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TOURISM STRATEGY OF THE SWISS CONFEDERA- TION



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CHAPTER 1

EXECUTIVE SUMMARY

The Federal Council's tourism policy aims to help Switzerland's tourism industry to become more competitive on an international level and to perform strongly, as well as boost the country's appeal as a tourist destination. To that end, the new tourism strategy has the following four objectives:

1. Improving framework conditions: The Federal Council's tourism policy aims to improve the framework conditions for tourism, also encompassing the country's scenic and architectural qualities. Prioritisation is geared towards improving the way in which the federal government's tourism policy is coordinated and exploiting synergies. Regulations should be streamlined wherever possible and processes and procedures at federal level should be simplified while taking into consideration the objectives of relevant sectoral policies. This should enable businesses in the tourism sector to broaden their entrepreneurial scope and bring down their costs.

2. Promoting entrepreneurship: The federal government's tourism policy places great importance on promoting entrepreneurship. The focus is on increasing productivity, boosting the skills and competencies of all players, supporting structural change and strengthening the tourism labour market.

3. Exploiting the opportunities presented by the digital economy: The Confederation's tourism policy aims to help the Swiss tourism industry make the most of the opportunities presented by the digital economy. The plan is to increase the support provided to the tourism industry in the digital transformation of its business models and processes. It should also aid in the digital transformation of tourism market development activities.

4. Enhancing the attractiveness of tourism offerings and market presence: As the attractiveness of tourism offerings and the market presence of Switzerland as a tourist destination are interlinked, they are treated as a single objective. The focus is on the development of investment incentives, and the exploitation of the momentum provided by major events – e.g. Winter Olympics, other major sporting events, and high-profile exhibitions, such as the Swiss or World Expo – being hosted in Switzerland.

This tourism strategy implements major innovations in the Confederation's tourism policy:

Prioritisation: The new tourism strategy is based on a consistent prioritisation process, and therefore consciously forgoes listing all of the Confederation's tourism policy-related activities. Particular emphasis is placed on the policy's cross-sectional nature, while coordination both within the federal government and between the different levels of the state also plays an extremely important part.

Focus on the use of funds: The strategy aims to employ available funds in a more targeted manner while striving to offer close support of the projects if and when possible and useful. Integrated solutions for the exploitation of synergy potentials and cooperation options will be promoted. The supporting activities focus on increasing productivity and entrepreneurship. Coordination between the various funding instruments will be optimised to exploit synergies and prevent duplication.

Digitalisation across all sectors: The Confederation's tourism policy helps to make the most of the opportunities offered by the digital economy. Its priority is to promote the digital transformation of business processes, business models and market cultivation.

Focus on implementation: The new tourism strategy focuses on operations, is flexible and contains specific implementation activities. This makes it possible to quickly adjust the tourism policy to changing requirements and conditions in the market whenever necessary.



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CHAPTER 2

STARTING POINT

On 18 June 2010, the Federal Council adopted the growth strategy for Switzerland as a tourist destination. The 2010 Growth Strategy provided a comprehensive strategic basis for the Confederation's tourism policy and acted as a milestone in its conception. The 2010 Growth Strategy set tougher objectives for the Confederation's tourism policy and clearly defined its intended areas of impact with its action areas.

The 2010 Growth Strategy was implemented on the basis of four-year implementation programmes run by the State Secretariat for Economic Affairs (SECO). The first implementation programme for 2012–2015 was assessed as positive. In particular, it facilitated the implementation of the growth strategy's strategic specifications. A second implementation programme with 21 core projects was developed for the period 2016–2019, which is ongoing.

The Federal Council assessed the tourism policy in its 2013 tourism report.¹ The Federal Council concluded that the tourism policy is generally successful. Even though it was not considered necessary to realign the tourism policy in general, a need for action was identified. For this reason, the Federal Council resolved to implement a package of measures which includes the optimisation of measures to promote the accommodation industry, as well as a stimulus programme for the period 2016–2019. Individual parts of the 2013 package of measures have already been completed, and the implementation of other parts is in progress. In 2017, SECO performed an interim evaluation of the 2013 package of measures. While it is still not possible to perform a final assessment of the package, the interim evaluation indicates that it is generally proving to be successful.

The rapidly changing environment necessitates the revision of the strategic bases of the Confederation's tourism policy. In particular, this applies to the topic of digitalisation which has significantly increased in importance in recent years. The new tourism strategy provides an up-to-date basis for the Confederation's tourism policy and makes it possible to respond more rapidly to the challenges the industry faces.

The new tourism strategy provides an up-to-date basis for the Confederation's tourism policy.

On the basis of the new tourism strategy, tourism policy contributes to the implementation of the Confederation's policy for rural and mountain regions in accordance with the Federal Council report on the federal government's policy for these regions.² The main focus is on achieving the following four long-term objectives for rural and mountain regions: creating an attractive living environment, protecting natural resources and realising their value, strengthening their competitive position and creating cultural diversity.

The revision of the tourism strategy has been supported by a group of experts appointed and managed by SECO which comprises tourism players and entrepreneurs, as well as representatives from politics, tourism associations, cantons and academia.³

The Confederation's new tourism strategy is based on a situation analysis (Chapter 3). This forms the basis for defining the vision and concept of the Confederation's tourism policy (Chapter 4), as well as the objectives, action areas and activities (Chapter 5). The Confederation's tourism policy is implemented by SECO and through the tourism funding instruments described in Chapter 6. Chapter 7 sets out the principles for action of the Confederation's tourism policy.

¹ Federal Council (2013).

² Federal Council (2015).

³ Members of the advisory group, see appendix.



CHAPTER 3

SITUATION ANALYSIS

CURRENT SITUATION

Tourism is an important part of the Swiss economy. In 2015, the direct value created by tourism amounted to CHF 16.4 billion. This corresponds to 2.6 per cent of the total gross value creation within the Swiss economy. The effect of tourism on employment is particularly important to the Swiss economy. Around 164,000 people (full-time equivalents), or 4.1 per cent of all employees, work directly in the tourism industry. Tourism is one of the key export industries in Switzerland, generating export revenues of CHF 15.7 billion in 2016.

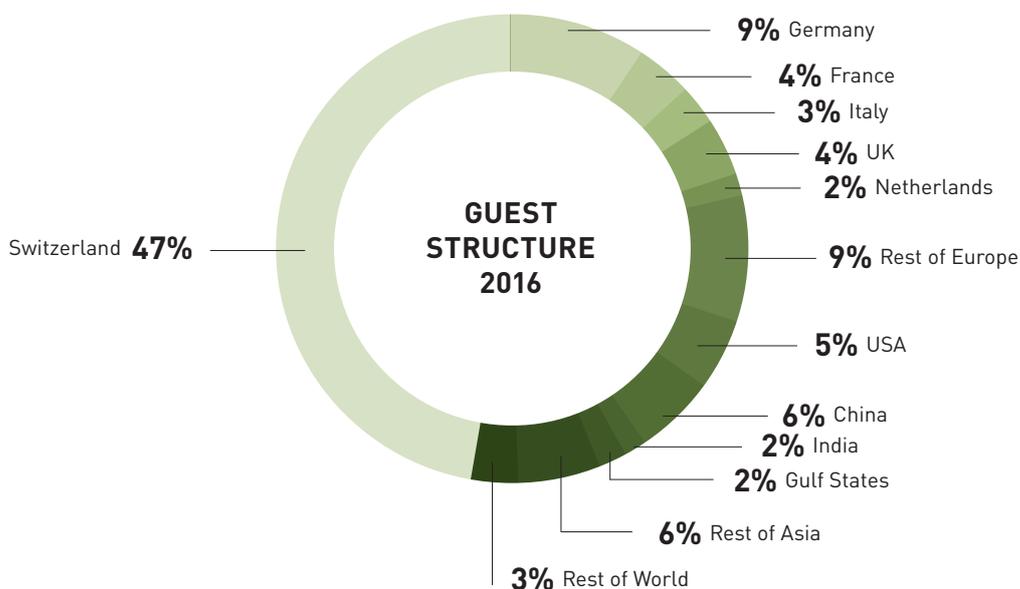
Various industry sectors contribute to value creation in tourism. At least a quarter of the value created in tourism comes from accommodation. Almost another quarter is generated by transport, with air transport being the main contributor. Restaurant and hotel catering (14%) and tourism-related

products (23%) remain extremely important to value creation in tourism.⁴

Switzerland's main tourism sector, the hotel industry, comprised 4,949 businesses in 2016. The average number of beds per accommodation provider is 55. The size of the businesses has been growing for years. Business are similar in size to those in Germany, bigger than in Austria, but smaller than in France and Italy. At the end of 2015, 2,450 mountain transport installations were approved by either the Confederation or the cantons.

Swiss citizens account for almost half of the guests at Swiss hotels. This means that Swiss guests are the bedrock of Swiss tourism. In 2016, 30 per cent of the guests came from Europe, and 15 per cent from Asia and the Middle East.

Figure 1: Guest structure of Swiss hotels by country of residence, hotel arrivals in 2016



Source: FSO

Just over half the overnight stays in hotels (2016: 57%) are booked in the summer season (May to October). Mountain transport installations, on the other hand,

generate more than half of their revenue from transporting passengers (2016/2017: 54%) in the winter season (November to April).⁵

⁴ Tourism-related products are goods and services with significant importance to Swiss tourism, such as retailers, petrol stations and the healthcare sector.

⁵ Swiss cable cars (2016).

An above-average number of women and young people work in the hotel and catering sector and travel agencies.⁶ In contrast, passenger transport is dominated by men, and employees are comparatively old. Analyses according to tourist regions show that the percentage of women working in the accommodation industry in Alpine tourist regions and other regions is considerably higher than in cities with international airports (around 60% vs. 50%). They also indicate that employees in the cities are significantly younger than in the Alpine tourist regions and other regions.

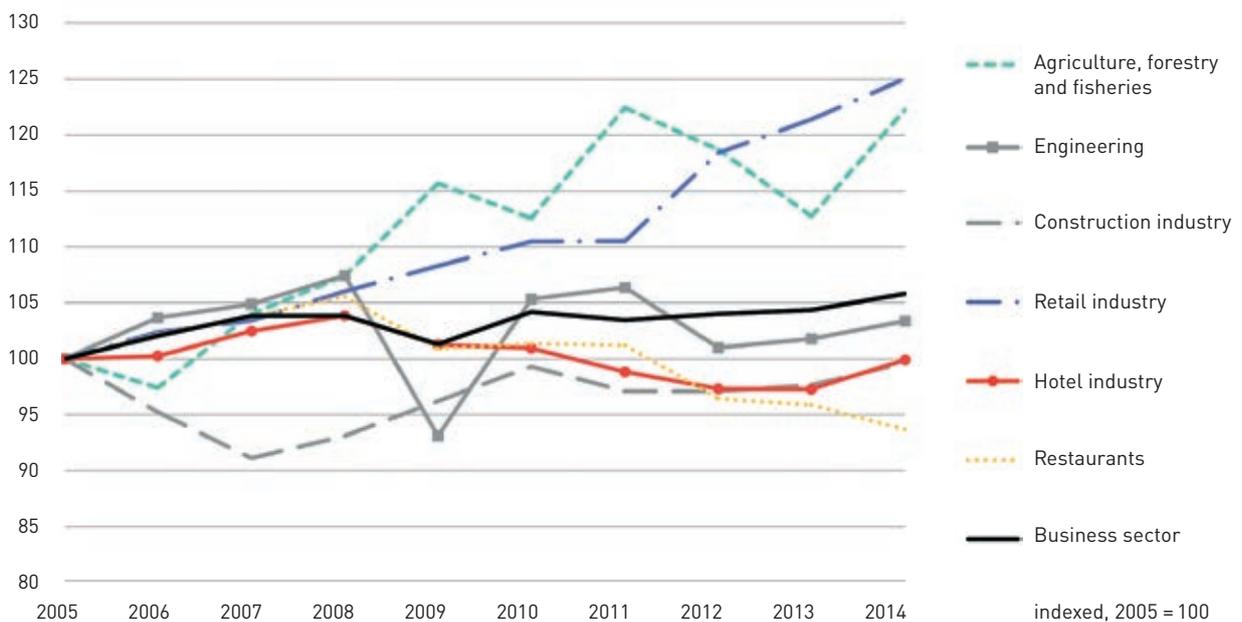
An examination of the employees' countries of origin shows a significant share of foreign workers. This figure is almost twice as high in the hotel and catering industries (50% and 44%, respectively) than in the economy overall (24%). Meanwhile, the percentage of foreign employees in tourism-based passenger transport and travel agencies is comparatively low (18% and 15%, respectively). A long-term analysis shows that the high percentage of foreign employees is not a new phenomenon. At the start of the new millennium, the percentage was already comparatively high in the accommodation and catering sectors. In catering, the proportion of foreign employees has risen from 41% to approx. 53% since

2003. In the hotel sector, it remained consistent at around 45%.

Furthermore, it should be noted that labour productivity in the Swiss tourism sector is low compared with the economy as a whole. Labour productivity refers to the value created by one employee (measured as one full-time equivalent) in one year. In tourism, this figure stood at approx. CHF 100,000 per full-time equivalent in 2015. This equals as little as 64% of average labour productivity across all Swiss industries (CHF 156,000). In hospitality (accommodation and catering), the core sector of the tourism industry, labour productivity only amounted to CHF 60,000 per full-time equivalent in 2015.

The effect of tourism on employment is particularly important to the Swiss economy.

Figure 2: Development of real labour productivity



Note: Business sector = entire private sector, excluding public administration and public enterprises. Calculation: gross value creation based on previous year's prices / FTE employment, source: FSO.

⁶ Ecoplan (2016).

Labour productivity in tourism and hospitality has also developed at a below-average rate in recent years. Figure 2 shows the development of real labour productivity in the hotel and catering sectors compared to selected industries and the overall economy (business sector). Until the financial and economic crisis, labour productivity in the hotel and catering sectors developed in line with the business sector. From 2010 onward, however, performance started to differ significantly from the overall economy and become negative.

Since the global financial and economic crisis in 2009, Swiss tourism has suffered several slumps in demand, initially caused by the economic downturn, and later primarily attributable to the exchange rate. Since 2011, concerns about the financial situation of large industrialised nations caused a significant appreciation of the Swiss franc against the euro, the US dollar and the British pound. The CHF/EUR exchange rate bottoming out at 1.20 for a short period allowed tourism a period of recovery. However, the lifting of the minimum exchange rate on 15 January 2015 created another drop in demand for holidays in Switzerland. Poor weather conditions in the winter seasons of 2013/2014, 2014/2015 and 2015/2016 further depressed demand in Swiss tourism.

The exchange rate has a relevant impact on the competitiveness of Swiss tourism. For example, calculations for 2016 indicate that the price of a hotel room in Switzerland exceeded the price of a comparable room in neighbouring countries by more than 50 per cent. However, prices in the Swiss hospitality sector (hotels and restaurants) are substantially higher than those in neighbouring countries, even when the franc is weak (comp. Figure 3).

The strong Swiss franc resulted in a significant drop in the number of European (holiday) guests. The number of overnight stays in hotels booked by European guests decreased by 1.2 million, or 9.3 per cent, in 2015 alone. While European visitors have traditionally accounted for the largest share of guests, the European market is becoming less important. However, Swiss tourism has also lost its share of the Swiss market. While demand from Swiss guests is continuously increasing, this is largely attributable to population growth. The number of Swiss guests in other destinations, particularly those in the Mediterranean, saw a much stronger increase.

