027. The overarching objective is underpinned by four strategic goals: promoting the United States as a travel destination; facilitating travel to and within the United States; ensuring diverse, inclusive, and accessible tourism experiences; fostering resilient and sustainable travel and tourism.

Tourism, more than many other sectors, is highly dependent on the quality of the environment while also impacting it. Growth-oriented tourism models prioritising economic impact often come with unintended negative impacts on the environment and communities and negative economic externalities, including over the longer term. A more balanced model of tourism development and management which considers all three dimensions of sustainability (economic, environmental and social) is needed to ensure that immediate and often short-term economic benefits do not compromise the environment or social fabric of a destination, and, in turn, longer term economic growth.

There is no one-size-fits-all solution to balance tourism development and management. Previous OECD Tourism Committee work has highlighted the need for a robust, timely and disaggregated system of tourism statistics to improve the management of tourism and determine the desired type and scale of tourism appropriate for individual destinations (OECD, 2021<sup>[1]</sup>). Policies need to consider the specific characteristics of tourism development for each destination, and understanding the trade-offs of different tourism development models is an area that requires more work.

### ***Measuring and monitoring the sustainability of tourism***

Measuring and monitoring the sustainability of tourism has been an area of work for over three decades, at country and international level (for example the OECD Indicators for the Integration of Environmental and Sustainability Concerns into Tourism Policies, 2003; the UN Tourism Guidebook on Indicators of Sustainable Development for Tourism Destinations 2004; European Commission's European Tourism Indicators System, 2016; European Commission's EU Tourism Dashboard, 2023; UN Tourism's Statistical Framework for Measuring Sustainable Tourism, 2024). During this time the quality and availability of tourism data has continued to advance, but has typically focused on capturing the economic impacts, guided by the International Recommendations for Tourism Statistics and Tourism Satellite Accounts methodological framework.

The recent endorsement of the Statistical Framework - Measuring the Sustainability of Tourism (SF-MST) by the United Nations Statistics Commission is an important step forward in forging international consensus on the production of reliable and comparable data on the economic, environmental, and social aspects of tourism (UN Tourism, 2023<sup>[4]</sup>). This UN Tourism-led statistical framework, under the leadership of co-chairs Austria and Spain, provides fundamental concepts, definitions, and data organisation structures for tourism statistics across economic, social, and environmental impacts. Further work is needed to provide methodological guidance to support the concrete implementation of the framework and derive a meaningful set of internationally comparable indicators for sustainable tourism development.

Building on this progress, more work is needed to measure and monitor a wider set of outcomes including social and environmental impacts as well as negative economic externalities not typically accounted for when looking at economic impacts, which can be more challenging to quantify in a consistent and meaningful way. The environmental dimension and related negative economic externalities such as the depletion of natural assets have received more attention of late, also benefiting from wider environmental measurement frameworks like the System of Environmental Economic Accounting (SEEA). However, the measurement of social impacts is lagging. This is in part because the social dimension is often associated with peoples' subjective perceptions, which can be difficult to measure in a comparable way (OECD, 2023<sup>[5]</sup>).

Considerable progress has been made in recent decades to develop robust and comparable measures for social impacts, including the OECD Well-being Framework. For example, the OECD Indicators for Measuring Well-being and Social Progress and the OECD Better Life Index provide a framework to measure and compare living conditions and quality of life across countries (including housing expenditure, work-life balance, feeling safe walking alone at night) (OECD, 2023<sup>[6]</sup>).

Potential exists to build on these frameworks and tailor them for the tourism context. Combined with tourism specific measures, like tourism visitation and seasonality, well-being indicators could help to understand and address some core environmental and social challenges for tourism. Further developing these indicators at the sub-national level could provide opportunities to monitor the sustainable development of tourism in popular tourism destinations. The experience of Sweden to adapt the OECD Better Life Index to measure quality of life at municipal level could provide learnings for how the Index could be adapted to also provide a better understanding of the social impact of tourism at destination level.

The strong push to measure and monitor the sustainability of tourism has resulted in many initiatives running concurrently. Together these initiatives are contributing to advancing the agenda. However, navigating this diverse and dynamic body of work can be challenging for policy makers and data practitioners to understand the contribution and purpose of different initiatives and determine where to best focus limited resources for maximum impact. Table 3.1 sets out an overview of the different frameworks that are being used to measure and monitor the sustainable development of tourism, and their associated uses, benefits and challenges.

**Table 3.1. Navigating frameworks for the measurement of sustainable tourism**

Framework type	Benefits	Challenges	Examples
Statistical framework	Internationally agreed with established statistical concepts Often make sense at a political or strategic scale	Time lag of data, lack of granularity, resources required to calculate, not necessarily relevant for specific issues	Statistical Framework – Measuring Sustainable Tourism (SF-MST), Recommended Methodological Framework – Tourism Satellite Account (RMF:TSA)
Methodological framework	Internationally comparable with established methods linked to the statistical concepts	Not necessarily relevant for specific issues	International Recommendations on Tourism Statistics (IRTS)
Comparable indicator set	Internationally comparable (when indicators are calculated for multiple countries), based on existing and established data	Lack of granularity, not necessarily relevant for specific issues	World Economic Forum Travel and Tourism Development Index, European Tourism Indicator System (ETIS), EU Tourism Dashboard
Targeted Indicator set	Country-specific or targeted specifically to issue, policy and/or strategy	Not necessarily internationally comparable, may not even be comparable between regions	Sustainable Travel Finland, UNWTO-JICA Toolkit of Indicators for Projects

### ***International initiatives to monitor and benchmark the sustainability of tourism***

Identifying and implementing indicators to effectively measure and monitor progress has proven challenging. There is currently no internationally agreed set of indicators to support balanced and sustainable tourism development. Drawing on the experiences and insights from existing and ongoing recent initiatives at international and country level provides an opportunity to advance efforts to develop and use indicators for policy making, and provide a basis for valuable comparison and benchmarking between countries (UN Tourism, 2023<sup>[4]</sup>; European Commission, 2022<sup>[7]</sup>; European Commission, 2016<sup>[8]</sup>; ETC/ULS, 2018<sup>[9]</sup>) (Annex 1: Table A.1).

At the global level, the SF-MST provides a framework from which to derive a core set of international indicators, but further work and practical guidance is now needed on the specific indicators and how to measure them. UN Tourism have proposed an initial set of indicators as part of the wider MST initiative, and it is intended that compilation guidance will be developed to support the production of comparable data and indicators.

At the European level, improving statistics and indicators for tourism is a key pillar of the Agenda for Tourism 2030 and the EU Tourism Transition Pathway, and is the most common topic for pledges and commitments from public and private stakeholders (Council of the European Union, 2022<sup>[10]</sup>; European Commission, 2022<sup>[11]</sup>; European Commission, 2023<sup>[12]</sup>). A range of initiatives are underway to advance this agenda, including the work by Eurostat to develop and implement a set of indicators to measure the sustainability of tourism based on available data, the EU Tourism Dashboard, and the work of the Together for EU Tourism (T4T) expert group, which has a dedicated topic on measuring sustainability, with results to be shared with all stakeholders through a forthcoming Stakeholder Support Platform.

Work is also advancing in the private sector, to develop and implement initiatives to support tourism businesses and destinations in monitoring their levels of sustainability performance, providing performance indicators to provide guidance in measuring compliance with the criteria. For example, the WTTC Travel and Tourism's Global Footprint dashboard provides indicators across all the pillars of environmental, social, economic and the SDGs. Other examples include the World Economic Forum Travel and Tourism Development Index and the Global Sustainable Tourism Council standards for sustainability in travel and tourism (Box 3.2).

