

EU: TOURISM INDUSTRY IS CRUCIAL TO EMPLOYMENT



The tourism industry was one of the first to be affected by the coronavirus pandemic as international and local flights were first to be canceled and then travel restrictions followed closely. The large numbers of cancellations and restrictions brought both national and international tourism to a near-total halt, with many economies suffering the brunt.

In 2017, Eurostat estimated that there were 2.3 million enterprises in the EU tourism industry with economic activities providing services to both tourists and non-tourists. **The number of persons employed by the sector was estimated at 11.7 million, making up 9% of non-financial business employments and 22% of employment in the services sector.**

In 2017, 56% of the tourism enterprises in the European Union were located in 4 major states: Spain (308,000), Italy (383,600), Germany (263,400) and France (326,700). The other 46% was made up of industries from other states including Poland (109,100), Greece (147,800) and Portugal (120,200).

In Greece, the tourism industry represented 26% of business economy employments in 2017 with the exclusion of the financial sector.

In Cyprus as well, the tourism industry accounted for 20% of employment. Ireland recorded 14%, Austria made up 13%, Croatia recorded 13% and Italy made up 11%. For Poland, only 4% of people employed in the non-financial business economy were from the tourism industry.

With 1.5 million people in Spain employed in tourism companies, 2.5 million in Germany and 1.6 million in Italy, all three member states made up 48% of the people employed in the EU's tourism industry in 2017

A cumulative report for 2017 shows that all tourism businesses accounted for 5.8% of value added at factor cost of the non-financial business economy while also making up 3.7% of the turnover of the non-financial economy.

From the most recent data, the tourism industry experiences strong seasonality when compared to other industries. **Every year, the sector experiences peaks in turnovers in the third quarter; from July to September.** This trend continued upward till the last quarter of 2019.

It is important to note that employment data for the tourism industry in a number of EU Member States including France are not available, hence, not included in this analysis.

With the available data considered, it can be conclusively deduced that tourism companies are major pillars of many countries' labor markets and economies. The coming months will show how many people lose their jobs in the sector.

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