Tourism companies were forced to cut their prices to avoid an even bigger slump in demand and loss of competitiveness at an international level. From 2011 to 2016, prices in the Swiss hotel sector decreased by 6 per cent. This price drop improved competitiveness, but reduced margins and profitability.

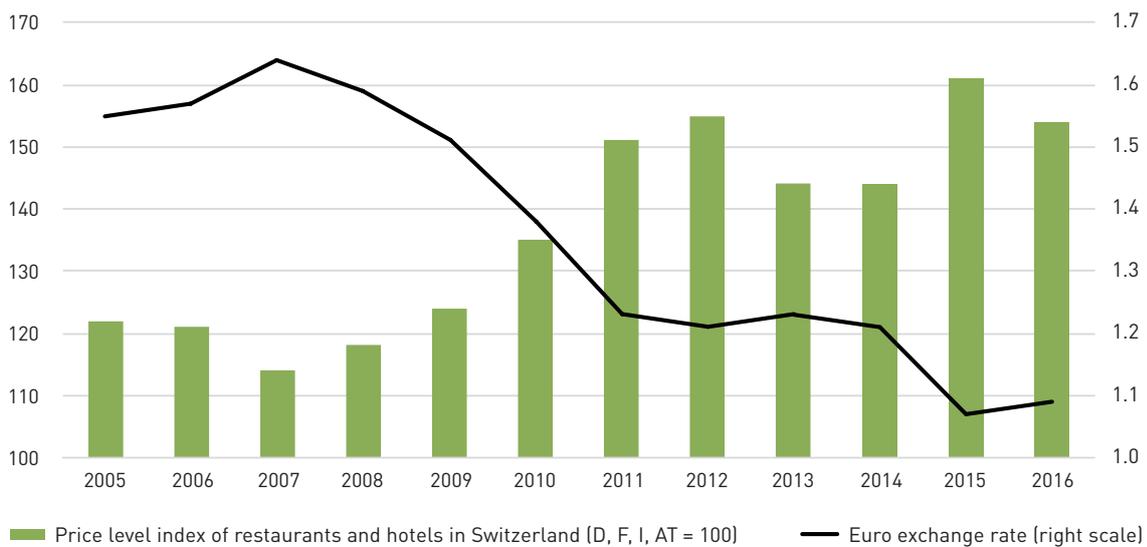
The exchange rate has a relevant impact on the competitiveness of Swiss tourism.

Development after 2011 can be compared to that in the engineering industry, another export industry which suffered from the effects of the sharp rise in the value of the Swiss franc. The drop in labour productivity had a negative impact on wages in Swiss tourism. Wages in the hotel and catering sectors are lower at all levels. While wages rise with promotion, pay rises are lower than in other industries. Retail and construction are the only sectors with similar wage brackets to the hotel and catering sectors. Moreover, average wages in mid- to executive management in the hotel and catering sectors are only slightly higher than the average wages for non-executive positions in the Swiss economy as a whole.





Figure 3: Competitiveness of prices in Swiss tourism



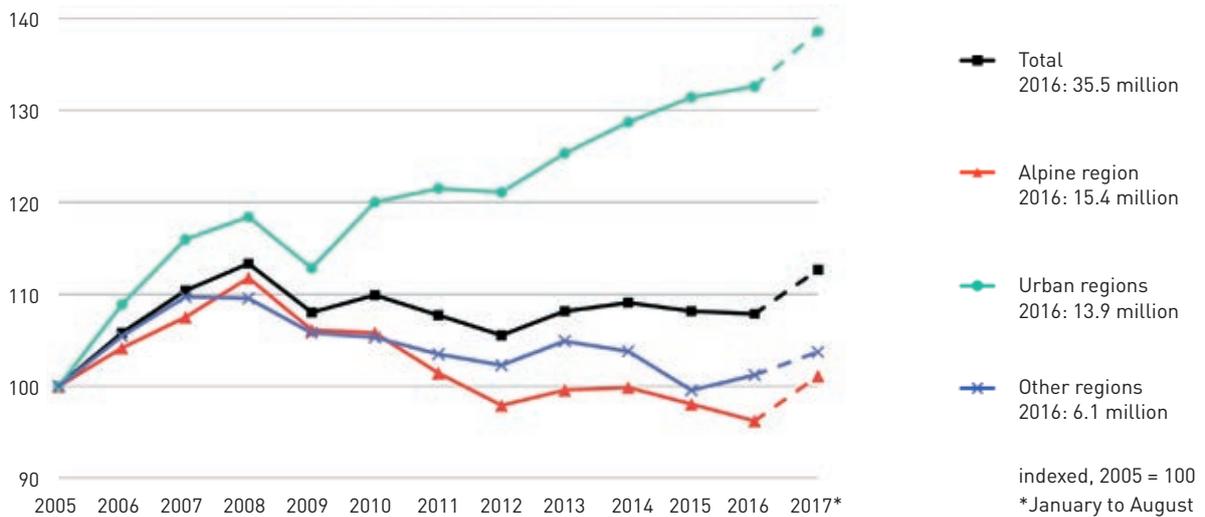
Source: Eurostat, SNB, own calculations.

Not all Swiss destinations are equally affected by weak demand. While city destinations continuously developed demand, Alpine tourism experienced particularly significant decreases. The number of overnight stays fell by 15 per cent between 2008 and 2016. The trend has improved lately: from January to August 2017, the number of overnight stays in hotels increased significantly in all regions.

The number of ski days⁷, another key indicator, also showed a considerable drop. They fell by 24 per cent between the winter season 2004/2005 to the winter season 2015/2016. In contrast, cities in particular benefitted from growth markets further afield, as well as from the global trend towards city breaks. In addition, cities naturally attract more business visitors. In 2016, urban regions recorded 13.9 million overnight stays in hotels, almost as many as the Alpine region (15.4 million).

⁷ Initial entry, which is generated when a guest walks through a turnstile for the first time in one day.

Figure 4: Development of the number of overnight stays in hotels in the tourist regions



Source: FSO.

It should be noted that there are also successful destinations in the Alpine region. These variations in the level of demand across the Alpine region and the reasons for this were analysed in a SECO study.⁸ The study concluded that successful destinations experienced stronger growth in the Swiss market, and significantly less decline in demand from Western European guests than the average destination. They also have a strong presence in growth markets further afield. This indicates that attractive offerings and good quality are crucial factors for success. The study further shows that the size of the destinations is an important success factor. In major destinations (> 200,000 overnight stays in hotels) in the Swiss Alpine region, overnight stays increased by 1 per cent between 2005 and 2015, whereas smaller destinations (> 75,000 overnight stays in hotels) recorded a decrease of 17 per cent.

While demand has been recovering this year, and this trend is expected to continue in the coming years, the situation remains challenging. It will take time to make up for a fall in demand amounting to double-digit figures in some locations, and improve the margins.

The long-term outlook for Swiss tourism is healthy. This optimism is based on the evident strengths of Switzerland as a tourist destination and, in particular, the forecast of the World Tourism Organization UNWTO that the number of international arrivals will increase from 1.2 billion to 1.8 billion worldwide by 2030. This dynamic growth will also benefit the Swiss tourism industry.

⁸ BAKBASEL (2017).

INTERNATIONAL COMPARISON

TOURISM POLICIES AROUND THE WORLD

Tourism is of strategic importance to the economic development of many countries. As a result, the World Tourism Organization UNWTO has 156 member states. As a member of the UNWTO, Switzerland uses this platform for exchanging information and experiences on tourism policy. Switzerland is also a member of the tourism committee of the OECD. This body provides Switzerland with an important multi-lateral platform improvements to general conditions in the tourism industry and the promotion of tourism development are analysed in detail and discussed. Important conclusions can be drawn from these discussions to help develop Swiss tourism policy. Regular exchanges on matters relating to tourism policies with our neighbouring countries are also helpful in this respect.

International comparisons are important for status assessments, and provide valuable insights which can feed into developing Swiss tourism policy. However, international comparisons are highly complex and must always take the country-specific con-

text into account. The Federal Council will consider the tourism policies of our neighbouring countries in-depth in response to Postulate 17.3429 "Tourismusförderung Schweiz/touristische Infrastruktur. Ein Vergleich mit den direkten Konkurrenten" (Promoting Swiss tourism / tourism infrastructure. A comparison with the direct competition) of 13 June 2017.

International comparison shows that all aspects of tourism policy have a strong cross-sectional focus. Coordination between various political areas at national level is extremely important. Coordination between various state levels is always relevant, whereby its significance strongly depends on the organisational structures of the – central or federal – state levels. The performance of cross-sectional tasks is a crucial success factor, which the OECD refers to as the "whole of government approach".

As a general rule, the higher the share tourism contributes to a country's GDP, the greater the institutionalisation of the cross-sectional tasks relating to tourism policy. Portugal, for example, a country where the direct share of tourism as a proportion



of GDP amounts to around 9 per cent, has a tourism cabinet consisting of several ministers who meet regularly under the chairmanship of the tourism minister to coordinate cross-sectional issues crucial to tourism, such as infrastructure planning and investment.

What is noticeable in international comparison is that a strategic basis for tourism policy generally exists at national level. This usually consists of an implicitly or explicitly worded vision, objectives and implementation measures with varying structures. It is apparent that new strategy approaches generally cover a shorter period of time and/or application horizon, and that they are worded in a more flexible manner than older strategy approaches.

It is also clear from international comparison that general regulatory conditions are a key issue for tourism everywhere. This is due to the fact that the development of tourism is influenced by a multitude of regulatory provisions. One of the current global regulation issues is the use of online booking platforms. This indicates that tourism is also a sector with strong local and/or regional organisation and regulation all over the world. At present, the current issue of what regulatory approach to take in respect of Airbnb, for instance, is primarily handled at local and regional levels, rather than at a national level.

The promotion of tourism is a core element of national tourism policies, whereby tourism marketing is usually classed as particularly important. It is also apparent that tourism offerings and demand are usually promoted in separate support programmes. Support in almost all countries focuses heavily on

digitalisation. Entrepreneurship is also regularly regarded as a support objective and/or topic.

TOURISM POLICIES IN NEIGHBOURING COUNTRIES

The following important characteristics can be noted when assessing the tourism policies of our neighbouring countries, Germany, Austria, France and Italy in greater detail: Tourism is of considerable economic importance in all four of Switzerland's neighbouring countries. In 2014, the value created by tourism amounted to between 4.4 per cent of GDP in Germany and 7 per cent in France.⁹

The four neighbouring countries have administration units which are responsible for executing the tourism policy at national level. In Germany, tourism policy falls within the scope of responsibility of the Federal Ministry for Economic Affairs and Energy (BMWi), and in Austria it is managed by the Federal Ministry of Science, Research and Economy (BWFw). In France, the national tourism policy is executed jointly by the Ministry for the Economy and Finance (MINEFE) and the Ministry for Europe and Foreign Affairs (MEAE). In Italy, the national tourism policy is the responsibility of the Ministry of Cultural Heritage and Activities and Tourism (MiBACT). In Austria, France, and Italy, national tourism policies have a strategic basis. In Germany, the national tourism policy is based on tourism policy directives.¹⁰

The objectives of the tourism policies of the four neighbouring countries have several aspects in common. All four neighbouring countries aim to improve the quality and attractiveness of the tourism product portfolio. Other key objectives include improving the framework conditions for the tourism industry, coordination of tourism policy, and cooperation in relation to these policies. France is the only country that does not explicitly state these objectives. Other objectives pursued by several of the neighbouring countries include improving vocational training and employee qualifications in the tourism industry (Germany and France), promoting innovation in tourism (Austria and Italy), and enabling all sections of society to access holidays (Germany and France).

Tourism marketing plays a central role in all four neighbouring countries with regard to the promotion of tourism. All of the countries have a national tourism marketing organisation which receives financial support from the government. In Germany, tourism marketing is the responsibility of the



⁹ OECD (2016).

¹⁰ BMWi (2017), BMWFJ (2010), République Française (2014) and MiBACT (2017).

German National Tourist Board (GNTB), in Austria Österreich Werbung (Austria Advertising), in France Atout France, and in Italy Agenzia Nazionale del Turismo.

Switzerland Tourism's budget was slightly higher than that of Atout France in recent years. The German National Tourist Board, the Austrian Österreich Werbung and the Italian Agenzia Nazionale del Turismo have considerably lower budgets than Switzerland Tourism. When comparing budgets, the difference in tasks allocated to the national tourism organisations must be taken into account. The challenging framework conditions for the Swiss tourism industry also require targeted marketing that meets customer requirements, which incurs comparatively high costs.

The funding instruments for improving tourism offerings are also important, where special mention should be given to the Austrian hotel and tourism bank (ÖHT). The ÖHT supports the development of the hotel industry with loans, non-repayable contributions, and guarantees. There are important differences between these services and the support provided to the accommodation industry by SGH. In addition to the broader spectrum of funding instruments, it is particularly relevant that the ÖHT is a private company (GmbH) controlled by private banks. SGH is a public cooperative and acts exclusively on a subsidiary basis. In addition, the Austrian government assumes liability for any non-performing loans issued by the ÖHT. In contrast, SGH is self-sufficient and has to bear any losses without third-party assistance.

The promotion of innovation is also relevant. It usually relates to specific projects and includes consultancy services, assumption of liability, and financial support for start-ups. As in Switzerland, the surrounding countries also tend to issue funding in the form of one-off start-up finance. There is also a trend to shift the funding focus away from individual enterprises and towards cooperatives and destinations.

Country-specific funding instruments are also used, such as holiday vouchers in France. The idea of holiday vouchers is to provide young adults, disabled and elderly people, as well as families with access to holidays. As our neighbouring countries are members of the EU, they also benefit from the EU structural fund, which has a tourism budget. It should further be noted that tourism in the four neighbouring countries is supported by additional funding policies, such as regional policies or specific regulations such as reduced VAT rates.

An international comparison of tourism policies indicates that Swiss tourism policy, based on the new tourism strategy, generally has a solid foundation.

CONCLUSION

An international comparison of tourism policies indicates that Swiss tourism policy, based on the new tourism strategy, generally has a solid foundation. Switzerland's tourism policy has a clear strategic focus with sufficient operational and flexible arrangements to allow for quick adjustment to changing framework conditions as and when required.

The priorities of Switzerland's new tourism policy, which has a clear focus on improving framework conditions and promoting entrepreneurship, are mirrored in the international comparison. At the same time Switzerland's tourism policy has access to modern funding instruments, and its funding is well positioned when compared to other countries.

TRENDS, SWOT ANALYSIS AND CHALLENGES

TRENDS

As a cross-sectional sector, tourism is affected by numerous (mega) trends. Tourism is one of the fastest growing industries worldwide. Globalisation, together with increasing mobility, and rising global prosperity, are factors that lead to greater numbers of travellers and tourism-related spending. However, they also increase competitive pressures, pressure on natural resources and infrastructure requirements. Safety concerns have an impact on global guest flows too. In addition, demand is primarily influenced by mega trends such as individualisation, urbanisation, demography and increasing environmental awareness. Technological change – especially digitalisation – impacts on consumer behaviour, increases competitive pressure due to lower barriers to market entry and expansion, and facilitates new products and services, as well as new business models and more cost-effective process design.

SWOT ANALYSIS

The following SWOT analysis shows the strengths, weaknesses, opportunities and risks of the Swiss tourism industry. The strengths and weaknesses are identified from the perspective of tourism offerings, and with regard to the applicable framework conditions. Relevant changes to the framework conditions applicable to the Swiss tourism industry are taking into account in identifying opportunities and risks.