### Box 3.2. Recent international sustainable tourism indicator frameworks – selected examples

Building on the work to develop and implement these existing frameworks provides an opportunity to accelerate the process of developing indicators. Selected samples of existing international work on indicator frameworks are outlined below.

- **European Tourism Indicators System** – The framework consists of 43 core indicators supplemented by additional indicators. It is a voluntary tool designed to measure the sustainability of European tourism destinations (European Commission, 2016<sup>[13]</sup>).
- **EU Tourism Dashboard** – Developed in response to the pandemic, the Dashboard presents 19 indicators and 13 descriptors designed to promote and monitor the green and digital transitions and the socio-economic resilience of the tourism sector. The starting point for preparing the indicators has been the identification of data which is available across all EU member states (European Commission, 2023<sup>[14]</sup>).
- **UN Tourism proposal for a set of indicators to measure and monitor the sustainability of tourism** – Linked with the work to prepare the SF-MST, UN Tourism proposed a set of 30 initial indicators at the 4<sup>th</sup> Expert Group on Measuring the Sustainability of Tourism in September 2023 (UN Tourism, 2023<sup>[15]</sup>).
- **World Economic Forum Travel and Tourism Development Index** – Previously focused on competitiveness, the Index was revised with a focus on monitoring the resilience and sustainable development of tourism. A pillar dedicated to 'Travel and Tourism Sustainability' tracks 24 indicators across three themes (environmental sustainability, socioeconomic impact and travel and tourism demand sustainability) (WEF, 2024<sup>[16]</sup>).
- **World Travel and Tourism Council 'Travel and Tourism's Global Footprint' dashboard** – estimates the economic, social and environmental footprint of the tourism sector globally across 11 core measures and seven of the SDGs related to tourism. The tool allows for benchmarking across countries and international regions, while also providing historical data where available, to allow countries to monitor their own progress (WTTC, 2024<sup>[17]</sup>).

Existing work to develop and implement indicators provides a platform to build on and accelerate efforts for new data and indicators. An analysis of existing international frameworks (Annex A) shows that as the discussion around sustainable tourism has evolved, so have the measurement frameworks. While most frameworks and indicators are structured around the pillars of economic, environmental and social sustainability, there is considerable diversity in the scope and range of indicators covered which creates challenges for international comparability as well as for decision-makers in destinations (with often limited capacity and resources) to understand which priority issues and indicators to focus on and collect.

In general, the following measures and associated indicators are included in most frameworks:

- Economic measures: for example, seasonality, visitor market share, share of GDP, share of employment, average expenditure, and average length of stay.

- Environmental measures: for example, water and energy consumption, air and greenhouse gas emissions, waste (water and solid), environmental certification and mode of transport.
- Social measures: for example, gender equality, accessibility of tourism sites, satisfaction of the local community, tourist satisfaction, valorisation of culture and heritage.

An important consideration when looking at indicator sets is their interlinked nature. For example, high greenhouse gas emissions not only accelerate climate change, but also impact on the health of communities, and as a result have economic impacts in a variety of areas.

### ***Country initiatives to develop indicators for sustainable planning and management***

In many countries work is underway to develop and implement tailored indicator sets and data tools, to better respond to the tourism policy needs and strategic priorities in their country. In some countries these indicator frameworks are standalone tools; other countries have created sustainable tourism monitoring frameworks linked directly to their national tourism strategies. While international indicator frameworks provide a robust set of indicators to measure sustainable tourism development, they may lack the specificity to support national policy priorities and monitor progress. Indicators need to be measured and monitored at the appropriate spatial and temporal scale. They need to be linked to the core policy issues to be effective for decision makers and are only of value when the data exists to measure them.

Many country initiatives draw on work that has already been established in various international frameworks. For example, the Sustainable Tourism Indicator System in Portugal is fundamentally based on the European Tourism Indicator System (ETIS). The 43 economic, social and environmental indicators are linked to concrete targets in Portugal's Tourism Strategy 2027, and cover 11 thematic areas including seasonality, economic benefits, employment, accessibility, pressure, tourist satisfaction, local satisfaction, environmental management, energy management, water management and solid waste management (Box 3.6).

Colombia's National Tourism Information System adopts a comprehensive set of indicators focusing on areas such as tourism seasonality, employment, economic benefits, and environmental impacts. The measures broadly align with international standards and guidelines required by UN Tourism's International Network of Sustainable Tourism Observatories (INSTO) initiative which now counts more than 40 active Observatories globally, and Colombia is exploring the development of additional data, tools, and indicators.

As part of Visit Finland's Sustainable Travel Finland initiative, indicators providing data at business, regional and national level are built from the national sustainable tourism programme and certification scheme to provide visibility to the sustainability of tourism. It is intended that these indicators will help to evaluate and inform the development and implementation of the next tourism strategy (Box 3.3). Costa Rica has seven tourism sustainability indices (30 indicators) to assess the performance of regions with high tourism activity on the national Social Progress Index. Portugal leverages micro-data from the Tourism Companies 360° Initiative where tourism businesses report data on their environmental, social and governance performance, to better understand and design appropriate public policies for the different segments of tourist activity.

To inform tourism decision-making it is necessary to identify and address data gaps using relevant indicators. In Switzerland, a pilot framework of sustainability indicators seeks to combine environmental and social indicators with economic indicators from the TSA, in line with the SF-MST. The economic dimensions include gross value added (GVA) and employment while the environmental factors consider land and energy use as well as air emissions across tourism-related sectors. The social dimension will be included in the next cycle as data become available. New Zealand's Sustainable Tourism Explorer identifies 109 measures across five pillars of sustainable tourism. However, data are currently only available for 54 of these measures with work ongoing to compile new data (Box 3.4).

### Box 3.3. Creating evidence through the sustainable tourism programme in Finland

Visit Finland has developed the Sustainable Travel Finland (STF) programme for travel companies and regions in Finland. As a part of the programme, national indicators for sustainable tourism have been developed that provide tourism data at a company, regional and national level. In the future, these indicators will help to evaluate and develop target setting of the national tourism strategy and its actions. Indicators are drawn from the data collected from businesses as part of the sustainable tourism certification scheme. New reporting tools have been added to share these data and make them visible for the tourism sector and beyond. This also acts as an opportunity to motivate the sector to make more sustainable choices to achieve common goals. Indicators are compiled based on data collected from businesses, regions, visitor and resident surveys and Statistics Finland. They are structured across four dimensions:

- Destination management: for example, the number of tourism companies participating in the STF programme, share of the destination's residents satisfied with tourism's impact on their place of residence.
- Economic value: for example, the number of education and training courses related to sustainable tourism, share of seasonal workers.
- Social and cultural impact: for example, the number of companies with multilingual communication, share of enterprises providing services from reduced mobility, proportion of companies providing services for the LGBTQ+ community.
- Environmental impact: for example, the share of companies measuring carbon footprint, share of companies actively participating in climate change mitigation measures.

To monitor and transparently communicate progress against the actions and indicators of the programme, Visit Finland published its first annual report State of Sustainable Tourism in May 2023, with the second edition published in June 2024. Based on the results, Visit Finland evaluates which indicators may need more ambitious thresholds, such as the share of companies actively supporting the protection, conservation and maintenance of local biodiversity, which decreased from 67% in 2022, to 41% in 2023 after more ambitious target setting. It also shows where the sector may need more support. The 2022 data indicated that only 27% of tourism businesses measured their carbon footprint. More awareness, competence building, and content was added, which saw the number of businesses measuring their carbon footprint increase to 49% in 2023.

To strengthen the evidence base for sustainable tourism development, Brazil has developed a set of 32 indicators linked to community-based tourism that contribute to the achievement of the SDGs. The set highlights initiatives, actions and investments designed to achieve progress, including through monitoring the number of free training courses offered to communities for qualification in the area of tourism services and products, the number of creative economy incentive programmes and the number of beds offered in accommodation facilities for community members. As socio-economic aspects interact closely with cultural and environmental factors, Brazil intends to measure environmental education for communities and the integration of natural and/or cultural attributes in tourism services and products.

