

Strengthening the Global Competitiveness of European Tourism

Europe's tourism sector faces mounting competitive pressures driven by regulatory complexity, infrastructure gaps, and increasing global competition. As Europe's largest tourism group, TUI urges the European Commission to adopt a competitiveness-first approach to regulation, support sustainable and efficient tourism infrastructure, address workforce shortages and skills gaps, and strengthen Europe's position as a leading global destination.

Europe's tourism sector is at a pivotal moment. TUI stands ready to collaborate with the European Institutions to advance these objectives and ensure Europe remains the world's leader in tourism.

1. Regulatory Overload and Fragmentation

Fragmented EU and national rules increase compliance costs, slow innovation, and create legal uncertainty. Overlapping frameworks - particularly in consumer protection and sustainability reporting - divert resources from customer service, investment, and modernisation.

The Package Travel Directive (PTD), despite its recent overhaul, risks undermining competitiveness through a disproportionate level of responsibility and corresponding costs vis-a-vis single and unprotected services offered by OTAs (online travel agents).

The passenger rights rules for airlines burden the sector with increasingly unsustainable costs based on rules which are out of touch with operational realities, and do not take into consideration the particularities of the leisure travel business model, although this business model provides superior consumer protection and essential tourism connectivity to peripheral regions and islands.

The reform of the Corporate Sustainability Reporting Directive (CSRD) and the new Corporate Sustainability Due Diligence Directive (CSDDD) are being scaled back but still require substantial administration, with entire teams being needed to ensure compliance. Particularly requirements to verify and be responsible for sustainability compliance of even indirect suppliers around the world are too far reaching.

The Green Claims Directive (GCD), if adopted, will in addition require substantial internal administration and external expenditure to make sure all consumer-oriented sustainability statements are pre-approved. Existing EU safeguards against greenwashing are sufficient. The GCD only adds administrative burden while risking slowing down sustainable progress as companies will be hampered in communicating their real efforts.

Europe needs smarter, streamlined regulation: A competitiveness-first filter should be applied to all new legislation. The national implementation of the revised PTD and particularly the insolvency protection element must avoid additional financial constraints and preserve flexibility for businesses to operate. Future revisions of consumer protection legislation for the sector need to tackle the unlevel playing field between ‘creators of experiences’ who invest in destinations, and online travel agents who only exist virtually and do not share the cost burden, leading to a competitive edge for non-EU companies. EU sustainability reporting requires simplification and harmonisation, and funding procedures should be made more accessible for all tourism businesses.

2. Aviation Competitiveness and Climate Regulation

European airlines operate under stringent climate obligations that exceed those imposed on many international competitors. Requirements under the Emissions Trading System and Sustainable Aviation Fuel (SAF) mandate significantly increase operating costs, creating price disparities and limiting route competitiveness. Globally aligned frameworks and cost mitigation measures are essential to avoid structural disadvantages for EU operators.

Europe needs a globally aligned aviation decarbonisation framework: EU policymakers should work towards internationally harmonised SAF mandates and carbon pricing schemes. Expanded investment tools, building on the Sustainable Transport Investment Plan (STIP), are needed to reduce SAF cost differentials, support scaling, and provide planning certainty to airlines. Government backed ‘contracts for difference’ to mitigate the cost gap between conventional aviation fuel and SAF, an extension of the SAF allowance scheme including for voluntary uplift beyond mandates, earmarking of ETS revenues and massive ramp up of European SAF production must become reality fast.

3. Infrastructure Gaps

Sustainable mobility infrastructure across Europe remains inconsistent. Deficits persist in green electricity production, grid capacity, electric charging networks and port shore power readiness. These gaps hinder the transition to sustainable operations and contribute to higher operating costs for European tourism providers. Modern, interoperable infrastructure is essential for achieving both sustainability and competitiveness objectives.

Europe needs investments in future-proof tourism infrastructure: EU funding should prioritise tourism-relevant infrastructure, including port decarbonisation and charging networks. Modernised infrastructure, interoperable standards, and coherent energy pricing are key to multimodal connectivity and sustainable mobility across the Union.

4. Workforce and Skills Constraints

Europe's tourism workforce faces acute shortages in key areas such as aviation crews (flight crews, maintenance profiles) and hospitality staff. Mobility barriers, including visa limitations and inconsistencies between Schengen and non-Schengen frameworks, prevent efficient deployment of staff. Shortage of affordable housing in important tourist regions further undermines recruitment and retention.

Europe needs to embrace the potential of tourism as an employer: The EU should integrate tourism into its skills and labour mobility agenda, expand cross-border mobility mechanisms, and support housing solutions for seasonal and essential workers. Companies such as TUI, who invest heavily in destinations, stand ready to support. Simplifying visa and short-term work assignment processes would help address pressing labour shortages.

Policy Recommendations

- Launch an EU Tourism Competitiveness Package focused on reducing cost, regulatory burden and fragmentation.
- Ensure globally competitive climate regulation for aviation, including SAF cost-mitigation and ETS adjustments.
- Prioritise EU investment in tourism-relevant infrastructure.
- Strengthen workforce mobility and integrate tourism into EU skills initiatives.
- Promote Europe globally through connectivity improvements, and year-round destination strategies.

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