STRENGTHS

A great density of **attractions** forms the foundation of Swiss tourism. In particular, this includes **attractive landscapes** and **historical cities**.

Diversity of attractions includes a high density of sights within easy reach, events, different cultures and living traditions.

Swiss tourism has a high **standard of quality**, largely attributable to the excellent education system with a broad range of vocational training programmes in hospitality and tourism.

Switzerland's **high-quality infrastructure**, such as highly developed transport infrastructure that ensure outstanding access.

Switzerland enjoys a **positive image** around the world thanks to the safety, reliability and stability of its institutional and political structures.

WEAKNESSES

Switzerland has **significant disadvantages in terms of costs**. In 2014, gross labour costs were 75 per cent higher in Switzerland than in neighbouring countries, and advance performance costs were 32 per cent higher.¹¹

Small business structures in the Alpine region prevent economies of scale. Small businesses often have insufficient knowledge in company management and professionalisation.

Destination structures in the Alpine region are **geographically fragmented**. They have little capacity to adjust to market conditions and the effectiveness of small tourism organisations is insufficient.

Significant **seasonality** and **occupancy fluctuations** in the Alpine region impair efficient capacity utilisation and reduce profitability.

The tourism **labour market lacks appeal** due to low wages and unfavourable working conditions.

OPPORTUNITIES

Digitalisation provides a great range of opportunities which help to overcome the weaknesses of the Swiss tourism industry, e.g. through cost optimisation and increased efficiency or new forms of cooperation and coordination.

The number of travellers and their budget is increasing with the **global rise in prosperity**.

New markets, products and niche strategies are created by the **changing behaviour and requirements** of the guests (such as health tourism).

Climate change is increasing the **attractiveness of summer tourism** due to people seeking cool mountain summers and bathing in lake regions.

Structural change promotes productivity and attractiveness.

RISKS

There is a risk of **accelerated structural change**.

Increasing **regulation**.

Capital intensity and a weak income situation slow down **renewal and investment activities**.

Lack of management staff and qualified employees reduces development potential in tourist regions.

Due to globalisation, tourism is becoming a supplier of **exchangeable standard products** with low margins.

Safety concerns and restrictive visa policies implemented in response to terrorism and tension surrounding migration policies reduce growth in the tourism industry.

Winter tourism suffering from **diminishing demand for snow sports**, and increasingly unreliable snow conditions due to climate change.

¹¹ BAKBASEL (2016).

CHALLENGES

Based on the preceding situation analysis – in particular, the SWOT analysis – five key challenges for the Swiss tourism industry are defined below.

Digitalisation: Digitalisation facilitates new tourism products, processes and business models, but also leads to competitive situations and customer demands. Development is primarily driven by the standards set by global digital players. Their business models are often based on global network logic. The rise of global platforms and the sharing economy change the value added chain, and provide potential for new business models. On the other hand, there is the risk of becoming dependent, and being reduced to a supplier of exchangeable standard products with low margins. In the globalised tourism industry, the smart use of existing technologies – from internal processes through marketing to direct customer support – is becoming an increasingly important competitive factor. In particular, the great range of options for creating more efficient business processes provides opportunities for lowering costs and increasing productivity. Due to the increasing complexity of the digitalisation process and small structures of the Swiss tourism industry, many tourism service providers will find it challenging to keep up with technological changes. The Swiss tourism industry must increase its innovative strength and efficiency to ensure it remains competitive. In addition to innovations within individual enterprises, (new types of) cooperative approaches at regional and national level are gaining importance in this context.

Travel behaviour: Increasing global mobility and wealth are providing the Swiss tourism industry with additional markets that have significant development potential. However, as these guests have specific requirements and objectives, this development comes with major challenges for Switzerland as a tourist destination. In particular, the strong focus of demand on individual destinations, as well as habits based on cultural aspects and behavioural patterns should be noted. In addition, trends – such as individualisation and the associated demand for unique, personalised experiences away from mass tourism, demographic change which strengthens new forms of tourism, such as health tourism, the further increase in the number of short breaks and the young generation of “digital natives” – have an impact on travel behaviour. Guests’ growing travel experience increases their competences and therefore also their demands. Demands placed on the quality of products are rising overall. Due to increasing mobility and wealth, the Swiss tourism industry faces new competition for tourism demand flows, including in the Swiss market. Factors such as visa regulations and safety concerns also have an impact on travel behaviour. Fear of terrorism, for example, significantly slowed down demand among Chinese guests in 2016. As a result of increasing differentiation, the portfolio of tourism offerings requires continuous alignment with changing travel behaviour. Providers can only meet these higher and more differentiated expectations by specialising, innovating and optimising the cost/benefit ratio.

Climate change: Climate models indicate that the temperature rise in the Alpine region will be higher than the global average. This presents Swiss tourism with a gradual challenge that involves risks, as well as opportunities. The obvious risk is the impending loss of attractiveness for winter tourism. Climate change also leads to changes in the landscape and increases natural hazards. The main opportunities for the Swiss tourism industry lie in summer tourism. Mountain summers can position themselves as an alternative to the Mediterranean regions. The lake regions should gain in attractiveness, as they will become more like the Mediterranean. Many ski regions in the Swiss Alps have an advantage because they are located at higher altitudes than ski resorts in neighbouring countries, and enjoy more reliable snow conditions. However, increasingly unreliable snow conditions pose considerable challenges for lower-altitude ski regions. Tourism must actively

The rise of global platforms and the sharing economy change the value added chain, and provide potential for new business models.

participate in adjustment and preventive measures when it comes to climate change. Sustainable solutions for mobility (arrival and departure of guests), buildings and energy and resource consumption are also necessary. Tourism must develop sustainability concepts while diversifying its portfolio of offerings and lowering risks.

Productivity: Cost disadvantages and weak income situation: The Swiss tourism industry suffers from weak productivity. Significant competitive disadvantages¹² caused by higher price and cost levels than in other countries have contributed to this for a long time. The disadvantageous competitive position in terms of pricing is primarily caused by the traditionally strong Swiss franc, as well as considerably higher labour and advance performance costs compared to other countries. A trend towards small business sizes and small-structured business models in the Swiss Alpine region also generally contributes to the weak income situation. Large businesses find it easier to utilise their capacities. They benefit from economies of scale and often have greater business acumen. Due to the weak income situation, capital costs in tourism can often not be fully recovered. This complicates making the necessary investment in infrastructure, as well as finding successors or leaving the industry, and this inhibits potential structural change. Despite tangible efforts to improve the situation, the Swiss tourism industry is expected to deal with cost disadvantages in the future. As a result, the focus on cost efficiency, cooperation, high quality and increased productivity is even stronger. Efforts to improve the framework conditions also have to be intensified.

Human Capital: The tourism labour market is not very attractive due to low wages, irregular working hours, seasonality and high job insecurity. There is an apparent trend for well-trained qualified and executive employees to transfer to other industries with more attractive working conditions. Many industries increased their labour productivity, and therefore their wages, in recent decades through the increased use of capital. This potential to use labour more efficiently thanks to the increased use of capital was not available to, or remained unutilised by, the tourism industry. Digitalisation provides tourism with new opportunities for optimising the use of capital and labour, to increase efficiency and innovative strength, and to improve the attractiveness in the labour market. However, it also requires new investments in human capital. The lack of qualified and management employees in tourism must be counteracted by implementing measures such as the further development of the already excellent education system with a broad range of vocational training and development in hospitality and tourism, as well as other industries.



¹² In the Travel and Tourism Competitiveness Index 2017, Switzerland once again came last in terms of competitive pricing; comp. WEF (2017).



CHAPTER 4

VISION AND CONCEPT

The Confederation's tourism policy is based on the following **vision**:

“The tourism industry is internationally competitive and Switzerland is an attractive and productive tourist destination.”

The vision provides a general framework for the Confederation's tourism policy, and describes the intended state of Swiss tourism. It focuses on the tourist industry, in other words the tourism businesses. The tourism industry is the central pillar of Swiss tourism. It sells products and services, creates jobs and generates added value.

The export character of Swiss tourism is one of its key features. When measured in terms of hotel overnight stays, more than every second Swiss franc is generated abroad. As a result, maintaining international competitiveness is crucial for the success of Swiss tourism. International competitiveness, in turn, requires highly attractive qualities of Switzerland in terms of tourism and the portfolio of tourism offerings, including a first-class market presence. Finally, the tourist destination should also be productive, i.e. it must generate income and be able to develop further. This closes the cycle between the tourism industry and tourism businesses.

Based on the vision and derived from the challenges, strengths, weaknesses, opportunities and risks of the Swiss tourism industry, the tourism strategy specifies the **objectives** of the Confederation's tourism policy. In particular, it aims to overcome the challenges presented to tourism in Alpine and rural regions based on the Confederation's policy for these regions.¹³

1. Improving framework conditions: Framework conditions are a crucial factor for successful tourism. The Confederation's tourism policy aims to improve the framework conditions for tourism, also encompassing the scenic and architectural qualities of Switzerland as a tourist destination. Prioritisation is geared towards improving the way in which the

federal government's tourism policy is coordinated and exploiting synergies. Regulations should be streamlined wherever possible and processes and procedures at federal level should be simplified while taking into consideration the objectives of relevant sectoral policies. This should enable businesses in the tourism sector to broaden their entrepreneurial scope and bring down their costs.

2. Promoting entrepreneurship: The success of the Swiss tourism industry entirely depends on innovative enterprises, and entrepreneurs willing to take risks. The federal government's tourism policy places great importance on promoting entrepreneurship. The focus is on increasing productivity, boosting the skills and competencies of all players, supporting structural change and strengthening the tourism labour market.

3. Exploiting the opportunities offered by the digital economy: Digitalisation radically changes the situation for the Swiss tourism industry. It creates major challenges for the industry, but also provides huge opportunities. The Confederation's tourism policy places great importance on digitalisation. The plan is to increase the support provided to the tourism industry in the digital transformation of its business models and processes and the cultivation of the tourism market.

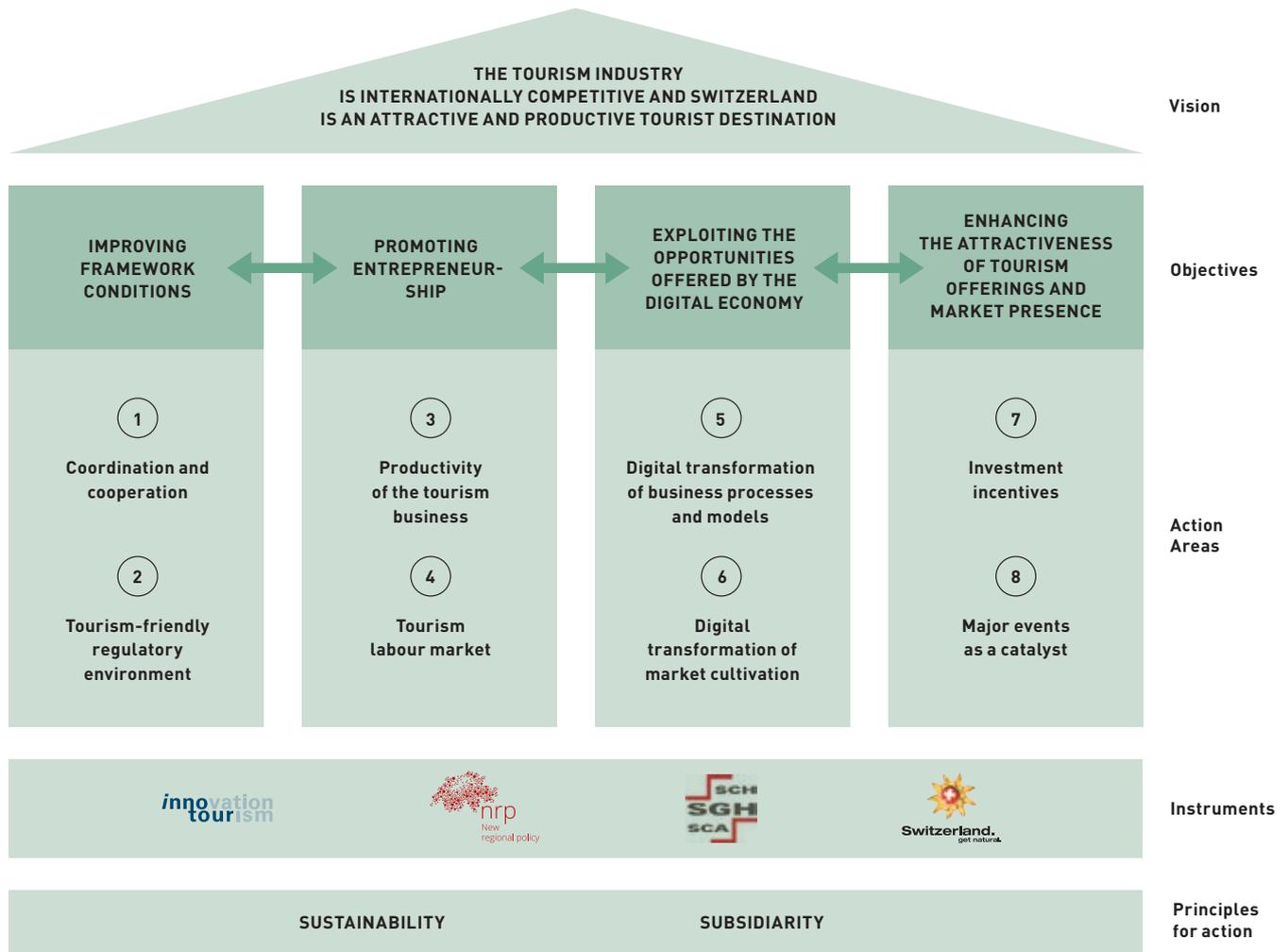
4. Enhancing attractiveness of tourism offerings and market presence: Increasing the attractiveness of the portfolio of tourism offerings and the market presence of Switzerland as a tourist destination are core tasks of the Confederation's tourism policy. By pooling the two action areas in terms of offer and demand in one objective, their interrelationship is reflected more strongly. The focus is on the development of investment incentives, and the exploitation of the momentum provided by major events – e.g. Winter Olympics, other major sporting events, and high-profile exhibitions, such as the Swiss or World Expo – being hosted in Switzerland.

¹³ Federal Council (2015).

Action areas are allocated to the objectives of the Confederation's tourism policy. They prioritise which issues should be dealt with in the coming years. One or two **action items** per action area are identified for the implementation of the tourism policy. They are implemented by SECO and with the help of **tourism funding instruments**. Sustainability and subsidiarity

are the two guiding **principles for action** of the Confederation's tourism policy. The following illustration provides an overview of the key elements of the Confederation's tourism policy.

Figure 5: Overview of the key elements of the Confederation's tourism policy



Source: Own illustration.

The objectives of the Confederation's tourism policy, the action areas and their action items, the funding instruments, as well as principles for action are described in detail in the following chapters.

This tourism strategy implements major innovations in the Confederation's tourism policy:

Prioritisation: The new tourism strategy is based on a consistent prioritisation process, and therefore consciously forgoes listing all of the Confederation's tourism policy-related activities. Particular emphasis is placed on the policy's cross-sectional nature, while coordination both within the federal government and between the different levels of the state also plays an extremely important part.

Focus on the use of funds: The strategy aims to employ available funds in a more targeted manner while striving to offer close support of the projects if and when possible and useful. Integrated solutions for the exploitation of synergy potentials and cooperation options will be promoted. The supporting activities focus on increasing productivity and entrepreneurship. Coordination between the various funding instruments will be optimised to exploit synergies and prevent the duplication of efforts.