Expert working groups provide an opportunity to address data gaps and create indicators in a collaborative way. In the Netherlands, a National Data Alliance has been created to support evidence-based decision making. The Alliance follows international developments for measuring SDGs and sustainable tourism indicators, and is also developing new indicators to evaluate the social and environmental impact of tourism including the carbon footprint associated with travel to and within the Netherlands.

In Australia, the Industry Data and Expert Analysis (IDEA) Working Group initiated four data and research projects including the Longitudinal Indicators for the Visitor Economy (LIVE) framework. The LIVE framework will be a set of leading and lagging progress indicators for the visitor economy, encompassing social, environmental and economic metrics.

### **Box 3.4. Developing the Sustainable Tourism Explorer in New Zealand**

New Zealand's Sustainable Tourism Explorer was developed by government, private sector and education sector working together. The process began in 2018 by comparing existing measures to the New Zealand Tourism Strategy, the Living Standards Framework and the UN SDGs. The goal was to balance scientific reliability, completeness, and the ongoing economic viability of the tracker while ensuring the Explorer worked well for the target audience.

The initiative identified 109 measures across five pillars of sustainable tourism including the environment, international and domestic visitors, the economy, New Zealanders and our communities and regions. Data are currently only available for 54 of these measures with ongoing work required to compile new data, including on waste management, cultural heritage protection, community attitudes towards tourism, as well as infrastructure investment for resource management and (sustainable) transportation at regional level.

New Zealand's Government partnered with the private sector to improve data sharing across the sector and create and improve key data sets to better measure sustainable tourism impacts. Formal data sharing agreements, new information management systems and new digital infrastructure have been implemented, accompanied by capacity building to provide the skills to develop the systems. The Explorer requires further development, especially to make it easier to use and to fill data gaps.

### ***Informing and evaluating policies and progress towards sustainable tourism***

More work is needed to better align indicators with policy issues and build the capacity of policy and decision makers to access and use the information needed to take informed, evidence-based decisions. A recent review of the policy impact of indicator frameworks for sustainable tourism found existing sustainable tourism frameworks are focused on the indicators themselves and raising awareness for sustainable tourism and are less aligned with the policy outcomes (Miller and Torres-Delgado, 2023<sup>[18]</sup>). This could stem from the tendency for indicators to be defined by the available data rather than beginning with the policy intent. This calls for a shift beyond individual indicators and measures towards a user-focused outcomes approach.

A strong policy perspective with an end user focus may help to better match available data to policy issues and identify priority data gaps to be addressed. This will help to ensure that measures are tailored and meaningful for destinations. Focusing on the priority actions required for change, may help to accelerate the transition to more sustainable models of tourism.

A one-size-fits-all measure or set of measures to monitor all aspects of tourism sustainability in a meaningful way for all destinations would likely include a significant number of indicators with many not relevant for all countries as many destinations face different issues. The experience and evidence from work to develop a common set of agreed indicators supports this, due to the complex nature of tourism and wide range of impacts generated. Focusing on a smaller set of core indicators targeted at a robust set of data that allows for international comparison and benchmarking against core sustainability challenges faced by countries may be a more fruitful approach, supplemented by a selection of indicators tailored to the strategic goals, policy needs and resources of an individual country or destination.



Understanding the policy process, context and goals can help to ensure that evidence is tailored to the needs of decision makers. Policy makers and other users need to be involved from the start and continually consulted throughout the process. This was a clear overarching message at the recent Workshop on Tourism Data Sharing, Integration and Governance organised by the OECD and European Commission. A further key message to emerge was that it is better to measure the right things well, than to try and measure everything.

Capacity and resource constraints continue to inhibit the ability of destinations to consistently develop and monitor data, or even to explore the potential of new and existing data sources from the beginning. Understanding the policy objectives and the measures necessary for decision making, including the granularity and timeliness of the data required, makes it possible to prioritise the set of data to expand and contract based on the resources available. This can also be enabled by understanding and employing the appropriate measurement frameworks.

## Addressing policy priorities to promote sustainable tourism

Tourism strategies set out long-term visions to guide sustainable development and provide a good foundation for defining the optimal operating model for tourism. However, understanding what sustainability means for an individual country or destination, and correctly defining the core sustainability priorities and concrete actions to address them is an area where more work is needed.

Beyond national strategies, countries are also prioritising initiatives on several core sustainability issues. It is these priorities or issues that could be used to understand more concretely what is required to create a more sustainable tourism model. An analysis of priority tourism sustainability issues provided in response to a survey of OECD member and partner countries revealed ten common issues:

- **Acceptance and inclusion:** Tourism provides an opportunity for people to experience new cultures and ways of life. Ensuring that destinations and businesses are capable and willing to create an inclusive environment for both workers and visitors (e.g. gender, ethnicity, accessibility needs), can promote economic and social benefits.
- **Biodiversity:** The natural environment remains a key attraction for tourists, but is also impacted by tourism. Reducing the negative impacts of tourism on biodiversity will contribute to ecosystem stability, help build resilience to climate change, contribute to human health and extend the longevity of natural attractions.
- **Circular economy:** Tourism activities generate significant pollution and waste. The increased uptake of circularity principles within tourism can help to reduce waste and pollution, having positive impacts on both the environment and the economy.
- **Community and visitor sentiment:** Local communities often receive the benefits from tourism, but also deal with negative impacts of tourism. Ensuring that local communities are involved in the planning process for tourism can help to improve local acceptance and the experience for visitors, positively impacting both social and economic factors.
- **Decarbonisation of transport:** Tourism is built on the movement of people. Reducing the environmental impact of transport through the development of sustainable aviation fuels and the increased use of public transport and 'soft mobility' options can help to reduce the carbon emissions.
- **Digitalisation:** As in every ecosystem of our economy and our society, digitalisation impacts and transforms tourism (European Commission, 2021<sup>[19]</sup>). Digital tools for businesses and visitors can help drive productivity and satisfaction, while providing new forms of data and evidence for decision-making.

- **Resilience to shocks:** Shocks, including natural and physical disaster, are expected to become more frequent. To maintain sustainable growth, the tourism sector must minimise the impact of these shocks and build back stronger. Increased resilience can provide stability and improve economic and social benefits of tourism.
- **Tourism concentration:** Destinations are often reliant on both spatial and temporal peaks in tourism. Dispersing tourists to different locations and spreading the tourism season to include shoulder periods can increase the economic benefits while reducing the impact of peak seasons on the community and the environment. Other interventions, such as improving the available infrastructure in a destination, also impact the capacity of a destination to manage visitor flows.
- **Tourism workforce:** As a service sector, tourism is driven by its workforce. Ensuring the tourism sector provides fair and decent work, and helping increase the social, green and digital skills can help to improve the lives of local populations as well as economic benefits.
- **Tourist behaviours:** The impact of tourism is not solely based on numbers, but also on the spatial context tourism takes places in and the way tourists behave. Understanding tourist behaviour and facilitating tourists to make more sustainable choices can have environmental, social and economic benefits.

These issues differ across destinations and should continue to be assessed as not all need to be addressed at the same time or with the same intensity. For example, destinations reliant on coastal tourism are more likely to consider issues like water quality and biodiversity, while island and long-haul destinations identify the need to decarbonise transport. However, several issues are also common across destinations, including seasonality, the spatial dispersal of visitors to less visited areas and the impact of visitors on communities and the natural environment. Table 3.2 provides a breakdown of the priorities by responding country. Work has already begun to address many of these issues through the implementation of new policies and programmes and can provide opportunities for new learning.

