

An EU Sustainable Tourism Strategy

Executive Summary

The Swedish hospitality industry—covering hotels, restaurants, campsites, ski resorts, and more—is a vital driver to the EU's green and inclusive growth objectives. With 200,000 employees and €8.95 billion in export revenues, it plays a valuable role in Europe's tourism economy. Sweden also leads in sustainable tourism, ranking high in several sustainable travel index.

To succeed, the EU's upcoming Sustainable Tourism Strategy must:

- **Support territorial cohesion by investing in sustainable transport to and within remote regions such as Northern Europe.**
- **Ensure full, uniform implementation of the Short-Term Rental Regulation to enable harmonized high-quality data collection and fact-based policy making,**
- **Create a fair, competitive regulatory environment that supports SMEs and aligns sustainability goals with growth incentives,**
- **Fully enforce the Digital Market Act and ensure oversight of dominant online platforms to protect consumer choice and SME access to digital markets.**

These priorities align with the European Green Deal, the Transition Pathway for Tourism, and the EU's digital and regional development agendas. With the right strategy, tourism can become a resilient engine of innovation, job creation, and climate leadership – access all of Europe's regions.

The Swedish Hospitality Industry – A key contributor to a Sustainable European Tourism Strategy

The Swedish hospitality industry – including hotels, restaurants, campsites, amusement parks, hostels, spas, and ski resorts – is one of Sweden's most vibrant and sustainable industries. Beyond enhancing quality of life, it plays an important role in the European tourism economy by generating jobs, attracting investment, enabling cultural exchange, and driving sustainable growth.

The Swedish hospitality industry employs more than 200,000 employees and generates €10.7 billion in export revenues, the industry is an important employer and economic and integration engine in Sweden. Although most businesses operate in Sweden, they are increasing their international presence through

digital services and tourism flows. EU legislation and policy frameworks significantly shape industry conditions.

Sweden is continuously ranked high in Sustainable Travel Index, reflecting a long-standing commitment to fight climate change, inclusive experiences, and community engagement. The EU should build on such examples to design a tourism strategy that supports the Green Deal and the Transition Pathway for Tourism.

The EU must also recognize the unique needs of the outermost and remote regions like Sweden. These areas face challenges such as seasonality, sparse populations, and long travel distances. To fully realize sustainable tourism's potential across Europe, the EU strategy must promote territorial cohesion, climate-smart transport, and infrastructure investment that connects all regions – including those underutilized or at risk of being left behind.

Key Messages

To succeed, the EU sustainable tourism strategy should include the following.

I. An inclusive strategy

- Ensure sustainable transport access to Europe's outermost regions

Tourism in remote areas like Northern Europe depends on accessible, effective and climate-friendly transport. While EU efforts to promote rail are welcome, air travel and ferry links remain critical to regional accessibility and competitiveness. EU infrastructure planning must reflect a tourism perspective and support a mix of transport modes that are viable for sparsely populated regions.

To reduce emissions, the EU must accelerate:

- **Development and increase use of SAF** (sustainable aviation fuels) in accordance with ReFuel EU Aviation,
- **Electrification** of air and sea travel,
- Continued **investment in energy efficiency** across all modes.

Transport flows must be regularly mapped and analyzed using EU-level tools to guide smart infrastructure decisions and reduce regional disparities. A resilient transport system is fundamental to a resilient tourism strategy.

- Ensure fact-based planning across all regions.

EU decisions must be based on accurate, comparable data from all parts of the Union. Current EU debates—especially on overtourism—risk distorting national discussions in countries like Sweden, where underutilization, seasonality, and connectivity gaps are the real challenges. The Swedish hospitality industry stresses the importance of a positive view of tourism. Despite challenges, tourism is a strong driver of jobs, growth, and cultural exchange. A balanced perspective

highlights the sector's true value and supports sustainable development across regions.

To ensure a balanced approach:

- **Better knowledge of tourism flows and transport:** To develop the visitor economy, improved data is needed on how tourists travel and which modes of transport they use. This provides a stronger basis for investments in infrastructure and mobility.
- **The Short-Term Rental Regulation should be implemented uniformly** across all Member States to support better data access and policy harmonization.

II. A Fair, Competitive and Sustainable Business Environment

– Smarter Regulation to Enable Sustainable Growth

The EU's sustainability goals must be supported by regulation that is realistic, proportionate, and SME-compatible. Sweden's hospitality sector is already a global sustainability leader.

To continue scaling these efforts, EU law must:

- provide **sufficient transition time and simplified processes for SMEs** under laws like the PPWR¹ and EUDR²,
- shift focus from regulatory pressure to **incentivizing sustainable consumer behavior** and
- ensure **clear, harmonized waste management rules** that support circular business models across borders.
- **The Green Claims Directive should be revoked.** The problem of Greenwashing should be addressed through the Empowering Consumers Directive, without adding overlapping obligations that burden businesses unnecessarily.

– Fair Competition and Respect for National Labor Models

The tourism sector thrives when businesses compete on fair terms. However, fragmented implementation of EU rules - especially the Short-Term Rental Regulation - creates uneven playing fields that hinder investment and distort competition.

In addition:

- The Package Travel Directive's proposal for a **25% cap on prepayments must be abolished**, as it imposes administrative pressure and limits product offerings.
- **Labor market conditions should remain a national matter**, allowing deviations through collective agreements. Sweden's collective bargaining

¹ Packaging and packaging waste regulation.

² The EU Deforestation Regulation.

system is vital for hospitality and must be respected by the EU. Directives like Pay Transparency and Minimum Wage risk undermining Member States' autonomy.

- **The free movement of people is vital for the tourism industry's** growth and resilience, including during crises. Flexibility to deviate from state aid rules in difficult times is essential to support businesses and preserve jobs.

To drive green transition and economic resilience, the EU should reduce administrative burdens and promote policy coherence across the Single Market.

III.A transparent and balanced digital market

– **Enforce Digital Rules and Close Gaps in Platform Regulation**

The EU must guarantee **effective enforcement of digital legislation like the Digital Markets Act and Short-Term Rental Regulation**. Implementation must be uniform across Member States to avoid market fragmentation.

Policymakers must also **monitor large digital actors not designated as gatekeepers**—such as Airbnb or Delivery Hero—that still hold dominant market positions. These actors can influence pricing, visibility, and competition, especially in local markets where SMEs have limited leverage.

A fair digital environment ensures innovation, consumer trust, and diverse business opportunities in the tourism economy.

– **Promote Digital Independence and Fair Access to Tourism Markets**

Digital visibility is crucial for SME success, yet tourism businesses face dependency on dominant online travel agencies (OTAs) like Booking.com or Expedia. This affects pricing, brand control, and access to customer data.

We recommend:

- **promoting a healthy balance in destination marketing strategies** regarding distribution, discovery and review platforms,
- **ensuring non-discriminatory access, transparent rankings, and fair advertising terms** for all tourism providers and
- **strengthening data access and analytical capacity** for local tourism actors.

A balanced digital market is not only about competition – it is about creating resilient and data-driven tourism systems that empower SMEs and regions alike.

Conclusion

The Swedish hospitality industry is committed to shaping **a sustainable, innovative, and inclusive tourism** future for Europe. With better tools, balanced regulation, and strategic investment, the EU can unlock the full value of tourism as a driver of green growth, regional development, and economic resilience.