Digitalisation across all sectors: The Confederation's tourism policy helps to make the most of the opportunities offered by the digital economy. Its priority is to promote the digital transformation of business processes, business models and market cultivation.

Focus on implementation: The new tourism strategy focuses on operations, is flexible and contains specific implementation activities. This makes it possible to quickly adjust tourism policy to changing requirements and market conditions when necessary.

Parliament resolved to make funds amounting to CHF 230 million available for Switzerland Tourism to implement the Confederation's tourism policy for the period 2016–2019. CHF 30 million has been set aside for Innotour for the period 2016–2019, of which CHF 10 million is earmarked for a tourism stimulus programme. Meanwhile, the additional CHF 100 million loan granted to the Swiss Society for Hotel Credit (SGH) was extended until the end of 2019. Regional development fund deposits of CHF 230 million were also resolved for the period 2016–2023. An additional CHF 200 million is available from the regional development fund for the period 2016–2019 under the aforementioned tourism stimulus programme, whereof CHF 150 million are repayable loans and CHF 50 million non-repayable contributions.

The implementation of the Confederation's new tourism strategy sets new priorities. Implementation of these areas of focus will be achieved by prioritising the measures and/or by discontinuing some of the existing measures, as well as by concentrating the existing funds. Application is made for the funds used for promoting tourism through the Federal Council Dispatch on promoting Switzerland as a location for business for a period of four years at a time. Parliament will request the funds for 2020 to 2023 in 2019 through the Federal Council Dispatch on promoting Switzerland as a location for business.

The implementation and impact of the new tourism strategy must be reviewed on a regular basis. According to plan, the Federal Department of Economic Affairs, Education and Research (EAER) should provide the Federal Council with an initial report on the implementation of the tourism strategy in 2021. This report will focus on the activities for improving the framework conditions. The existing advisory group is to oversee the implementation of the new tourism strategy (comp. Chapter 2).



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OBJECTIVES, ACTION AREAS AND ACTION ITEMS

The objectives and action areas, and therefore the priorities, of the Confederation's tourism policy are described below. Eight action areas have been determined in total. They are allocated to the four objectives. One or two action items are described for each action area. The implementation of these action items is a priority under the Confederation's tourism policy.

The objectives are interrelated. The improvement of the framework conditions, for instance,

aims to provide tourism businesses with a competitive edge and thereby contributes to promoting entrepreneurship. Furthermore, digitalisation is an interdisciplinary topic relevant to all objectives. The action areas are also interlinked. The development of investment incentives, for instance, helps to improve the productivity of tourism businesses. The interrelations between the objectives and action areas are taken into consideration in the implementation of the tourism policy.

CHAPTER 5.1

IMPROVING FRAMEWORK CONDITIONS

By improving the framework conditions, the Confederation's tourism policy aims to maintain and enhance the competitiveness of tourism businesses, and strengthen key elements of Swiss tourism assets. Without distorting market forces and through cautious intervention in individual enterprises, the policy aims to provide tourism businesses with an optimal economic environment with high-quality product options, and create key values for tourism. After all, tourism businesses create jobs and added value, and Switzerland provides attractive cities and cultural landscapes, which form the basis for the success of Switzerland as a tourist destination.

Improving the framework conditions involves a number of tasks under the tourism policy, as well as other sectoral policies of the Confederation. These include strategic issue management, the implementation of cross-sectional measures, as well as the revision of regulations and administrative and regulatory easements.

Strategic issue management primarily serves to recognise and address topics relevant to tourism policy at an early stage. The Confederation aims to help tourism actors with their further strategic development. Bases for the tourism policy are developed within the scope of strategic issue management, which also involves processing knowledge

and contributing to the development of tourism statistics. The diffusion of knowledge is also important. This is ensured through various channels, such as the Tourism Newsletter and the SECO website. Another strategic issue management core task is cooperation with industry associations and cantonal tourism offices. The Tourism Forum Switzerland TFS is also used as a platform for exchanging knowledge and information on strategic issues relating to tourism policy. International cooperation is another key element of strategic issue management. In this context, the Confederation's tourism policy concentrates on multilateral cooperation with a focus on the UNWTO and the tourism committee of the OECD.

Tourism is a highly cross-sectional industry. The development and success of tourism businesses are influenced by a number of political areas. The Confederation's tourism policy therefore aims to continuously improve coordination and cooperation between relevant actors and funding instruments. To improve coordination and cooperation with other federal policies, structured cooperation with a number of federal agencies has been established in recent years, e.g. with the Federal Office for Spatial Development (ARE) and the Federal Office for the Environment (FOEN). Structured cooperation has also been developed between the federal govern-



ment's location promotion activities and the Federal Office of Culture FOC, which deals with the general use of cultural services by tourism. This has heightened mutual understanding of objectives and possible actions.

The review of the strategic bases of the Confederation's tourism policy showed that coordination must be optimised. For this reason and to develop the Confederation's tourism policy further, coordination and cooperation are increased (comp. Action Area 1). Another need for action was identified in the regulatory environment (comp. Action Area 2).

ACTION AREA 1: COORDINATION AND COOPERATION

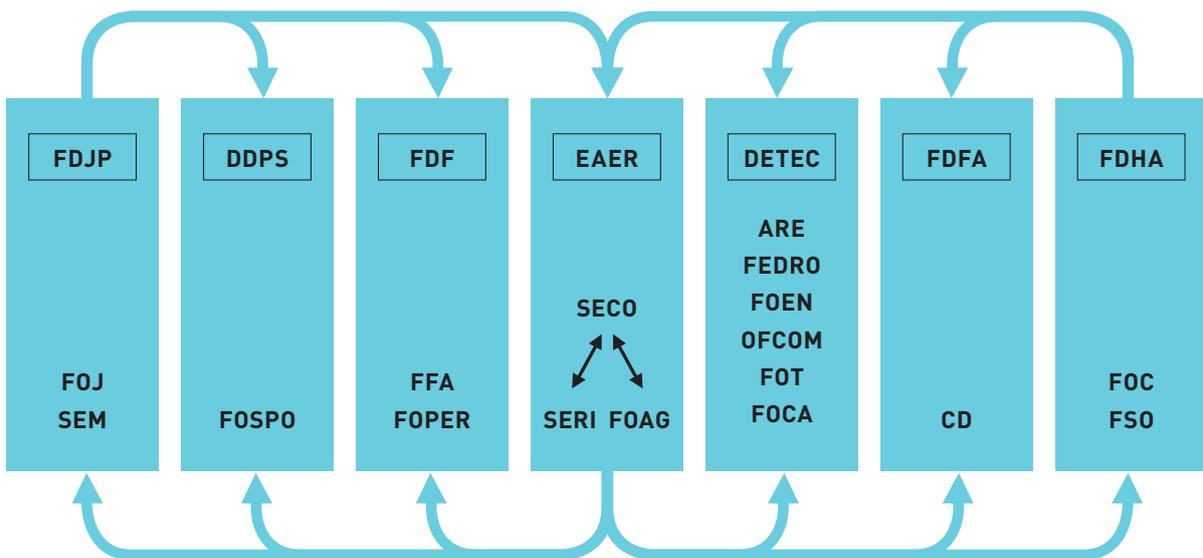
The new tourism strategy increases coordination of the Confederation's tourism policy.¹⁴ It primarily aims to improve cooperation and exploit synergies. At the same time, the process support provided by SECO is stepped up.

A key element is the performance of cross-sectional tasks across several offices and departments. Different federal agencies are responsible for executing the sectoral policies relevant to tourism. SECO cooperates closely with these federal agencies and contributes its know-how on tourism policy to deal with matters relating to tourism. Fig. 6 provides an overview of the federal agencies particularly relevant to tourism, which are crucial to the performance of cross-sectional tasks across several offices and departments.

Switzerland's appeal as a tourist destination is primarily based on the high quality of its scenery and architecture: Intact natural and cultural environments, historical cities and townscapes, outstanding sites and museums, pronounced cultural diversity with regards to living traditions and contemporary work are an important foundation for the Swiss tourism industry, and should be classed as material framework conditions for the same. These foundations must be maintained and strengthened in the long term. This is a complex and challenging task which requires outstanding coordination and cooperation between the tourism policy and other sectoral policies.

This is why SECO works together with the relevant FDHA and DETEC agencies to realise coordination and cooperation of action items geared towards maintenance and strengthening of the scenic and architectural qualities of Switzerland as a tourist destination. This is intended to complement the commitment of the Confederation to coherent spatial development as part of the planned development of the Tourism Forum Switzerland into a dialogue and coordination platform (comp. Action Item 1.1).

Figure 6: SECO's relationships with federal agencies that are highly relevant to tourism policy



Source: Own illustration.

¹⁴ This aims to address the intentions behind the withdrawn Postulate Stöckli 16.4097 "Schweizer Tourismuspolitik: Verstärkte Koordination statt Gärtchendenken" (Swiss tourism policy: improved coordination instead of blinkered thinking).

It should be noted that the interfaces between tourism and spatial planning are of crucial importance. A spatial overview of tourism development is useful in various areas; in particular, to enhance the assessment of tourism infrastructures and projects, and recognise conflicts of interest at an

early stage. The recommendation “Das regionale touristische Gesamtkonzept” (The overall regional tourism concept) developed by ARE aimed at the federal agencies is a basis for the discussion of the above issues.¹⁵



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¹⁵ Federal Office for Spatial Development ARE (2016).

The following examples show the existing types of coordination and cooperation with other federal agencies:

- When developing the Second Homes Act under the leadership of ARE, the Confederation used the scope provided to take into account the justified concerns of the tourism industry. SECO ensured that tourism policy related concerns were heard.
- When founding the GoSnow association, SECO closely cooperated with the Federal Office of Sport (FOSPO), thus contributing greatly to the promotion of snow sports.
- SECO supports the Federal Statistical Office FSO in the development and publication of economic statistics under the Tourism Satellite Accounts (TSA).
- SECO closely cooperates with the Federal Office for Agriculture (FOAG); in particular, to exploit synergy and cooperation potentials and improve the framework conditions for agritourism.

Another key coordination element of the Confederation's tourism policy is the coordination and further development of the funding instruments; comp. Chapter 6.

It is also worth mentioning that SECO has been holding the Tourism Forum Switzerland (TFS) on an annual basis since 2012. This one-day event brings together for representatives from the industry, the cantons and the Federal Administration, and has established itself as a platform for discussing strategic matters relating to tourism policy. Bilateral annual talks are also held with the key industry associations and with the cantonal tourism offices.

The Confederation's tourism policy focuses on the following future action items to increase coordination.

ACTION ITEM 1.1

DEVELOPING TOURISM FORUM SWITZERLAND TFS INTO A DIALOGUE AND COORDINATION PLATFORM

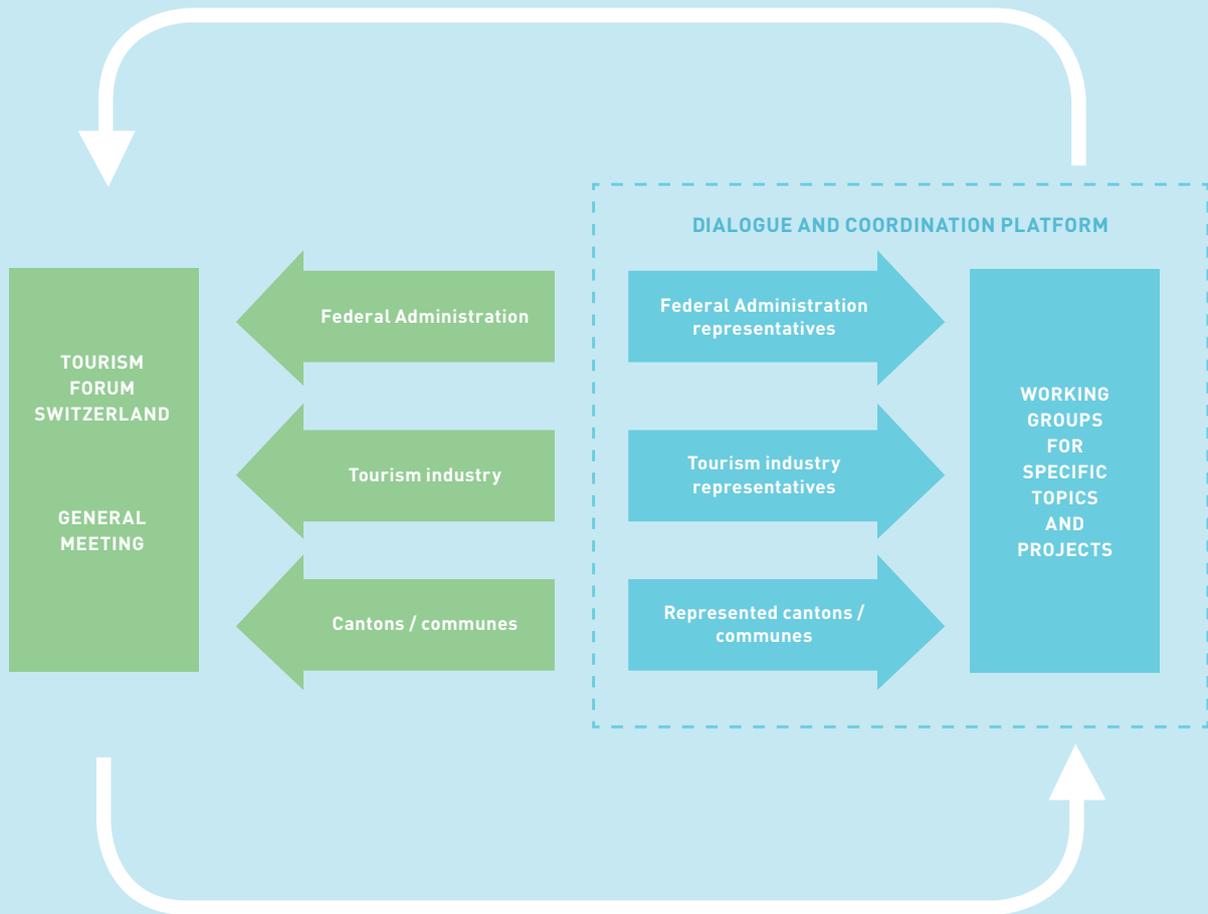
TFS, a one-day event, is being developed into a dialogue and coordination platform in the form of a round table. The aim is to create temporary, broadly diversified working groups consisting of representatives of the tourism industry, cantons, communes and the Federal Administration which meet for regular talks and invite experts in specific subject matters as required. The dialogue and coordination platform also aims to strengthen coordination at a political and strategic level.

The subject- and project-specific cooperation within the scope of a working group aims to identify challenges in a targeted manner, and develop possible actions and solutions if required. The idea is to also simplify methods and processes at Confederation level. The inclusion of the different actors in the dialogue and coordination platform also aims to reduce coordination expenses.

The aim is to work on one to two issues relating to methods or specific strategically important projects each year. The main TFS event provides information on the activities of the working groups.

Figure 7 provides a schematic overview over the dialogue and coordination platform and the connection with TFS.

Figure 7: Dialogue and coordination platform



Source: Own illustration.