**Table 3.2. Priority tourism sustainability issues identified by OECD member and partner countries**

Key sustainability issues identified	Identifying countries
Acceptance and inclusion	Australia, Brazil, Canada, Finland, Japan, Luxembourg, Romania
Biodiversity	Australia, Austria, Germany, Lithuania, Peru, Poland, Slovenia
Circular economy	Austria, Brazil, Czechia, Germany, Greece, Italy, Japan, Malta, Peru, Poland, Romania, Slovenia, Sweden, Switzerland, Türkiye, United States
Community and visitor sentiment	Australia, Austria, Czechia, France, Iceland, Italy, Japan, Luxembourg, Malta, Romania, Sweden
Decarbonisation of transport	Australia, Brazil, Canada, Finland, France, Germany, Iceland, Italy, Lithuania, New Zealand, Peru, Slovenia, Sweden, Switzerland, Türkiye
Digitalisation	Costa Rica, Estonia, Germany, Greece, Latvia, Luxembourg, Türkiye
Resilience to shocks	Australia, Brazil, Canada, Costa Rica, France, Greece, United States
Tourism concentration	Austria, Brazil, Czech Republic, Greece, Iceland, Italy, Japan, Lithuania, Luxembourg, Malta, New Zealand, Poland, Romania, Slovenia, Switzerland, Türkiye, United Kingdom
Tourism workforce	Australia, Austria, Canada, Costa Rica, Estonia, Finland, Germany, Greece, Iceland, New Zealand, Sweden, Switzerland
Tourist behaviours	Australia, Japan, Lithuania, Poland, Switzerland

Source: OECD country survey.

## Strengthening the evidence base for tourism decision-making

Targeted and meaningful policy actions require a strategic approach to developing indicators, tools, and metrics to provide the evidence base for sustainable tourism development and management. Combining the substantial bottom-up analysis of available data with a top-down approach that considers the policy

priorities and intent can help to ensure the measures are both available and meaningful at the destination. This integrated, policy-led approach can ensure that indicators are tailored to inform decision making, while implementing targets, thresholds and key performance indicators can help to assess the effectiveness of policy efforts and provide the sector with tangible goals.

Significant work has been undertaken to understand the potential of existing data to measure and monitor the sustainability of tourism, but data gaps still remain. Building on existing work there are opportunities to identify new data sources and products to address these gaps and enable evidence-based policy making, especially by harnessing data created by the digital transition.

Collaborative approaches to tourism policy development could also create new opportunities for data sharing between the public and private sectors, while building the capacity of decision makers to better understand tourism data, including its limitations.

### ***Assessing, selecting, and implementing indicators for sustainable tourism policy***

Well-designed indicators can support the development of targeted and effective policies promoting the sustainable development of tourism. These indicators should be reliable, timely and consistent, to inform tourism development and management decisions and monitor progress in delivering sustainable outcomes. There are advantages to focusing, at least initially, on a limited set of practical and achievable indicators which respond to specific policy priorities, bringing focus to the necessary policy requirements within the constraints of often limited resources.

Countries which are well advanced in developing and implementing indicators monitoring the sustainability of tourism have commonly worked closely with policy makers and data professionals from across all levels of government, as well as other relevant actors from the private sector, academia and local communities. This participative approach acknowledges that the process of selecting and agreeing indicators can play an important role in mobilising actors around a common goal and help build capacity to successfully implement and use the indicators. It can also help to embed indicators into the policy cycle, form a shared vision and contribute to improved policy coherence.

Under the Plan T - Master Plan for Tourism Austria designed a set of indicators based on data criteria related to availability, timeliness, practicability, and continuity. An initial list of indicators was narrowed down to a short-list of 26 using a working group of experts in data, tourism, and science. A final round of consultation and analysis resulted in a final list of 12 indicators, which are reviewed regularly, with 14 indicators now used (Box 3.5). Similarly, New Zealand's Sustainable Tourism Explorer was developed through a collaborative process with the New Zealand Government adopting a stewardship role in the process (Box 3.4).

Such participative approaches provide an opportunity for the tourism community to work together to define the policy issue, assess available and possible data sources and develop an appropriate measure. The process can have a value beyond the indicator set itself, and result in increased knowledge about the issues from different perspectives and thinking of others. It can also act as a capacity building exercise for the indicator compilers and policy makers as end users to learn about the data and associated challenges and limitations. Furthermore, it can lay the foundation for improved future collaborative actions moving forward (UNEP, 2015<sup>[20]</sup>).

Collaborative processes help to ensure the indicators are tailored to the needs of policy makers and creates the buy-in and ownership needed to implement and use the indicators. This in turn helps to increase the longevity of the indicators, as well as provide additional data context for the users. This process can also help to improve the data available. For example, in addition to identifying core tourism indicators, Australia's Industry Data and Expert Analysis Working Group was tasked with identifying and making suggestions to improve data collection methods for the identified metrics.

### Box 3.5. Monitoring and driving sustainable tourism development in Austria

Under the Plan T – Master Plan for Tourism, Austria has developed a core set of indicators, considering the economic, environmental and social dimensions of sustainability. The indicators were selected through a multi-stakeholder consultation process and are continuously being developed to adapt to changing circumstances and include:

- Tourist arrivals and overnight stays, expenditure, GVA, employment data available from TSA.
- Competitiveness in prices.
- Revenue per available room and fictitious debt repayment period from the Austrian Bank for Tourism Development.
- Share of renewable source of energy in gastronomy and accommodation from Statistics Austria; energy consumption in key tourism sectors.
- Guest satisfaction which is available through the T-MONA guest survey.
- Resident attitude towards tourism/tourism acceptance.
- Number of businesses and destinations certified with the Austrian Eco-label.

The set of indicators is part of Austria's holistic approach to monitor and enact progress on sustainable tourism development at national, regional, destination and enterprise level, which also includes:

- Following a pilot project on Regional Information and Monitoring Systems in two tourism regions, a new publicly accessible dashboard will be launched in the first half of 2024. It is a continuous observation and management tool, also for tourism stakeholders, containing regional data (30 base indicators), ranging from the number of visitors and enterprises to labour market, mobility and environmental data.
- Austrian eco-label for destinations based on evaluation criteria regarding management, socio-economic impact, environmental protection, mobility and culture.
- ESG Data Hub provides nine tourism-specific indicators enabling enterprises to report and access ESG key performance data, aiming to facilitate access to finance and funding and catalyse the fundamental role of the private sector to advance sustainability.
- Quarterly surveys on tourism acceptance of the Austrian resident people implemented at national level which are legally based on the tourism demand and acceptance statistics regulation. As the survey on tourism acceptance is carried out as part of the existing survey on travel behaviour, synergy effects can be achieved both in terms of content and resources. The survey started with the first reference quarter 2024. The ongoing compilation of acceptance statistics aims to record the perceived effects of tourism to provide a holistic picture of the population's attitude towards the phenomenon of tourism and to monitor the development in the long term.

Indicators and evidence used to develop and monitor sustainable tourism policies should continue to be revised and updated to address the priority issues over time. As sustainability practices and data availability evolve, so too should the indicators. This does not only mean adding indicators, but also considering which of the existing indicators are still relevant or should be removed.

Understanding the policy context, and the right level to measure plays a key role in identifying and developing the right indicators for decision making. Focusing only on national and regional level initiatives could lead to the omission of some wider global sustainability issues that need to be addressed at international level (e.g. international aviation). Initiatives like the OECD Database on Air Transport CO<sub>2</sub> Emissions, which contain domestic and international aviation data (passenger and freight flights) for 186

countries and is suitable for both the territorial and the residence approach within the SEEA accounting framework, could help to better monitor emissions from air transport in a complementary and comparable way (OECD, 2023<sup>[21]</sup>).