SECO will involve selected actors to address the development of the TFS without delay. The activities relating to the dialogue and coordination platform will commence in 2018. Initial reports about this topic will be presented at the main TFS event in November 2018. Possible topics include maintaining and strengthening the qualities of the scenic and architectural qualities of Switzerland as a tourist destination, the regulatory environment for

spatial planning, the high concentration of tourists in specific locations (“over-tourism”), the effects of climate change, the specific challenges of Alpine tourism (in particular, seasonality of demand) and the digital transformation.

Based on the experiences gained during a pilot phase of around two to three years, decisions will be made on continuation and possible further development of the actions.

ACTION AREA 2: TOURISM-FRIENDLY REGULATORY ENVIRONMENT

The Confederation's tourism policy aims to create a tourism-friendly regulatory environment. By revising regulations and easing the administrative and regulatory burden for tourism businesses, the entrepreneurial scope is increased while the cost of regulation is reduced. This is an important contribution towards improving the framework conditions.

Easing the administrative and regulatory burden is also one of the priorities of the federal government's location promotion. Within the scope of four-year programmes, the options for easing the administrative burden for businesses are identified and implemented. The Federal Council resolved a total of 31 measures and eight audit engagements for the period 2016–2019. Around half of the measures and three quarters of the audit engagements were implemented after one year, by the end of 2016. For one third of the measures, implementation is in progress and on schedule.¹⁶

The action item of establishing up a dialogue forum for reviewing priority actions and arrangements for the implementation thereof in relation to the planning and approval procedures for tourism infrastructure projects with special focus on mountain transport installations has been implemented in the context of the tourism industry. Three working groups were employed under the management of the Federal Office of Transport (FOT) as part of the dialogue forum. The working groups included representatives of the tourism-focused cantons, cable car associations and/or companies and oth-

er affected federal agencies. The working groups defined 36 action items for which implementation started in 2017. These action items include the launch of electronic tools and methods, and extended preliminary reviews of construction documentation by the FOT. This allows transport operators to be made aware of potential problems at an early stage. An institutionalised exchange of experiences and training are also in the pipeline. Action items regarding the handling of various technical standards and/or their interpretation were also resolved. The roles of government agencies, transport operators and other actors, as well as procedural workflows were discussed.¹⁷

It should also be noted that SECO is conducting a review of federal legislation as requested by the Council of States Economic Affairs and Taxation Committee (Postulate 16.3625) in view of new forms of accommodation, such as Airbnb. The aim of the review is to identify potential simplifications of the regulations in the lodging industry at federal level, whereby it is considered important not to compromise new business models.

SECO will continue to campaign for tourism-friendly regulations while implementing the tourism strategy at federal level, e.g. as part of ongoing legislative processes or in the event of parliamentary motions. This also takes into consideration that natural and scenic assets are key resources for tourism which suffer from the typical problems encountered by public commodities. Relevant framework conditions are required to ensure that these resources remain accessible to tourism in the long term. The concerns of tourism are also represented in the internal federal coordination committees and platforms (e.g. ROK – Spatial Regulations Conference).

The following action item aims to create a tourism-friendly regulatory environment.

¹⁶ Federal Council (2017b).

¹⁷ Federal Council (2017b).

ACTION ITEM 2.1

INTENSIFYING THE REVIEWS OF EASEMENT MEASURES FOR REGULATIONS RELEVANT TO THE TOURISM POLICY

SECO continuously reviews the regulations relevant to tourism policy (existing and new legislation and its execution) and analyses their effect, i.e. costs and benefits. Easement measures are included in the periodic reporting to the Federal Council for administrative easement. The aim is to help increase the productivity of tourism businesses and lower costs incurred by tourism businesses; in particular, process costs.

Easement measures of regulations relevant to the tourism policy are reviewed within the scope of SECO's existing instruments for improving regulations. Increased internal cooperation with the Economic Policy Directorate (in particular, the regulation analysis and policy department) and the SME Forum intensifies the review of easement measures for regulations relevant to the tourism policy. The exchange in relation to the planned dialogue and coordination platform (see Action Item 1.1) further facilitates the early recognition of potential regulation barriers.



PROMOTING ENTREPRENEURSHIP

Entrepreneurial thinking and action are decisive factors for successful tourism. Meanwhile, entrepreneurship also presents Swiss tourism with one of its biggest challenges. The small business structure of the Swiss tourism industry poses a major challenge, as many small and medium-sized tourism enterprises lack the resources for drafting and implementing strategies, e.g. in relation to digitalisation. This has a long-term negative impact of profitability and narrows the scope for investment, and consequently marketability (see SWOT analysis).

In addition, low margins and low productivity push down wages, thus reducing the attractiveness of jobs in the tourism industry, and making it more difficult to recruit qualified employees and managers. Recruitment is further compromised by the implementation of the mass immigration initiative.

Furthermore, many well-qualified employees leave the tourism industry early due to a lack of career prospects. The brain drain is another problem in mountain regions. This term describes the emigration of young talent unable to find any economic perspectives locally, going elsewhere in pursuit of them. This poses a particularly serious challenge for succession planning in tourism businesses.

The Confederation's new tourism strategy focuses on promoting entrepreneurship. The promotion of entrepreneurship is understood as a comprehensive term, and also comprises the qualification of employees and executives. Implementation focuses on two action areas. Firstly, the aim is to contribute to increasing productivity (comp. Action Area 3). Then, the tourism labour market must be strengthened (comp. Action Area 4).



ACTION AREA 3: PRODUCTIVITY OF THE TOURISM BUSINESSES

High costs paired with the weak revenue situation are one of the greatest challenges for Swiss tourism (comp. Chapter 3.3). Achieving improvements in productivity in tourism businesses, i.e. lowering costs and/or increasing revenue, is therefore crucial and will be an explicit priority of the Confederation's tourism policy in the future. The activities have to be designed so as to support the required structural change.

Enabling the actors is key to improving the productivity of the tourism businesses. The following activities will be implemented in this context.

ACTION ITEM 3.1

INTENSIFYING START-UP SUPPORT AND COACHING

In the "Fast-growing start-ups in Switzerland" report, the Federal Council comes to the conclusion that the situation for start-ups in Switzerland is overall good to excellent.¹⁸

Due to the dynamic development of the environment, start-ups are also crucial to Swiss tourism. Start-ups contribute significantly to the development of the portfolio of tourism offerings, and therefore play a crucial role in ensuring the competitiveness of Switzerland as a tourist destination, and effecting the required structural change within the industry.

Innosuisse is currently responsible for start-up support at federal level. Specifically, Innosuisse supports science-based entrepreneurship, and the

formation and development of knowledge-based enterprises. The agency supports tomorrow's entrepreneurs with its training programmes. Innosuisse further supports innovative business ideas and provides young company founders with professional coaching. Such coaching is also offered by the Regional Innovation Systems RIS and financed via the New Regional Policy (NRP). These offerings by Innosuisse, and sometimes also RIS, are also available to tourism actors, which is unfortunately not widely known. The same applies to the applied research projects between universities and companies currently supported by Innosuisse.

The aim is to promote better awareness of the existing measures and instruments for start-up support and coaching in tourism to increase their utilisation by tourism businesses.

¹⁸ Federal Council (2017a).

ENHANCING STRATEGY CAPABILITY AND ORIENTATION

Strategic capability and orientation are key aspects of entrepreneurship. Strategic capability and orientation means implementing the right measures to generate value. The Confederation's tourism policy will increase its contribution to improving the strategic capability and orientation of tourism businesses and destinations in the future. Destinations play an important part, as their contribution is crucial to the design of the framework conditions at regional and local level, and therefore to the economic success of tourism businesses.

This action item primarily aims to ensure that the funding measures of the federal policies reach the tourism players and that the stimulus is received and realised. Practical knowledge must be developed and/or processed and made available to the actors. A cooperation with *regiosuisse* is being considered for this purpose. Individual funding instruments of the Confederation within the existing budget already provide financial incentives for initiatives to strengthen strategic capability and orien-

tation. Incentives primarily provide the advantage that projects are developed and implemented by the actors, thus ensuring active involvement. The existing funding instruments are periodically reviewed and optimised in relation to their incentive effect, efficiency and effectiveness.

These reviews can be based on insights gained during the activities in relation to regional development strategies and associated spatial aspects, which have recently been implemented as part of the policy for rural and mountain regions. This knowledge is crucial for tourism as it is an economic driver and key aspect in many rural and mountain regions.

Second home owners provide tourism in rural and mountain regions with potential for tapping entrepreneurial resources.¹⁹ Second home owners have great affinity for their second homes and should be increasingly acquired as investors and strategic idea generators. This potential should be exploited within the scope of projects, thus helping to strengthen players' strategic capability and orientation in tourist destinations and regions. *Innotour* is reviewing related questions of principle as part of the evaluation planned for 2018 (comp. Chapter 6.1).

ACTION AREA 4: TOURISM LABOUR MARKET

It is an undisputed fact that it is difficult to find, and importantly also retain, qualified employees. At the same time, qualifications, motivation and innovative power of employees are core elements of successful tourism. In particular, this applies in terms of topics such as hospitality and warm welcome or service quality. In addition, digitalisation is changing the very foundation of tourism. Future requirements in terms of the skills that employees will be expected to possess and in terms of training and development are not comparable with those of today. It is apparent that there is an increasing need for

digital skills (competent use of digital technologies) in almost all areas, as well as qualified employees trained in the field of information and communication technology (ICT).

In the report on the effects of digitalisation on employment and working conditions and opportunities and risks filed in response to Postulates 15.3854 Reynard and 17.3222 Derder, the Federal Council addresses specific topics in detail.²⁰ The analyses confirm that Switzerland's labour market policy with its great flexibility and targeted social security is highly successful. A strong social partnership forms an important basis for these favourable framework conditions. Switzerland is therefore well placed to take advantage of the opportunities offered by digitalisation. The analysis also indicated

¹⁹ Avenir Suisse (2017).

²⁰ Federal Council (2017c).

various challenges. Two sub-objectives are in focus within the context of structural change if the successful Swiss labour market wants to be secured in the future: education has to be focused on the digital economy, and the close coordination between labour market policy and social security has to be developed further. The relevant developments in the labour market must be monitored further and existing data gaps closed.

Further studies by SECO, and particularly the TFS 2016, have shown that Switzerland has the potential to develop the tourism labour market further. New approaches are required. In addition to digitalisation, these are primarily cooperation among employees, and management and corporate cultures. The existing measures for improving the tourism qualifications and labour market integration of legally recognised refugees and immigrants with temporary leave to remain must also be intensified. The findings support SECO's plans to focus its activities on the tourism labour market.

The employee sharing project "Summer by the lakes, winter in the snow" (Im Sommer am See, im Winter im Schnee) is a promising cooperation approach. On the Enjoy-summer-winter.ch online platform, renowned hotels and restaurants in summer and winter regions – primarily from the Cantons of Graubünden and Ticino – cooperate and provide jobs all year round between them. The idea is that businesses offer qualified seasonal employees jobs all year round, and retain them in the long term. This reduces restructuring costs for the businesses while making it more attractive to invest in employee training. The project therefore leads to a win-win situation for everyone from employers through employees to guests who get to enjoy better service quality, and the public sector (lower seasonal unemployment figures).

ACTION ITEM 4.1

EXPLOITING POTENTIALS FOR STRENGTHENING THE TOURISM LABOUR MARKET

The cantons and tourism associations play a key role in strengthening the tourism labour market. The industry association *hotelleriesuisse*, for example, is currently in the process of planning and launching a qualification campaign in the hotel industry. In this context, it is also important that employers, the affected industry associations and responsible cantonal agencies cooperate more closely to simplify access to the labour market for local employees, including legally recognised refugees and immigrants with temporary leave to remain in Switzerland.

The cooperation between all players is crucial. This is why SECO will be assuming a stronger coordination function. The main objective here is to also strengthen the cooperation with the State Secretariat for Education, Research and Innovation (SERI), the Confederation's competence centre for national and international matters of education, research and innovation policy.

The planned dialogue and coordination platform is an ideal tool for planned cooperation (see Action Item 1.1). Possible topics include the lack of qualified employees, succession planning, creation of all-year jobs, as well as vocational training and development.

EXPLOITING THE OPPORTUNITIES OFFERED BY THE DIGITAL ECONOMY

Driven by global digital players (Google, Apple, Facebook, Amazon, etc.), the value chain and consumer behaviour are changing fundamentally. This also radically changes the starting point for Swiss tourism. The efficient and effective use of existing technologies is becoming an increasingly important competitive factor. Digitalisation is a driver and enabler at the same time, and therefore provides great opportunities. For example, it facilitates new tourism products, services, business processes and models. One key aspect is that – in this day and age – everyone is able to interact with every other person in the virtual environment. Digitalisation requires a fundamental change in thinking and doing (“mind set”) and therefore presents the tourism industry with crucial challenges.

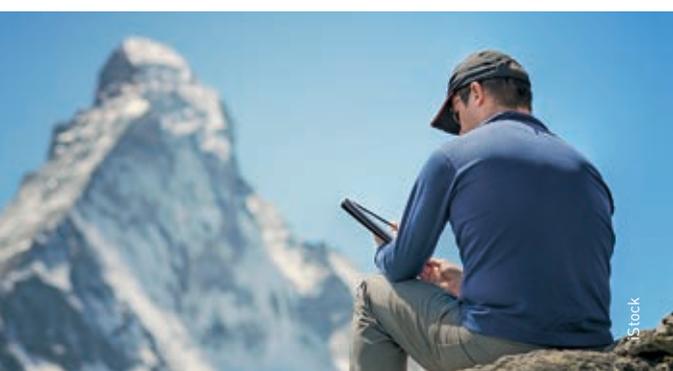
The global platforms and sharing economy are examples of the changes brought about by digitalisation. Within the space of just a few years, Booking.com and Airbnb, for example, have developed into powerful players which provide countless opportunities, but also present challenges. The business models of the digital platform economy are often driven by network logic, i.e. the combination of falling marginal costs for providers and increasing marginal utility/returns for customers result in a focus on few players (“the winner takes all”). Local, isolated solutions are therefore difficult to bring to success, unless they specialise and therefore can-

not be easily copied on a global scale. As a result, the need for regional and national cooperation is increasingly significant, turning into a critical success factor (comp. SWOT analysis).

Market cultivation and the conclusion of transactions are also increasingly penetrated by digitalisation. This particularly shows in the trend towards personalised marketing, such as social media and data-based advertising formats (including programmatic advertising). Selling and – in particular – pricing are also increasingly individualised. Data on the requirements and behavioural patterns of tourists will become an important commodity.

It can be assumed that the possibilities and the complexity of the digitalisation process will increase further in the future. In terms of the customer journey, progress is necessary; in particular, during customer stays in the tourism destinations (check-in and check-out processes, IT support during personal interaction, restaurant orders, etc.). Digitalisation prior to the stay (online presence, information and booking platforms, etc.) is far more advanced due to the global platforms. Due to the small business structure of Swiss tourism, many tourism service providers will find it challenging to keep up with technological changes (keyword: connectivity). In order to keep up in the international market, individual company-based innovations, as well as innovative and cooperative approaches at regional to national level are required.

Tourism businesses carry the main responsibility for digital transformation. The Confederation's new tourism strategy prioritises digitalisation, thus contributing towards improving the framework conditions. Implementation focuses on two action areas. Digital transformation must be strengthened and supported by business processes and models (comp. Action Area 5), and the digital transformation of the market cultivation process must also be supported (comp. Action Area 6).



ACTION AREA 5: DIGITAL TRANSFORMATION OF BUSINESS PROCESSES AND MODELS

In 2017, SECO launched a tourism digitalisation campaign. It aims to increase support for the required digital transformation of tourism business processes and models. The focus is on targeted project support and transfer of knowledge. Numerous digitalisation projects have been supported by Innotour and the NRP.