### **Developing tools and metrics to monitor progress**

Indicators and data points need to be considered in context to be meaningful and useful. This highlights the importance of adopting targets for indicators, to enable policy makers to monitor whether tourism destinations are moving towards or away from the desired outcome of sustainable developments (Miller and Torres-Delgado, 2023<sup>[18]</sup>). Sharing evidence such as targets, thresholds, and progress at the national and sub-national level (e.g. through online hubs and dashboards), can help to inform tourism policy and business decision-making and make sustainable development and its benefits, more tangible.

Targets for sustainable tourism measures will vary based on the different context of individual tourism destinations, national, subnational and local, and consider the specific needs or appropriate thresholds for each measure. Determining the appropriate threshold is complex and not static. However, understanding the desired direction the measure should move is a positive start. Providing this context can help decision makers to track progress toward the desired outcome and evaluate the effectiveness of policies and programmes.

While sustainability is more and more mainstreamed in national and subnational tourism strategies and plans in many countries, the targets and key performance indicators set out in these strategies and plans are still typically focused on economic measures (Box 3.1). To engrain sustainable principles in tourism development, there is a need to set out goals and targets in these strategies that encompass all facets of sustainability, looking beyond the historical targets for tourism arrivals and expenditure and focus on the specific needs of the country or destination.

#### **Box 3.6. Setting strategic goals for sustainable tourism development in Portugal**

The Tourism Strategy 2027 framed sustainability at the core of tourism policies in Portugal under the vision Tourism as a hub for economic, social and environmental development throughout the territory. The Strategy sets eight strategic goals or targets across the three pillars of sustainability which include:

- Reduce the seasonality index from 36.3% to 33.5% by 2027 (social).
- Double the number of educational qualifications from 30% to 60% (social).
- More than 90% of the resident population consider the impact of tourism on their territory to be positive (social).
- More than 90% of companies adopt energy efficiency measures (environmental).
- More than 90% of companies promote efficient water use in their operations (environmental).
- More than 90% of companies develop efficient waste management actions (environmental).
- Increase overnight stays in Portugal to 80 million in 2027 (economic).
- Increase tourism revenue to EUR 27 billion by 2027 (economic).

This is in addition to the goals for 2023 included in the plan for setting up Regional Tourism Observatories in each of the 7 regional DMOs, in partnership with UN Tourism and its INSTO network, bringing universities and knowledge centres closer to destination management entities.

This is the approach adopted under Portugal's Tourism Strategy 2027, which aims to establish tourism as a hub for economic, social and environmental development throughout the territory, positioning Portugal as one of the most competitive and sustainable tourism destinations in the world. The Strategy incorporates targets across the social, environmental, and economic pillars and puts businesses at the heart of sustainable development (Box 3.6).

Norway's National Tourism Strategy 2030 has an overall goal of "big impact, small footprint" for tourism. The main goals of the Strategy are to enhance value creation and jobs, to help Norway transition to a low-emission society, to help make communities attractive with happy residents and to deliver outstanding customer service to encourage repeat visitation and greater tourist spending. To support these goals, the Strategy commits to a 50% reduction of carbon emissions by 2030 and to reduce annual transport emissions by 10% in addition to revenue and employment targets. Among the initiatives and measures to reach the strategic goals, Norway aims to develop *Klimasmart*, a market development calculator that relates tourist spending to carbon emissions to prioritise low-carbon markets with high spending.

The Slovenian Tourism Strategy 2022-28 looks to set Slovenia as a role model for smart destinations that strengthen and encourage the development of sustainable, boutique, personalised and innovative experiences. To reach a balanced growth model for tourism which focuses on accelerated growth in quality and value add, Slovenia has established 25 impact metrics, each with their own quantitative targets based on a 2019 baseline (Box 3.7).

### Box 3.7. Target setting in Slovenia's Tourism Strategy 2022-2028

The Slovenian Tourism Strategy 2022-28 defines 14 key impact indicators (25 metrics in total). Building on 2019 baseline data, Slovenia has defined quantitative goals to reach by 2028 for each of the 25 metrics. The target values have been established based on the projected tourism development in Slovenia under a scenario of "A little bit more and a lot better", which emphasises moderate quantitative growth while prioritising enhancements in quality and value added under the motto Across the five objectives, Slovenia for instance aims to:

- Increase the total value added in the core tourism industry from EUR 0.9 billion euros in 2019 to EUR 1.3 billion in 2028 (business and financial aspect).
- Increase the length of stay by 20% (business and financial aspect).
- Improve the average satisfaction of the population with the development of tourism in the destinations included in the Green Scheme from an average score of 3.6 to 4.3 on a scale from 1 to 5 (Societal aspect).
- Increase the number of jobs generated by tourism demand (economic aspect).
- Reduce the Slovenian tourist industry's annual total carbon footprint by at least 1% (environmental and climate aspect).
- Increase the budgets of all destination management boards by 50% (management aspect).

The performance indicators are monitored annually to track progress against the five strategic objectives of the strategy. Indicator compilation relies on multiple data sources including from the Green Scheme managed by the Slovenian Tourist Board, the Statistical Office of the Republic of Slovenia, the Bank of Slovenia and the Slovenian Business Register.

Thresholds are another tool to monitor performance. However, some thresholds may not be quantifiable and may need a more qualitative approach. Overcrowding in destinations has led to an increased focus on understanding the carrying capacity of destinations. Better evidence is needed to anticipate when tourism in a destination is approaching the saturation point and identify effective countermeasures to

rebalance the impacts and trade-offs, so the benefits outweigh the costs for host communities, businesses, the environment, and tourists.

Understanding destinations' capacities and determining critical thresholds is increasingly important to manage the trade-offs and pressures that tourism brings on infrastructure, the environment, and the host community. Destination carrying capacity is not a new concept but is the focus of renewed attention as destinations struggle with the impacts from the strong rebound in tourism flows. A recent study suggests that carrying capacity is a fluid concept that cannot be represented by a specific number and that indicators alone may not provide appropriate statements about carrying capacity (ESPON, 2020<sup>[22]</sup>). It also noted that there was no single way to take specific territorial characteristics of tourist destinations into account when assessing carrying capacity so guidelines needed to be adaptable, while innovative data and visualisations of tourist flows can capture the full picture of local tourism dynamics.

Benchmarking progress within and across countries is often considered a way to monitor progress, providing a common reference point. At European level, the EU Tourism Dashboard provides opportunities for countries and regions to benchmark their progress across 19 common measures and a set of 13 basic descriptors. Where applicable, targets are displayed for measures as well as the positive directional change for data points. These measures are provided in an open-source, online tool that provides a data visualisation at the most granular level possible, both nationally and regionally.

Contextual factors need to be taken into consideration for meaningful benchmarking and target setting. A landlocked, central destination like Switzerland could not meaningfully compare total transport emissions with a remote island destination like New Zealand, or even Malta. In Spain, the four regions of Andalusia, Catalonia, Navarra and the Region of Valencia have developed and piloted a draft set of sustainability indicators, supported by the OECD under the EU-funded Technical Support Instrument. The aim is to compare sustainability performance across all Spanish regions building on common data sources. However, the project has highlighted that direct comparisons can be of limited informative value for regions with different visitor volumes, different types of tourism activity, different geographical characteristics, and different infrastructure. While benchmarking against comparable countries or regions provides opportunities to identify good practice examples and targets, monitoring development over time within one region or country can also be a valuable approach to progress towards sustainable tourism development.

Making data available to inform policy, destination management and business decisions is important to make progress and mobilise further action. The impacts of the pandemic illustrated the importance of having readily available information for decision making, with online dashboards and tools for tourism data and statistics becoming increasingly more available at the international, national and sub-national levels. Slovenia introduced a Daily tourism flows in Slovenia dashboard with published daily data on tourist arrivals and overnight stays in the current year with a three-day delay. The data are published as experimental, as they are subject to change, and do not match official monthly data, but they do provide a timely indication of changing tourism performance.