The Innotour project “Tourist Office 3.0” is one such example. It questions the form, content, function and task of the tourist office in the digital age. Based on a national analysis in cooperation with innovation partners and 19 destinations, the project assesses and documents the requirements of guests and service providers, and develops scenarios for the tourist office of the future.

With regard to the impact of digitalisation on tourism, there is a need for additional knowledge bases. In November 2017, SECO organised the TFS on the topic of digitalisation in tourism. In this context, a comprehensive baseline report on the digital tourism industry is being prepared, and published in the first quarter of 2018. Exchange of experience also plays a key role in addition to the preparation of studies. In October 2017, a special issue of the “Insight” Innotour newsletter was published on digitalisation in tourism. An online knowledge platform on digitalisation in tourism is also being developed on the SECO website.

Support for digital transformation in tourism in the form of project support and knowledge acquisition must be advanced. Findings from the projects are systematically processed and made available to a broad public. The focus is on the following activities:

ACTION ITEM 5.1

PROMOTING DIGITALISATION PROJECTS AND THE TRANSFER OF KNOWLEDGE

Digitalisation changes demand. It also provides numerous opportunities for creating more efficient business processes. The latter provides opportunities for decreasing costs and increasing productivity. New business models are also required for operating successfully in a digital world. Innotour supports specific projects to promote the digital transformation in the tourism industry. The NRP also strengthens the support for the digital transformation in the tourism industry.

It has been found, however, that experiences from projects and initiatives are often not adequately disseminated and therefore acted on with sufficient consistency. In this context, tourism policy needs to be more active in transferring important findings from example projects to the tourism industry. To strengthen the transfer of knowledge and exchange between projects, the previously launched action items will be continued, and the diffusion of knowledge increased by organising workshops.

DEVELOPING DATA AND STATISTICS

There is a multitude of data that is useful to tourism. However, it is stored in entirely different systems and can therefore not be easily accessed. Data and statistics processing and availability are prerequisites for exploiting the opportunities of digitalisation. Data can be used to help gain a better understanding of tourists, their motives and effective behaviour. Personalised data allows the portfolio of tourism offerings to be adjusted to customer-specific requirements, which improves the experience. In this context, the competences of structuring, processing, possibly integrating, and therefore effectively using data are becoming ever more important for tourism.

In addition to data and personal safety, the multitude and complexity of interfaces of the systems present a major challenge in terms of data integration. The small business structure of Swiss tourism and corresponding multitude of systems used make it almost impossible to create economies of scale for interfaces. Cooperative approaches are required.

The activities focus on reviewing the development of existing data and statistics (in particular, HESTA and PASTA). The exploitation and development of new data (e.g. on guest behaviour) will also be reviewed in coordination with agencies, such as the Federal Office of Communications OFCOM. These activities focus on the cost/benefit ratio of new data.

Digression: As defined in the “early adopter” strategy in the field of “big data”, Switzerland Tourism is currently developing a project for analysing the three existing data sources MySwitzerland.com, Tourism Monitor Switzerland and HESTA. Additional sources, such as social media engagement, newsletter statistics, media and marketing reports, as well as booking data, will be added at a later point. The data is aggregated in a data warehouse, processed to be comparable, correlated and visualised. This facilitates an in-depth analysis of correlations between different data sources over a defined period of time. This allows conclusions to be drawn about the success of campaigns and the behaviour of potential visitors to Switzerland.

ACTION AREA 6: DIGITAL TRANSFORMATION OF MARKET CULTIVATION

As previously mentioned, digitalisation presents a major challenge for market cultivation, as well. Tourist requirements change quickly, and the number of marketing and diffusion channels is growing continuously, resulting in increasingly tough marketing requirements.

Switzerland has a number of local and regional tourism marketing organisations. At federal level, Switzerland Tourism ST is responsible for tourism marketing. The cooperation between ST and the local and regional marketing organisations is working well. Due to the change processes triggered by digitalisation, this cooperation, and therefore the division of roles in the tourism marketing sector, has to be revised. It is conceivable for ST – as an

“early adopter” – to assume a lead function, i.e. quickly implementing new technologies and transferring experiences and knowledge to the local and regional marketing organisations. ST is reviewing related questions of principle as part of the evaluation planned for 2018 (comp. Chapter 6.2).

It is crucial that tourism marketing is consistently focused on the customer journey, i.e. the individual cycles which guests pass through during the decision-making process and their travels. Guests want to feel supported throughout their customer journey in terms of meeting their requirements, and they increasingly expect such support to be provided online. This increases the demands on competences and content processing. Guests look for their tourist experiences online. Consumers only find companies with top Google rankings achieved through payment or content. Content leadership is absolutely crucial in this respect.

As a result ST completely revised its marketing strategy. The focus is on content strategy. Guests

find their desired travel experiences online (experience marketing). ST uses surprise marketing and inspiring experience communication (story telling) to create interest and trigger a desire to visit Switzerland. An industry content network was implemented for content processing. The tourist regions collect and document tourist experiences and offers of the destinations, service providers and event organisers, and enter them into a central content system. This provides comprehensive and innovative access to Switzerland as a holiday and travel destination.

Digitalisation is of crucial importance for the implementation of experience marketing. In particular, digitalisation opens up new possibilities for distributing information (content distribution). The

multitude of opportunities provided by social media are becoming increasingly important. This is why ST is one of the actors with a dedicated social media communication strategy. If guests use a specific hashtag, such as #VERLIEBTindieSCHWEIZ (in love with Switzerland), their messages are automatically recognised (tweet, post, etc.), geographically allocated and communicated within the corresponding content layer. This turns guests into ambassadors for Switzerland. This is extremely relevant, because guests tend to trust other guests more than experts and editorial departments. However, this is not all the digital transformation of market cultivation has to offer. To continue ensuring successful market cultivation in future, the development of MySwitzerland.com is of particular strategic importance.

ACTION ITEM 6.1

DEVELOPING MYSWITZERLAND.COM

Changing travel behaviour and increasingly differentiated guest requirements make it necessary to focus strongly on guests and precision marketing. This in turn requires a heightened focus on digital marketing. For ST, the key aspect is to further develop the MySwitzerland online platform.

MySwitzerland is the very foundation of ST's communication with guests. MySwitzerland is the most comprehensive information platform of Switzerland as a travel and congress destination with highly informational content. MySwitzerland has also won several awards, such as ST's Best of Swiss Web Gold Award in 2017 for best mobile website.

The web content management system (WCMS) is at the heart of the MySwitzerland platform. The WCMS platform has been in use since 2001. A recent

analysis has shown that the WCMS has reached the end of its lifecycle after 16 years of use, and that a fundamental overhaul and redevelopment of the MySwitzerland platform is required. The implementation of a highly complex system and sub-systems is planned by 2019. The launch of the first new release of MySwitzerland is scheduled for mid-2019.

The improved MySwitzerland online platform aims to provide guests with smooth digital interaction throughout the entire customer journey. An important new feature relates to the inspiration area for Switzerland as a travel destination. A seamlessly integrated virtual reality element directly supports customers' travel desires. It is particularly important in this context that the development of the industry content database simplifies cooperation with the tourism industry and the regional marketing organisations, and more efficiently includes their contents in national marketing campaigns.

ENHANCING ATTRACTIVENESS OF TOURISM OFFERINGS AND MARKET PRESENCE

Product design and marketing are key elements of tourism. Attractive products that meet guest requirements are crucial for competing in the international market. The tourism industry therefore pays great attention to the design of the offers and the continuous development of products and services. The same applies to marketing. Products and services have to be skilfully bundled, packaged and placed to attract guests and convince them to travel to Switzerland.

Product design and marketing are interdependent. Successful product design requires knowledge of guest requirements, and successful marketing requires knowledge of products and services. Product design and marketing must therefore go hand in hand and be aligned. Driven by digitalisation, product design and marketing will merge further. The Confederation's tourism policy reflects this development, and bundles enhancing attractiveness of tourism offerings and market presence in one objective.

At present, the funding instruments provided through tourism policy (comp. Chapter 6) are the primary measures employed to enhance the attractiveness of tourism offerings and market presence. Most of the funding is used for this purpose (comp. Chapter 4). The funding instruments put in place by the tourism policy have thus far proven successful.

Measures to enhance the attractiveness of tourism offerings currently focus on innovation promotion, cooperation and knowledge building in tourism (Innotour), as well as support for the accommodation industry. SGH is currently responsible for promoting the accommodation industry. ST is responsible for strengthening the market presence. The NRP, which focuses on promoting tourism (tourism infrastructure, product development, cooperation), is another instrument.

The Confederation's tourism policy will increase its support for the provision of attractive and marketable products in the future. Investment incentives are reviewed for this purpose on the basis of an overview, any need for adjustment is identified, and investment subsidies developed accordingly (comp. Action Area 7). The hosting of major events, such as the Winter Olympics could significantly stimulate the Swiss tourism industry. The Confederation's tourism policy sets a new priority in this respect, and plans to exploit these stimuli as much as possible (see Action Area 8).

ACTION AREA 7: INVESTMENT INCENTIVES

To ensure that Swiss tourism remains competitive, it is crucial to maintain and develop the quality and attractiveness of the portfolio of tourism offerings. The majority of this portfolio comprises capital-intensive infrastructures, such as cableways and hotels. Continuous and extensive investment is required to increase the portfolio's attractiveness, and adjust it to changing guest requirements. This is primarily the responsibility of the private sector. However, in today's competitive environment – in particular, considering the limited prospects of returns – investments in tourism infrastructures represent a major challenge (see SWOT analysis). In addition, some of the tourism infrastructures have the character of a public good, which is why there is a tendency towards insufficient investment. That investment is then often subsidised by the public sector. According to estimates, annual investment in hotel and restaurant construction projects amounts to around CHF 1 billion, of which around one third is invested in the construction of new hotels and restaurants, and around two thirds in refurbishment and maintenance.²¹

At present, the Confederation primarily subsidises tourism investments through SGH and NRP. It grants loans subordinated to private capital providers to accommodation establishments for the refurbishment and acquisition of accommodation establishments, new constructions and replacements. Evaluations have shown that SGH contributes to refurbishments and competitiveness in the lodging industry in the tourist regions and spas areas. The NRP currently supports regional development in the mountain, rural and border regions. Tourism infrastructures, such as cableways, sport and conference facilities, are also supported in this context. The Swiss Hospitality Investment Forum SHIF is also worth mentioning. It is a knowledge and contact platform for matters relating to selling, investing and financing in the hospitality industry. The SHIF is a product of Swiss Exhibition, sponsored by SGH, Ecole hôtelière de Lausanne EHL and hotelleriesuisse. SECO is the patron of SHIF.

Due to the changing challenges in tourism, investment incentives must be continuously reviewed for their effectiveness and any need for adjustment, and existing instruments may need to be withdrawn, optimised or developed. The following action item is implemented for this purpose.

ACTION ITEM 7.1

DEVELOPING AN OVERVIEW OF CURRENT INVESTMENT INCENTIVES

The different existing and new investment incentives and financing models for tourism will be reviewed and assessed within the scope of a working group. The working group aims to provide an overview of the existing funding instruments in Switzerland in an international comparison, and indicate any need for adjustment, how the instruments are aligned, and how the efficiency and effectiveness of the funding can be increased. The effects of digitalisation and the interfaces to relevant funding measures of other sectoral policies at federal level are also taken into consideration.

The impact of the Second Homes Act and potential effects on structural change will also be evaluated. In accordance with Article 19 of the Second Homes Act, ARE and SECO must regularly review the impact of the Second Homes Act. The first impact analysis is scheduled for 2020. The effects on investment and financing cycles in tourism, as well as the references to Lex Koller will also be investigated in this context. The impact analysis will also provide the basis for any revisions of the Second Homes Act. ARE, SECO and SGH engage in regular discussion in order to prepare for the impact analysis.

²¹ hotelleriesuisse and SGH (2017).

ACTION AREA 8: MAJOR EVENTS AS A CATALYST

Major events have the potential to act as a catalyst for the development of Swiss tourism and regional economies. The focus is on events with an international impact, such as the Winter Olympics and other major sport events as well as high-profile exhibitions, such as the Swiss or World Expo.

To make the most of the potential catalyst effect of major events for structural change in tourism, the tourism policy should provide active support before, during and after major events. This requires close cooperation with the responsible federal agencies, such as FOSPO in connection with the Winter Olympics.

The interests of the tourism policy should be maintained by participating in working groups, developing coordinated communication strategies, etc.

ACTION ITEM 8.1

ACTIVELY SUPPORTING THE BID FOR SION 2026

The 2026 Winter Olympics could substantially stimulate the Swiss tourism industry. Favourable stimulation of tourism is especially expected with regard to effects on infrastructure, demand, quality, digitalisation and entrepreneurship / new business models.

The organisation sponsoring and assuming responsibility for the bidding project is Swiss Olympics, the umbrella organisation of the Swiss sports associations. On 7 March 2017, the Swiss Olympic executive board announced that it was in favour of bidding for the 2026 Winter Olympics with the project "Sion 2026. The games in the heart of Switzerland". This decision was unanimously approved by the Sports Parliament on 11 April 2017. The bidding phase for the 2026 Winter Olympics

runs from September 2017 to October 2018. In October 2018, the International Olympic Committee IOC will decide which bids will be submitted for the final phase. The IOC will then make a final decision in October 2019.

SECO is involved in the Interdepartmental Working Group (IDAG) set up by the Federal Council. The IDAG will assume a consultancy function for Swiss Olympic and the project sponsors. SECO believes the legacy effects to be crucial. It is important that the project shows how to exploit the 2026 Winter Olympics throughout the country before, during and after the event to develop Switzerland as a tourist destination. The involvement of local, regional and national tourism actors is vital for achieving benefits for the tourism industry throughout Switzerland. With this in mind, SECO actively supports the bid for Sion 2026 within the scope of the Confederation's tourism policy.