### ***Addressing sustainability data gaps through traditional methods***

Policy and decision makers take decisions based on the data available, which may not be sufficiently robust, timely and relevant to fully understand and address the issue at hand. This can lead to sub-optimal decisions and poorly targeted programmes and actions. Moreover, indicators are only of value when data exists to measure them. Addressing data gaps by focusing of the policy priorities and making the evidence available can support efforts to shift towards a more balanced approach to tourism development and inform decisions considering the trade-offs, economic externalities and interconnectedness of policy issues.

Economic measures are now well established for the tourism sector, but key sustainable tourism policy priorities still lack the data required to enable evidence-based decision-making (e.g. acceptance and inclusion, biodiversity, the circular economy, community and visitor sentiment, the decarbonisation of

transport and digitalisation). Existing official suffice for the creation of national long-term strategic plans, but more work is required.

Combining different data sources can help enable evidence-based tourism policies. A general issue of the tourism sector is that it is a fragmented sector with many actors having access to limited data connected to their own operations. Within the Austrian National Tourism Data Space several use cases were developed to help address this (e.g. energy consumption and mobility). The vision is to rethink the guest experiences and create new business models, better services, seamless experiences as well as to use data for scenario planning (visitor management, seasonal and timely disparity). Through the data space, stakeholders in tourism can use data from various sources including gastronomy, accommodation, mobility, weather, mobile phone companies. It has been developed as a platform for relevant data, applications and visualisations.

The European Commission is working towards developing a common European Tourism Data Space which will provide and opportunity for tourism businesses and public authorities to share data creating opportunities to fill existing data gaps and encourage innovation across the tourism sector.

Countries are also exploring ways to fill the gap in environmental data by linking the TSA to the SEEA. Germany first developed and implemented a comprehensive methodology to link the TSA and SEEA in 2017 which has been integrated into a Tourism Satellite Account–Economy and Environment (TSA-EE). This provides data on the economic impact of the tourism sector as well as tourism-related energy consumption, air emissions, raw material input and the environmental protection expenditure in Germany. This work this has become an area of experimentation for countries with robust TSA and SEEA, data sets including Canada, Saudi Arabia, Switzerland and the United States. UN Tourism developed a technical note for linking the TSA and SEEA in 2018 (UN Tourism, 2018<sup>[23]</sup>).

In 2023, Croatia developed a methodology to link the TSA and SEEA as part of a comprehensive tourism reform agenda. However, it was found that significant challenges still remained to estimate environmental measures with the existing data, particularly for water flows and solid waste. To address these gaps in the implementation of their Tourism Sustainable Satellite Account, Croatia is undertaking a series of ten bespoke surveys to increase data availability at the national and regional level (Box 3.8). Italy has used a similar approach to derive estimates for the energy and air emissions related to tourism. However, this is only possible from the production perspective and as such misses key consumption inputs like the quantity of fuel used by tourists travelling by car (owned or rented).

The linking of the TSA and the SEEA requires a complex statistical methodology and robust granular data that is not available for all countries or destinations. The use of proxies, while not the complete picture, can help to provide an indication of the environmental progress in the sector. For example, Türkiye has developed a web-based reporting system to monitor and manage the water and energy consumption, waste volume, carbon footprint, and greenhouse gas emission data of accommodation facilities as part of the National Sustainable Tourism Programme. In Norway, CO2rism provides a tool to calculate the CO<sub>2</sub> emissions generated by the transport of tourists to and around Norway.

Countries have been taking steps to better understand the impacts of tourism on local residents and their communities. Resident sentiment and satisfaction surveys are one way to understand the impacts on the local population. Iceland collects survey statistics on the satisfaction of the local residents. Austria recently introduced a new survey that will be issued annually to better understand the impacts of tourism on the local populations.

Spain has implemented an online panel survey with the main goals to develop a simple to understand, easy to implement tourism acceptance/rejection indicator for destinations. The main questions include “On a scale of 1 to 5, in your opinion, how do you think tourism affects your local community?” and “On a scale of 1 to 5, how do you think tourism in your town affects you personally?”. This allows Spain to capture both the personal impact and the community impact.



### Box 3.8. Using national accounts data to estimate environmental impact of tourism in Croatia

Croatia's National Recovery and Resilience Plan set out a comprehensive reform agenda to promote sustainable tourism planning and development. As part of this ambitious agenda, Croatia undertook work to assess the feasibility of creating a Tourism Sustainable Satellite Account by linking the Tourism Satellite Account (TSA) and System for Environmental Economic Accounting (SEEA) national accounts frameworks. This looks to improve the measurement of the economic and environmental impacts of tourism by providing data related to energy consumption, carbon emissions, water usage and waste production in the tourism sector.

As a foundational principle this methodology utilises the economic share of the tourism sector as calculated in the TSA and applies these proportions to the environmental impact measures available in the SEEA at the sub-sectoral level to estimate the environmental impact of tourism activity. The feasibility study found that the implementation of this approach was possible for air emissions and energy usage at the national level as sufficiently granular data is available from the Croatian SEEA (at two-digit NACE level). Similarly, tourism-induced greenhouse gas emissions, tourism-related pollutant emissions, and tourism-related energy consumption could be calculated, in both absolute terms and intensity. However, indicators related to water consumption, waste generation and environmental protection expenditure require additional data sources.

Croatia will look to extend the Tourism Sustainable Satellite Account methodology to the regional level, with emphasis on the NUTS 3 regions of Adriatic Croatia. The methodology will be extended to include societal data for 10 selected destinations.

Slovenia introduced a survey to measure the local population's satisfaction with tourism as part of the Green Scheme of Slovenian Tourism. As a condition for obtaining the Slovenia Green Destination label, destinations carry out the survey, reflecting the need for granular measurement at sub-national level to respond to needs of the local population. Under the Green Scheme, Slovenia monitors largely qualitative indicators related to destination management, the nature and landscape, environment and climate, culture and tradition, social climate and tourism business operations and communication.

### ***Harnessing the potential of new and alternative data***

Official measures based on well-established approaches provide a robust and comparable set of data but can lack the granularity and timeliness required. Countries and the private sector have been exploring the opportunities being presented by new data sources. Data from private sources such as bank and credit card companies or mobile network operators provide new opportunities to monitor the performance and impact of tourism, while administrative data sources also open up new possibilities.

New data sources can help to monitor elements of tourism that have been traditionally difficult to capture, such as events, without the use of surveys which have a widening cost/effectiveness gap. Mobile phone data for example can help to understand the movement patterns of visitors between attractions and accommodation allowing policy makers to take appropriate measures such as adding public transport or soft mobility options. Utilising smart meters in tourism accommodation can provide timely insights in the energy usage of tourists.

Using a combination of these new sources can better equip decision makers to understand not only the economic impacts of tourism but also the social and environmental impacts. This can help consider how to best balance the trade-offs required to make tourism more sustainable. Countries are increasingly moving in the direction to integrate new data sources into the tourism information system, including to strengthen official tourism statistics.

In New Zealand, for example, a pilot is being undertaken to assess how the quality of soundscapes can be monitored by combining data from Global Navigation Satellite System tracking units on the movement of boats and aircraft with sound-modelling software on how sound travels in air and water. Malta meanwhile is using a combination of satellite imaging an artificial technology to map tourism development and monitor the environmental impact. This work is supporting the vision set out in Malta's Tourism Strategy 2021-2030 Recover, Rethink, Revitalise and feeding into the development of a set of tailored indicators measuring and monitoring the sustainability of tourism in the country (Box 3.9).