OVERVIEW OF ACTION AREAS AND ACTION ITEMS

ACTION AREAS	ACTION ITEMS
1. Coordination and cooperation	1.1 Developing Tourism Forum Switzerland TFS into a dialogue and coordination platform
2. Tourism-friendly regulatory environment	2.1 Intensifying the reviews of easement measures of regulations relevant to the tourism policy
3. Productivity of the tourism businesses	3.1 Intensifying start-up support and coaching 3.2 Enhancing strategy capability and orientation
4. Tourism labour market	4.1 Exploiting potentials for strengthening the tourism labour market
5. Digital transformation of business processes and models	5.1 Promoting digitalisation projects and the transfer of knowledge 5.2 Developing data and statistics
6. Digital transformation of market cultivation	6.1 Developing MySwitzerland.com
7. Investment incentives	7.1 Developing an overview of current investment incentives
8. Major events as a catalyst	8.1 Actively supporting the bid for Sion 2026

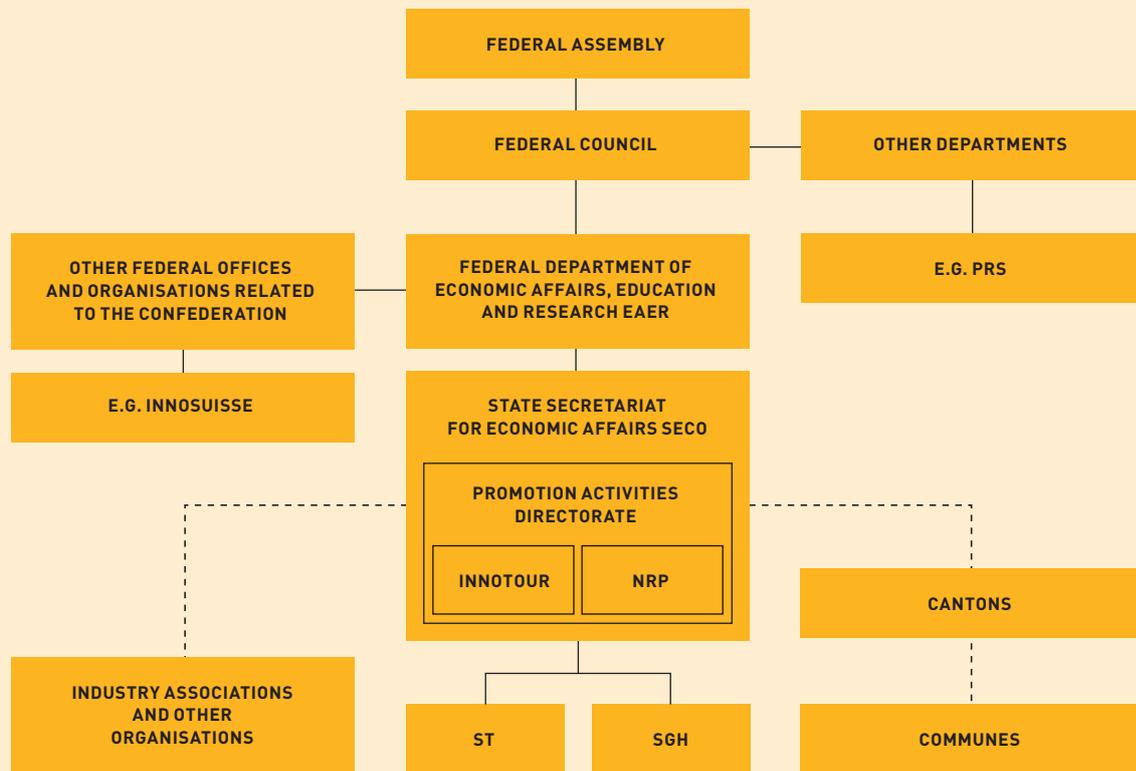


SPONSORS, ACTORS AND FUNDING INSTRUMENTS OF THE SWISS TOURISM POLICY

The Confederation's tourism policy, including its supporters, actors and funding instruments, is embedded in the Swiss tourism system. The new tourism strategy aims to ensure it stays that way. In a market economy system, the Confederation's tour-

ism policy will continue to assume specific tasks in coordination with the cantons, communes and the economic sectors which depend on tourism. Figure 8 shows the key supporters, actors and funding instruments of the Swiss tourism policy.

Figure 8: Sponsors, actors and funding instruments of the Swiss tourism policy



Source: Own illustration.



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At federal level, SECO is responsible for implementing tourism policy. In addition, four funding instruments are available implementing the Confederation's tourism policy: Innovation promotion, cooperation and knowledge building in tourism (Innotour), Switzerland Tourism, Swiss Society for Hotel Credit (SGH) and the New Regional Policy (NRP).

The new tourism strategy aims to optimise the coordination of the current funding instruments. The main objective is to improve mutual information activities to create more efficient processes and better exploit synergy potentials at the interfaces of the funding instruments provided by the tourism policy

(Innotour, ST, SGH, NRP). Funding instruments that are not specific to tourism, such as Innosuisse, Switzerland Global Enterprise, the guarantee cooperatives and Presence Switzerland, are also part of this endeavour. As these funding instruments are relevant to tourism, the corresponding interfaces are actively managed by the tourism policy.

The funding instruments primarily contribute enhancing attractiveness of tourism offerings and market presence (Objective 4). At the same time, the funding instruments also contribute to promoting entrepreneurship (Objective 2) and exploiting the opportunities offered by the digital economy (Objective 3). The funding instruments are described below.

INNOVATION PROMOTION, COOPERATION AND KNOWLEDGE BUILDING IN TOURISM (INNOTOUR)



Innovation promotion, cooperation and knowledge building in tourism by the Confederation using the Innotour funding instrument is based on the Federal Act on Innovation Promotion, Cooperation and Knowledge Building in Tourism (Innotour) (SR 935.22 of 30 September 2011). After launching Innotour as a temporary measure in 1998, the funding instrument was first extended several times until 2012, then embedded as an integral part of the Confederation's tourism policy. Innotour is a modern funding instrument available to the tourism industry for supporting Swiss tourism with tackling the impending challenges.

Tourism is a fragmented industry sector, which is why the pooling of complete portfolios of tourism offerings is associated with high transaction costs. Realising innovative integrated products is not easy, because it is difficult to separate and internalise innovation costs and returns. These aspects cause uncertainties and a lack of cooperation. Innotour therefore places great importance on developing portfolios of tourism offerings across enterprises. Innotour's third focal point, knowledge building and diffusion, makes a crucial contribution to Switzerland as a tourist destination. Innotour promotes projects related to vocational training and development, as well as knowledge bases such as tourism forecasts. Innotour also finances the Tourism Forum Switzerland TFS.

Innotour is a funding instrument in which tourism actors cover the majority of costs themselves (at least 50 per cent). Innotour creates incentives, yet the financing and management responsibility remains with the project owners. This responsibility is strengthened by limiting Innotour's financial assistance to one-off booster payments for projects.

Innotour had more than CHF 20 million at its disposal between 2012 and 2015. In connection with the 2016–2019 tourism policy stimulus programme, Parliament approved CHF 10 million in addition to the previous CHF 20 million for Innotour for the period 2016–2019. These additional funds are earmarked for promoting projects that support and cushion the effects of the second home initiative.

Capitalising on entrepreneurial potential is one of the priorities in terms of promoting entrepreneurship and the planned increase in productivity. The idea is to make the most of entrepreneurial potential, e.g. among second home owners.

INNOTOUR PROJECT EXAMPLES: SUISSE ALPINE 2020 AND SCHWEIZMOBIL 2020

As part of the Swiss Alpine Club's (SAC) Suisse Alpine 2020 project, around 10,000 routes in various mountain sports disciplines will be digitally processed by the end of 2019, and published on a modern platform, supplemented with additional information. This strengthens aspects, such as the positioning of Switzerland as a leader in the market for sustainable recreational and tourism offerings.

SchweizMobil is also implementing two key development steps: Firstly, SchweizMobil is adding winter offers to its portfolio of summer offers. The aim is to integrate and communicate attractive winter offers in relation to winter hiking trails, snow shoe trails, cross-country skiing trails and sledging trails in SchweizMobil. A uniform system for the summer and winter offers facilitates easier orientation for users and tourists around the world. As another important milestone, selected Alpine destinations and routes developed as part of Suisse Alpine 2020 project will also be communicated through the SchweizMobil platform according to consistent standards in the future.

The Confederation employs several funding instruments to promote the tourism portfolio, and this requires close coordination. With regards to SECO's location promotion, these include Innotour, the New Regional Policy (NRP) and the Swiss Society for Hotel Credit (SGH). SGH supports individual businesses with a focus on investments in accommodation infrastructure. This clearly differentiates it from Innotour. Innotour and the NRP are complementary instruments. While Innotour primarily supports national projects, the NRP has a regional focus. In addition to national projects, Innotour can also support local and regional projects anywhere in Switzerland if they serve as a model. Moreover, Innotour projects are systematically coordinated with other federal agencies, such as FEDRO, FOEN, FOSPO and FOAG. The interface between regional Innotour model projects and NRP tourism projects will be analysed in detail as part of the Innotour evaluation.

The last Innotour evaluation was carried out in 2010. The federal law and ordinance were fully revised based on the evaluation results. The fully revised Innotour regulations (law and ordinance) came into effect in 2012 and have been a success in general. A review of Innotour funding in relation to the new tourism strategy is planned. In addition to impact assessments of the projects supported in the period from 2012 to 2017, the Innotour evaluation in 2018 seeks to analyse in greater detail how Innotour can promote and support entrepreneurship and digitalisation in tourism in a targeted manner (see action items 3.2 and 5.1). The evaluation findings should provide the basis for reviewing potential measures to optimise the legal bases of Innotour (federal law and ordinance), as well as the arrangements of its execution. Insofar as possible, any optimisation of the legal bases should be realised as part of the Federal Council Dispatch on promoting Switzerland as a location for business 2020–2023.

SWITZERLAND TOURISM



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Switzerland Tourism promotes demand for Switzerland as a travel and tourist destination on the basis of the Federal Act of 21 December 1955 on Switzerland Tourism (SR 935.21 of 21 December 1955, hereinafter referred to as “law”) on behalf of the federal government. The law contains an exhaustive list of tasks to be performed by ST. These comprise providing a marketing foundation for Switzerland as a tourist destination, as well as maintaining the brand, cultivating the markets and providing customers with information. ST also holds a coordination and consultancy mandate. The coordination mandate also involves ST executing themed campaigns that support open marketing platforms. “Enjoy Switzerland” is one of the projects ST realises under its consultancy mandate. Together with destinations and associations, it drives the development of offers and product innovations, and integrates these into the marketing activities.

The Confederation manages ST by means of Federal Council supervision and by making and approving appointments.

ST is also involved in Switzerland Travel Centre (STC) and Swiss Travel System (STS). STC is a private online booking platform. Around 2,000 Swiss hotels and accommodation providers, as well as Switzerland’s railway services, can be booked directly via STC, and integrated in international sales channels. STS is a marketing company for public transport and panorama railways. The company’s tasks include international promotion of the further development and expansion of the global distribution network, as well as the maintenance and development of the broadly diversified public transport ticket range for foreign guests.

Contributions offered by ST always supplement private initiatives based on the subsidiarity principle. ST focuses on contributions of benefit to Swiss tourism where similar financial services are not available from commercial providers.

The Switzerland Tourism Ordinance (SR 935.211 of 2 December 2016; hereinafter referred to as “ordinance”) was recently fully revised. Necessary adjustments were made to overarching federal law, and organisational and governance issues relating to ST were regulated clearly. This included adjustments to the provisions on the organisation’s auditors, and the inclusion of provisions on the prevention of conflicts of interest, and for increasing transparency in the remuneration of governing bodies. It now also stipulates how senior management remuneration should be determined at ST.

The Confederation manages ST by means of Federal Council supervision and by making and approving appointments. SECO assumes the supervisory function in accordance with Article 2 of the ordinance. The Federal Council appoints half the members of ST’s board of directors and the president and selects the vice president from the board members. It also approves the appointment of the director. SECO performs its supervisory function on the basis of an agreement on political controlling, reporting and monitoring (CRM agreement), which SECO and ST conclude every four years. The current CRM agreement was concluded for the period from 2016 to 2019. It primarily regulates the supervisory process, reporting by ST and general cooperation between SECO and ST.

ST has an annual budget of around CHF 90 million (2015: CHF 96 million; 2016: CHF 92 million). In accordance with Article 6 of the law, the Confederation grants financial support to ST each year within the scope of the approved credit facilities. Every four years, the Federal Assembly specifies the budget by simple federal decree. The budget for the period 2016–2019 is CHF 230 million. ST is also financed through membership fees. These membership fees are kept deliberately low to enable as many tourism players as possible to become members of ST, and



providing ST with a broad and secure basis. The Confederation further expects ST to generate third-party funds for marketing Switzerland as a location. ST may offer services to members and third parties that can be charged directly if these fall within the legal scope of ST's mandate. ST's economic partnerships with businesses are also relevant to the procurement of third-party funds.

ST is the Confederation's only organisation for strengthening tourism-related demand. At federal level, there is a key interface to the federal agencies responsible for visas, i.e. the State Secretariat for Migration (SEM) and Consular Services. These agencies hold an institutionalised meeting once a year. ST actively campaigns to simplify the Swiss visa application process for tourists from remote markets, such as China, India and the Gulf States under the applicable visa regulations. An interface to the FOC exists in relation to the promotion of culture. The objective of the cooperation with the FOC is to enhance the exploitation of the touristic value of Swiss cultural sites and cultural assets while observing the specific interests to protect these assets. An interface to the Federal Office for the Environment (FOEN) in relation to the landscape, environmental and climate policy facilitates cooperation aiming to exploit scenic qualities as tourist

capital, and employing suitable funding instruments relevant to tourism (in particular, parks and UNESCO World Heritage Sites). Other important partners include Switzerland Global Enterprise (S-GE) which helps Swiss companies investigate and realise export opportunities, and promotes Switzerland as a location abroad, as well as Presence Switzerland which is responsible for Switzerland's image abroad and implements the Federal Council's strategy for Switzerland's communication abroad. In relation to the Confederation's tourism policy, the primary interfaces are to Innotour and the NRP. ST contributes marketing know-how to various Innotour projects. ST also offers consultancy services relating to the development of offers and product innovations to destinations and associations within the scope of "Enjoy Switzerland" which used to be financed in part by the NRP.

ST PROJECT EXAMPLE: GRAND TOUR OF SWITZERLAND

The Grand Tour of Switzerland is a 1,600 km tourist route through Switzerland. It connects numerous attractions and attractive excursion options with the most beautiful scenic routes in Switzerland. It centres around the presentation of a round trip which showcases the qualities of Switzerland as a tourist destination. The route has been de-

veloped for almost all types of transport. In 2017, the route was also "electrified", making it fully suitable for electric cars throughout. The project is sponsored by the "Grand Tour of Switzerland" association which counts all Swiss tourist regions among its members, Switzerland Tourism, as well as service providers in the Swiss regions and destinations. The Grand Tour of Switzerland is a successful project. In 2016, it generated an additional 290,000 overnight stays.

ST's support activities are reviewed and developed in line with the new tourism strategy. In this context, ST will be evaluated in 2018. The evaluation aims to review ST's performance, identify optimisation potentials and formulate recommendations. The evaluation focuses on digitalisation, which also involves fundamental changes for tourism marketing. The division of roles in tourism marketing and the development of the MySwitzerland online platform are

the two priorities (see Action Area 6). The evaluation also aims to review how ST can contribute to achieving the two new objectives of the Confederation's tourism policy. An international comparison seeks to provide a basis for the evaluation. In 2019, SECO and ST will also negotiate a new CRM agreement for the period 2020–2023 while maintaining the applicable principles of cooperation.

CHAPTER 6.3

SWISS SOCIETY FOR HOTEL CREDIT



The Swiss Society for Hotel Credit (SGH) is responsible for executing the Federal Act of 23 June 2003 (SR 935.12 of 20 June 2003) on the Promotion of the Lodging Industry. The Confederation has issued this cooperative under public law with an interest-free loan of around CHF 136 million. SGH has access to an additional CHF 100 million loan²² for the period 2012–2019. The funds drawn down from the additional loan are retained by SGH as a permanent increase of the federal loan. As at 31 December 2016, SGH received CHF 42 million of the additional loan. In addition, SGH has access to cooperative capital of around CHF 28 million, as well as reserves (including profit carried forward) of around CHF 16 million. Members of the cooperative include the Confederation, as well as banks, cantons, hotels, businesses and associations.

SGH operates in two sectors. It grants loans subordinated to private capital providers to accommodation establishments in tourist areas and spa locations for the refurbishment and acquisition of marketable accommodation establishments, new constructions and replacements. In other words, the businesses must be able to generate sufficient profit in the market to finance interest and capital repayments for the borrowed capital. SGH thereby helps to take full advantage of the existing potential of the lodging industry. At the end of 2016, the loan book stood at CHF 177 million across 277 businesses. In addition to financing, SGH provides consultancy services across Switzerland. These services focus on company valuations, expert reports in connection with legislation on second homes, feasibility studies and stimulus programmes which include an in-depth analysis and assessment of the accommoda-

²² In 2011, Parliament granted the additional loan facility to cushion the effects of the strong Swiss franc for the period 2012–2015. This aims to provide SGH with sufficient scope to breach the gap in the event of a credit crunch. In 2015, Parliament resolved to extend the additional loan facility to SGH for the period 2016–2019 to ensure that SGH can offer effective support to the hotel industry overcoming structural challenges.

tion structure in individual regions. The income from these SGH consultancy services has to cover their costs to avoid distortion of the consultancy market. In addition to these two areas of activity, SGH practices knowledge transfer, and shares the insights acquired in the course of its activities with the industry. In general, SGH must be self-supporting and cover any losses through its reserves.

In 2015, the Ordinance on the Promotion of the Hotel Industry (SR 935.121 of 18 February 2015) was fully revised, the business regulations of SGH novated and its articles of association adjusted. The revision modernised the execution requirements for the promotion of the hotel industry. A more modern and flexible definition of lodging was introduced. The funding boundary was aligned with the local impact area of the NRP, resulting in a slight expansion. The financial scope for granting loans was increased to facilitate a more substantial contribution to closing the financing gap, modernising hotel structures and strengthening the competitiveness of the hotel industry.

SGH is subject to supervision by the Federal Council. SGH's articles of association and business regulations must be approved by the Federal Council. Art. 16 para. 2 of the Federal Act on the Promotion of the Hotel Industry transfers the supervisory function to the Federal Department of Economic Affairs, Education and Research (EAER). EAER is also responsible for electing the president and four members of the board of administration, the strategic executive body of SGH. SECO performs its supervisory function on the basis of an agreement on political controlling, reporting and monitoring (CRM agreement) for 2016–2019. SECO and SGH conclude the CRM agreement every four years. In particular, it regulates the supervisory process, reporting by SGH and the general cooperation between SECO and SGH.

The evaluation of SGH in 2013²³ shows that its funding activities have a positive impact on the competitiveness of the accommodation establishments. The investments co-financed by SGH in the period 2007–2012 resulted in an increase in the number of beds and employees in the relevant businesses by approx. one quarter. SGH makes a major contribution to closing the financing gap in the hotel industry. SGH applies the lowest possible interest to its loans and can offer favourable conditions for the repay-

ment periods while giving due account to the principle of self-funding. From 2007 to 2012, SGH co-financed around 28 per cent of the total investments in the hotel industry in the Swiss Alpine region. As part of its consultancy activities, SGH also evaluates significant investment volumes which can be raised without SGH loans (investors, banks, cantonal subsidies). As part of its knowledge transfer activities, SGH launched the "Hotel Innovation Award" in cooperation with GastroSuisse to promote innovation and entrepreneurship in the hotel industry. The award rewards the best concepts with free support for its further development activities. Other examples for knowledge transfer include the Hotel Finance Forum and the publication "Jahrbuch der Schweizer Hotellerie" (Yearbook of the Swiss Hotel Industry), both in cooperation with hotelleriesuisse, and with the co-sponsorship of the Swiss Hospitality Investment Forum. These platforms set new priorities and define new topics, such as productivity, pricing and innovation. SGH supports regions through the structural change in the hotel industry with stimulus programmes. Examples for this support include consultancy and coaching sessions to define objectives for the implementation of measures, and workshops on topics, such as business plan training, enabling, succession planning and legislation on second homes.



²³ Helbling Business Advisors AG (2013).

SGH PROJECT EXAMPLE: LÖTSCHENTAL

The Lötschental cooperation project was launched in 2011. The initial years focused on commercial and operational aspects. Infrastructure regeneration started in 2016, and the required investments were made. Financing small hotel businesses in mountain regions is not an easy task, but it is possible with the right approach.

SGH was involved as an expert and lender. It was also proactively involved in increasing sustainability and viability of financing structures. Three investment projects were successfully realised thanks to the exemplary cooperation between the financing partners, including banks, the Canton of Valais and Swiss Mountain Aid.

The interim evaluation of the 2013 package of tourism policy measures indicated that the modernisation of the execution requirements has a positive impact. Around 45 per cent of the volume of newly approved loans relates to projects which directly benefit from modernising the execution requirements for the promotion of the lodging industry. The extension of the additional loan facility enabled

further expansion of the loan volume, securing SGH's future funding activities. Potential for further development was identified in terms of improving coordination of activities for the promotion of the lodging industry by SGH and NRP. Developments are aligned with the Confederation's new tourism strategy. The CRM agreement for 2020–2023 will be revised with regard to the supervision of SGH.



NEW REGIONAL POLICY



The Confederation and the cantons employ the New Regional Policy to support the regional development in mountain, other rural and border regions. The aim is to improve the conditions of the location for businesses, increase innovative strength, and create added value to strengthen the competitiveness of the regions. The NRP thus helps the regions under its support to create and safeguard jobs. The NRP entered into force in 2008 based on the Federal Act on Regional Policy (SR 901.0). Its implementation is based on three pillars:

Priority 1: The main priority of the NRP is to help good ideas, projects and programmes which enhance a region's competitiveness succeed by offering direct financial support. Switzerland's participation in cross-border EU programmes is also supported.

Priority 2: The second, complementary, priority is to increase coordination and cooperation between the regional policy and the other policies of the Confederation with a geographical orientation. This includes e.g. tourism policy, innovation policy, agricultural policy, environmental policy, spatial development as well as overarching strategies and policies, such as Coherent Spatial Development (KoRE).

Priority 3: The third, accompanying strategic direction is to support the persons in the cantons and regions responsible for implementing the NRP. The Confederation provides offers for networking, knowledge exchange and professional development of the parties involved through the "regiosuisse" regional development network office. This group of activities also involves developing foundations for regional policy.

The NRP provides grants in the form of non-repayable contributions and low-interest or zero-interest loans to infrastructure organisations. These funds primarily serve to drive projects. Long-term financing is limited to regional management and the management of Regional Innovation Systems (RIS). The Confederation and cantons sponsor the funding programmes together, whereby the cantons are required to at least match the contributions made by the Confederation. Grant recipients must contribute an appropriate amount of own funds for the projects. To prevent distortion of competition, the NRP generally supports pre-competitive and cross-business projects. Funding for individual businesses is limited to infrastructures with major stakes in a public good (primarily tourist facilities).

CHF 140 million in non-repayable grants and CHF 250 million in loans were approved for the cantonal, cross-cantonal and cross-border programmes in the funding period 2016–2019 to implement the NRP. A maximum of CHF 50 million in grants and CHF 150 million in loans are further provided under the tourism stimulus programme. The Confederation concludes four-year programme agreements with the cantons to define the individual objectives. The cantons decide which specific projects to support with NRP funds.

Parliament specifies the funding priorities in multi-year NRP programmes. The topics "industry" and "tourism" take priority in the current 2016–2023 programme phase. In the industrial sector, funding focuses on enhancing the innovative capacity of SMEs. To this end, the NRP supports approx. six to seven Regional Innovation Systems (RIS) across Switzerland. These typically cross-cantonal networks serve to strengthen the regional exchange between enterprises, educational and research facilities and the public sector. In the tourism industry, support is provided to projects which help to facilitate structural change and enhance the competitiveness

of destinations. Tourism is a key export-oriented industry, and therefore plays an important role in the NRP target regions. As a result, a large number of tourism projects are supported with NRP funds. In the last programme phase, a quarter of the non-repayable contributions and three quarters of the loans helped to fund tourism projects. The additional 2016–2019 tourism policy stimulus programme allows the Confederation to add another action area: NRP funds will be used to support projects that aim to modernise the lodging industry, strengthen quality and product development, as well as cooperation, or optimise the infrastructure important for destinations.

The Confederation and the cantons support a large number of tourism projects, and help to strengthen a key pillar for mountain and rural regions in a sustainable manner. Funded projects include, for instance, the development of marketable tourism products and services, such as experience packages, indoor/outdoor activities and brand development processes. The NRP also supports cross-industry cooperation, coordination and marketing platforms, as well as restructuring processes in tourism organisations. Support for infrastructure projects which aim to create added value, such as tourism transport systems, thermal spas, wellness facilities, congress infrastructures and sports facilities, is of special importance for the tourism industry across all regions.

NRP PROJECT EXAMPLE: NATIONAL PARK REGION – HEALTH REGION

The project aims to pool and market innovative tourism and healthcare products in the region of Lower Engadin. The idea is to win new guests from the growth segment “health tourism” for the region, thereby increasing regional value creation. As a positive side effect, healthcare for local citizens and guests can be optimally aligned, secured at lower cost and therefore financed in the long term.

Several interdisciplinary working groups are involved in the development of innovative products within this project. For example, the working groups developed a product portfolio for guests affected by food intolerances. Eight hotels and

guesthouses, nine holiday apartments, six restaurants and five businesses in the region have now joined forces to provide sufferers with a carefree (i.e. gluten- and lactose-free) stay in the region. The offer is based on regional network effects, and is unique in Switzerland in this form.

Additional new products are geared towards guests who wish to complement their hiking holidays along the Via Engadin with personal healthcare, as well as tourists looking for veterinary care for their pets. Talks and educational excursions led by health experts from the region, as well as a new office for the organisation of medical congresses round off the new product portfolio.

With its funding options, the NRP is a crucial element of the Confederation’s overall tourism policy. It complements the other tourism funding instruments. Clear agreements and good coordination be-

tween the NRP, Innotour and SGH are required for supporting innovative tourism offerings and projects in the lodging industry, and relevant coordination processes have been put in place.



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PRINCIPLES FOR ACTION

Two guiding principles for action apply to the Confederation's tourism policy: sustainability and subsidiarity.

SUSTAINABILITY

The guidelines and objectives of the Federal Council's current sustainable development strategy are to be taken into consideration when implementing the Confederation's tourism policy. One of the priorities is 'economic performance' as a dimension of sustainability. Negative effects on the environment and society are to be avoided whenever possible. The aim is to protect natural resources and improve resource efficiency and/or separate tourism growth from the use of resources.

With regard to the issue of sustainability in the Swiss tourism industry, the crucial importance of maintaining and strengthening the scenic and architectural qualities of Switzerland as a tourist destination must be emphasised. These are vital for Switzerland's attractiveness as a travel destination. Intact natural and cultural environments, historical cities and townscapes, outstanding sites and museums, pronounced cultural diversity with regard to living traditions and contemporary work are an important foundation for the Swiss tourism industry and as such should be classed as part of its material framework. These foundations must be maintained and strengthened in the long term. This is a complex and challenging task which requires a high level of coordination and cooperation of tourism policy and other sectoral policies. This is why SECO works with the relevant FDHA and DETEC agencies to undertake coordination and cooperation activities in terms of maintaining and strengthening the scenic and architectural qualities of Switzerland as a tourist destination.

Another key dimension is to ensure that the measures implemented under the Confederation's tourism policy contribute to meeting the targets of the UN's 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDG). The UN declared 2017 to be the International Year of Sustainable Tourism for Development. The closing event for this theme year was held in Geneva on 19 December 2017 and actively supported through the Confederation's tourism policy.

As a principle for action, sustainability is a cross-sectional topic relevant to all objectives, action areas and action items of the Confederation's tourism strategy. In particular, this means that they should all contribute to enhancing the competitiveness and attractiveness of tourism. It should also be noted that tourism policy should contribute to improving resource efficiency, maintaining and strengthening the scenic and architectural qualities of Switzerland as a tourist destination, as well as strengthening the tourism industry as a provider of qualified jobs, particularly in peripheral regions with a weak market for qualified positions. Moreover, aspects of sustainable development are also included in federal legislation covering the four funding tourism policy instruments: Innotour, ST, NRP and SGH.

An appraisal of the extent to which the principles of sustainable development have been incorporated into the Confederation's tourism policy is to be conducted in the period 2018–2019. The principles of sustainability assessments will be taken into account in this process. This can build on the findings from the 2014–2015 appraisal. That appraisal found that sustainability was generally given due consideration in tourism policy overall, as well as in tourism policy funding instruments, and that the principles of sustainable development were considered of prime importance in implementing tourism policy.

SUBSIDIARITY

The Confederation's tourism policy fulfils its responsibilities on a subsidiary basis through private actors, as well as the cantons and communes. In other words, the Confederation's tourism policy supports private or other public actors if they are unable to fulfil tasks that are in the public interest, or if they need assistance to do so. The Confederation's tourism policy creates incentives for business activities, innovation and proactive initiatives of private and public actors, whereby actors are expected to contribute.

The subsidiarity principle also forms an important basis for promoting tourism. SGH and NRP issue loans on a subsidiary basis to private lenders, i.e.

federal funds are always granted in cooperation with and in addition to private lenders. ST's tourism marketing is also a subsidiary measure. ST only provides services not available through other private providers with commercial interests in a comparable manner. The subsidiarity of Innotour means that grants are limited to one-off booster payments for projects. The NRP is a joint scheme of the Confederation, cantons, communes, regional development agents and private actors. It is based on the subsidiarity principle. It thus supports the strategies and development objectives independently defined by the cantons and regions to strengthen their competitiveness.





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CHAPTER 8

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LIST OF ACRONYMS

ARE	Federal Office for Spatial Development
FEDRO	Federal Roads Office
FOEN	Federal Office for the Environment
FOC	Federal Office of Culture
OFCOM	Federal Office of Communications
FOSPO	Federal Office of Sport
FOT	Federal Office of Transport
FOCA	Federal Office of Civil Aviation
FSO	Federal Statistical Office
FOJ	Federal Office of Justice
FOAG	Federal Office for Agriculture
CHF	Swiss franc
CRM agreement	Agreement on political controlling, reporting and monitoring
FDFA	Federal Department of Foreign Affairs
FDHA	Federal Department of Home Affairs
FDF	Federal Department of Finance
FFA	Federal Finance Administration
EHL	Hotel School of Lausanne
FDJP	Federal Department of Justice and Police
FOPER	Federal Office of Personnel
EU	European Union
HESTA	Hotel and accommodation statistics
IOC	International Olympic Committee
CD	Consular Directorate
SME	Small and medium-sized enterprises
KoRE	Coherent Spatial Development
NRP	New Regional Policy
OECD	Organisation for Economic Co-operation and Development

ÖHT	Austrian Hotel and Tourism Bank
PASTA	Non-hotel accommodation sector statistics
PRS	Presence Switzerland
RIS	Regional innovation systems
ROK	Land use regulation conference
SAC	Swiss Alpine Club
SERI	State Secretariat for Education, Research and Innovation
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs
SEM	State Secretariat for Migration
SGH	Swiss Society for Hotel Credit
SHIF	Swiss Hospitality Investment Forum
SNB	Swiss National Bank
SR	Classified Compilation of Federal Legislation
ST	Switzerland Tourism
STC	Switzerland Travel Centre
STS	Swiss Travel System
TFS	Tourism Forum Switzerland
TSA	Tourism Satellite Accounts
UN	United Nations
UNWTO	United Nations World Tourism Organization
DETEC	Federal Department of the Environment, Transport, Energy and Communications
DDPS	Federal Department of Defence, Civil Protection and Sport
FTE	Full-time equivalent
EATC	Economic Affairs and Taxation Committee
EAER	Federal Department of Economic Affairs, Education and Research
WCMS	Web content management system

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