The use of new data sources like geospatial data (e.g. mobile positioning or satellite imagery) provide opportunities to effectively map visitors flows. For example, Lithuania have implemented heat maps using mobile positioning data to show the number of visitors at tourism sites. This heat map is publicly available to help those who make decisions based on tourist activity in the area (e.g. tourism service providers) or those who are involved in planning the development of tourist facilities or infrastructure renewal (e.g. local governments). Countries including Australia, Canada, Chile, Costa Rica, Czechia, Hungary, Ireland, Italy, Korea, Lithuania, Netherlands, Poland, Portugal, Saudi Arabia, Slovenia, Spain, Sweden and United Kingdom are exploring mobile positioning data within tourism measurement.

Switzerland used rail ticket data to estimate tourism flows between Swiss cantons which allowed for improved measurement of the regional variation and better inform the local stakeholders. Using this kind of data for estimating tourism flows relies on a large share of tourists using public transport compared to other means of transport, such as cars. Italy is analysing social media data to provide insights into tourists' perceptions, preferences, and experiences while helping to understand the socio-cultural impacts and identifying areas for improvement.

There is also a demand for predictive data concerning future travel. This could allow countries and destinations to plan resources, such as public transport, according to future demand. Countries like Hungary, Italy and Portugal are using internet search analytics for their country or regions to estimate future demand.

### **Box 3.9. Using advanced satellite data to monitor tourism trends and impacts in Malta**

With a strong rebound of tourism in Malta following the pandemic, the country aims to monitor the impacts of tourism across the country in line with the Sustainable Development Goals. To support the vision set out in Malta's Tourism Strategy 2021-2030 Recover, Rethink, Revitalise, Malta is developing a set of sustainability indicators to be monitored by the Malta Tourism Authority and its Observatory. The initiative allows the Ministry for Tourism of Malta to understand and monitor the dynamics and trends of tourism, but also to support the monitoring and implementation of Malta's medium- and long-term tourism strategy.

Malta is incorporating satellite data collected in an interactive dashboard to monitor the environmental impact of tourism in the country. The twelve indicators cover vegetation health, nature and urban green extent, agricultural potential, forest health, water quality (chlorophyll, turbidity, salinity, temperature), urbanisation evolution and its proximity to cultural or natural heritage as well as city air quality. This initiative is a collaboration between Malta Tourism Authority and the tech company Murmuration.

Malta has recognised the use of technologically advanced satellite data as a new innovative addition to the more traditional set of indicators, and the benefits of combining different tools and data sources to inform decision making. The technology has sufficient resolution to understand local differences on a small territory such as the Maltese islands and allows for an assessment of the environmental impact of tourism developments in both residential and natural areas.

New data sources open a wide range of new opportunities to better understand and monitor the impacts of tourism and to evaluate the effectiveness of tourism policies and programmes. However, it is important to use these sources with caution, understanding the current limitations including issues with data quality, coverage, comparability and representativeness as well as issues related to cost and data privacy laws. For example, social media users might not be representative of the entire tourist population, meaning that the social media listening might not represent the true sentiment of tourists or those who search, might not travel. Issues still remain in the definition of tourists within new data sets such as transactions and mobile positioning data. These sources should be used in conjunction with official statistics and continue to be explored as more data becomes available.

### ***Building data literacy and capacity for evidence-based decision making in tourism***

In formulating robust and sustainable tourism policies, tourism policy makers increasingly recognise the important role of data-driven approaches in decision-making processes. Understanding the data available is important, and data literacy allows policy makers to critically evaluate the reliability, relevance, and limitations of the information at hand. This enables policy makers to make informed judgements and anticipate potential consequences of policy interventions while also conveying the rationale behind these decisions, articulating the benefits of proposed interventions and to creating greater stakeholder buy-in.

Understanding both the opportunities and limitations of the available data is essential for decision makers. Recognising the capabilities of the data in terms of its coverage, timeliness and relevance to their objectives can help to ensure that decisions are based on sound evidence. At the same time, awareness of the data limitations, including biases and gaps in coverage could help to ensure core issues are addressed in the decision-making process. While there is a growing acceptance of the importance of data and analytical capabilities for decision making, translating this to the tourism environment comes with additional complexities. In Korea, the demand for data literacy training has been increasing as analysis and data services have become more available, especially with the launch of the Korea Tourism Data Lab (Box 3.10). The Korea Tourism Data Lab provided 13 training programmes to 220 novice users in 2023.

#### **Box 3.10. Building tourism data capacity in Korea**

Korea Tourism Data Lab provides official statistics including the Korea Tourism Statistics and the Foreign Tourist Survey, as well as tourism big data. Korea see big data is a complementary tool to official statistics and encourage users to see the tourism trends through big data rather than official figures due to the level of timeliness. Several initiatives have been undertaken to improve the usage of the Data Lab and showcase the possibilities of the available tourism data.

The Korea Tourism Data Lab Best Use Case Contest is held annually to identify how Korea Tourism Data Lab is being used to solve real business problems. In 2023, a total of 53 teams participated, with a tourist start-up *Nolowa Gurye* using the Data Lab to developed tour programmes in seven regions by analysing popular tourist destinations and major attraction factors.

To complement the Data Lab, Korea provides customised support for tourism companies with high growth potential to establish marketing strategies by integrating the data from the Data Lab with company data. In 2023, 15 companies were supported.

User surveys are conducted regularly to understand user needs for new data and analysis services, with customised services for data analysis training offered for users from for beginners to those with advanced technical skills.

Developing the ability to understand and effectively communicate evidence requires dedicated resources, training and capacity building. Access to data, analytical tools and expertise is essential for policy makers to navigate the complexities of evidence-based decision making. Continuous training programmes and capacity building initiatives play an important role in enhancing the data literacy of policy makers. In their communication of their mobility data and tourism dashboards, Lithuania provided training sessions of up to two hours to introduce the dashboards, and participants were asked to try to find the relevant data themselves. In Austria, insufficient data competences were noted as one of the main problems for launching the National Tourism Data Space and as such the Data Stewards Network was launched. This issue was addressed through several training sessions, and they are now advocating a “learning by doing” approach complemented by discussions of the common challenges.

Collaboration and communication between policy makers and statisticians, or others working closely with the data, is important for evidence-based decision making. Policy makers rely on statisticians and data experts to provide accurate, reliable and timely data to inform their decision-making processes. Conversely, statisticians require an understanding of policy objectives and priorities to tailor data collection, analysis and report to meet the needs of policy makers. By fostering collaboration and communication between these two groups, policy decisions can be based on robust evidence, while data-driven insights are effectively translated into actionable policies.

## Policy considerations to improve the evidence base for sustainable tourism

Optimising the strength and quality of the tourism sector involves shifting to more sustainable practices while addressing structural weaknesses that have impeded the sector in the past. This includes issues linked with seasonality, economic leakage, overdependence and overcrowding, job quality and career prospects. At the same time, actions are needed to accelerate the green tourism transition and ensure that the sector is fully able to benefit from opportunities presented by the digital transition.

Sustainability is now being mainstreamed into tourism strategies, but this needs to be supported by effective policies and implementation structures to develop and manage tourism sustainably, across all levels of government. Delivering on this sustainable tourism agenda requires the development and implementation of policies and programmes that are evidence-based and informed by relevant data. Countries require robust and timely data that is sufficiently disaggregated and comparable to inform the tourism planning, policy and decision-making process. Data is also needed to determine the desired type and scale of tourism appropriate for individual destinations.

Policy considerations to improve the evidence base for sustainable tourism development, include:

- **Considering a policy-led approach to identifying indicators will support evidence-based policies.** Starting with the key policy questions then analysing the data availability and gaps that need to be closed to answer these questions allows for destinations and decision makers to target resources towards prioritised issues. This integrated approach can help to minimise the number of indicators to a core set that can have the greatest impact and deliver the desired outcomes. Understanding the policy goals can also help to ensure that the data selected measures and monitors the issues, understanding the complex and interconnected nature of the tourism sector, and helping to balance the trade-offs required in the policy making process.
- **Addressing the data gaps in the measurement of priority issues for sustainable tourism development.** Tourism data has traditionally focused on the economic impacts of the sector. This has put an emphasis on the economic development, sometimes at the expense of the environment and local communities. Exploring new opportunities to monitor and measure actions related to the environmental and social issues within the sector could help to accelerate the transition to more sustainable models of tourism. This includes also considering the role of new data beyond the

traditional statistical survey measures while taking into account the potential limitations of such sources.

- **Designing a tailored toolkit of indicators, tools and metrics to facilitate evidence-based decision making.** Building on the significant body of existing work on sustainable tourism indicators with new methods being presented by the digital transition can help to align short term actions with long-term strategic goals. Different types of data and tools have different purposes and should be utilised to benefit decision makers. Bringing together robust and internationally comparable data with more targeted, timely and granular measures provides opportunities to create tailored plans for local and regional destinations that align with national and international goals. Measures within the toolkit should be regularly reviewed and assessed to ensure they meet the policy need.
- **Fostering collaborative approaches in the process of designing tools and metrics for the monitoring of tourism.** Bringing both data experts and decision makers together to develop the evidence base for sustainable tourism development can have lasting benefits. Incorporating the policy maker early can allow for more targeted tools that meet the needs of the decision maker, create buy-in for the product, which can help for resources, and builds the capacity of both the policy maker and the data professional. Creating diverse collaboration structures through the development phase, with input from decision makers at all levels, including the private sector, can uncover new sources of information and ensure tools adapted to consider the changing needs of different destinations.
- **Develop the data literacy of decision makers.** Even the best designed tool to measure and monitor sustainable tourism development will be ineffective if decision makers are not able to use it. While collaboration between data and policy experts is necessary to design and implement new data tools and metrics, decision makers (in both policy and the private sector) need to be able to fully digest and utilise these tools to make the right decisions. Increasing the data literacy of decision makers and ensuring that new data initiatives and tools have the appropriate levels of training to understand both the potential and the barriers can help to support more sound policy and business decisions.

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## Annex 1.A. International sustainable tourism frameworks reviewed

Table A.1. International sustainable tourism frameworks reviewed

Indicator framework	Year	Type	Pillars/dimensions	Number of indicators
<b>Tourism Specific Frameworks</b>				
European Environmental Agency - Tourism and Environment Reporting Mechanism <a href="#">[Link]</a>	2013	Reporting mechanism	Focus is on tourism and the environment	19 indicators (within 10 topics)
European Commission: European Tourism Indicators System <a href="#">[Link]</a>	2016	Toolkit for sustainable destination management	1. Destination management 2. Social and cultural impact 3. Economic value 4. Environmental impact	43 core, 13 supplementary
European Commission: EU Tourism Dashboard <a href="#">[Link]</a>	2023	Indicator dashboard	1. Environmental impact 2. Digitalisation 3. Socio-economic vulnerability	19 indicators, 13 basic descriptors
Eurostat - Methodological work on measuring the sustainable development of tourism <a href="#">[Link]</a>	2006	Technical report	1. Environment (main focus) 2. Economic 3. Social	20 indicators
Eurostat - Indicators on sustainability of tourism - Working Group on Tourism Statistics <a href="#">[Link]</a>	2006	Draft indicators for debate	1. Economy (monetary, volume/flows) 2. Labour market 3. Social & cultural 4. Environmental 5. Digitalisation	29 indicators, 11 to be further explored
OECD Indicators for the Integration of Environmental and Sustainability Concerns into Tourism Policies <a href="#">[Link]</a>	2003	Discussion/guidance document	1. Tourism trends and patterns of environmental and social significance 2. Interactions between tourism, environment and social conditions 3. Economic linkages and policy aspects	80 indicators
OECD Indicators for Measuring Competitiveness in Tourism <a href="#">[Link]</a>	2013	Guidance document	1. Tourism performance and impacts 2. Delivering quality and competitive tourism services 3. Attractiveness of destination 4. Policy responses and economic opportunities	11 core indicators, 5 supplementary and 4 for future development
OECD Tourism Paper - Supporting Quality Jobs in Tourism <a href="#">[Link]</a>	2015	Working paper	Indicators are all either economic or economic/social	11 indicators
OECD Tourism Trends and Policies 2022: Initial ideas for tourism resilience indicators <a href="#">[Link]</a>	2022	Indicator ideas/proposals	1. Social 2. Economic 3. Environment	29 indicators



Indicator framework	Year	Type	Pillars/dimensions	Number of indicators
			4. Institutional	
<b>UN Tourism 2004: Indicators of Sustainable Development for Tourism Destinations A Guidebook</b> <a href="#">[Link]</a>	2004	Guidance document	Split by issues (e.g. sewage treatment, employment, etc. The issues can be divided into economic, social and environmental)	Over 700 indicators
<b>UN Tourism and JICA Achieving the Sustainable Development Goals through Tourism – Toolkit of Indicators for Projects</b> <a href="#">[Link]</a>	2023	Toolkit to measure impact of tourism projects	1. Economic 2. Social 3. Environmental All indicators are linked to the SDG framework (the 17 goals and 169 targets) and a table translating between themes/dimensions and SDGs	Around 500 indicators (3-20 indicators for each of the 104 targets covered)
<b>UN Tourism Statistical Framework for Measuring Sustainable Tourism (SF-MST)</b> <a href="#">[Link]</a>	2024	Statistical framework	1. Economic 2. Environmental 3. Social	
<b>World Economic Forum Travel and Tourism Development Index</b> <a href="#">[Link]</a>	2022	Strategic benchmarking tool (index)	1. Environmental Sustainability 2. Socioeconomic Resilience and Conditions 3. Travel and Tourism Demand Pressure and Impact	29 indicators
<b>World Travel and Tourism Council Environmental and Social Reporting</b> <a href="#">[Link]</a>	2023	Reporting mechanism	Environmental and social reporting	13 indicators linked to the SDGs
<b>Non-tourism specific frameworks</b>				
<b>Measuring and Assessing Job Quality - The OECD Job Quality Framework (2015)</b> <a href="#">[Link]</a>	2015	Framework	1. Earnings 2. Labour Market Security 3. Quality of the Working Environment	10 (4 headline), 1 supplementary
<b>OECD How's Life? 2020 - Measuring Well-being</b> <a href="#">[Link]</a>	2020	Indicator dashboard	11 dimensions of well-being (Income and Wealth, Housing, Work and Job Quality, Health, Knowledge and Skills, Environmental Quality, Subjective Well-being, Safety, Work-Life Balance, Social Connections, Civic Engagement)	36 (headline), 44 supplementary
<b>OECD Regional social and environmental indicators (Edition 2021)</b> <a href="#">[Link]</a>	2021	Statistical database	1. Environment 2. Health 3. Safety 4. Social inclusion 5. Housing	42 indicators
<b>OECD Rethinking Regional Attractiveness in the New Global Environment report: Attractiveness indicators</b> <a href="#">[Link]</a>	2023	Quantitative framework	14 dimensions, across 6 domains of attractiveness (economic attraction, connectedness, visitor appeal, natural environment, resident wellbeing, land use and housing)	54 indicators
<b>UN Sustainable Development Goals (SDGs)</b> <a href="#">[Link]</a>	2016	Framework	17 SDGs (split by 169 targets) that can be split into the pillars of economic, social and environmental	169 targets

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Co-funded by  
the European Union



PRINT ISBN 978-92-64-32259-2  
PDF ISBN 978-92-64-69850-5



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