

# NATIONAL TOURISM DEVELOPMENT STRATEGY

EXECUTIVE SUMMARY

20  
30



HUNGARIAN  
TOURISM AGENCY

The National Tourism Development Strategy 2030 (henceforth “Strategy” or “NTDS 2030”) is a **core document** defining the system of targets and methods for the Hungarian state’s tourism management efforts up to 2030. **The purpose of the document is to define the state’s short-, medium- and long-term tasks for the sector by identifying key intervention points and designating strategic goals as well as to allocate the strategic tools, resources and institutional framework necessary to reach the set targets.**

The Strategy **functions as an ‘umbrella’** covering every future sub-strategy and programme in the tourism sector. It is a policy document, **comprising a part of the national and European development policy document system.**

The National Tourism Development Strategy 2030 **puts great emphasis on explaining the new approach and directions for state tourism management in Hungary**, providing a detailed explanation of the newly introduced destination-based approach as well as the new concept and logic behind state-supported attraction development, and the development of basic infrastructure.

Act CLVI of 2016 on the state’s responsibilities regarding the development of tourism regions defines a shift in the focus of tourism developments from individual attractions to tourism regions, declaring that **the key to increase Hungary’s tourism potential lies in the tourism destinations themselves.** This means offering, managing and marketing complex tourism experiences, which will greatly increase the demand for tourism in these regions. **The destination-based logic gives the state management of tourism the responsibility to define** each individual **priority tourism development area** and **create unique intervention programmes** for them, building and managing individual brands and brand profiles for the destinations capable of offering truly unique experiences.

**The new approach of attraction development and basic infrastructure development** is to supplement the destination-based

approach, and shall guarantee the **economic, social and ecological sustainability** of the developed attractions, and ensure that visitors can enjoy **high-quality experiences.** Furthermore, it sets out the main directions and key content criteria of attraction development projects **for developments both inside and outside of the newly defined tourism development areas.** Key areas addressed by the Strategy include **the introduction of the new, integrated institutional system of state tourism management**, and **defining the state’s role in tourism.**

### Key global trends and challenges shaping the future of tourism

The situation analysis section of the Strategy identifies the global trends and challenges, which the Strategy’s system of goals and its tools must reflect. These include the following key elements:

- 1. The expected growth in tourism up to 2030:** an increase in discretionary income, the integration of new regions and groups into the tourism scene, and shifts in consumer patterns indicate a substantial growth potential for tourism.
- 2. Regional shifts in the source and destination markets:** while the importance of Western Europe as both a source and destination market is expected to decrease in the next 10-15 years, China and South-Eastern Asia will gain significance as source markets; as for destination markets, demand for previously low-demand destinations – including Central European countries – will increase.
- 3. The need for experiences, emotions, authenticity and an increase in the value placed on travel:** instead of products and services, travellers increasingly seek authentic experiences. An ever-increasing proportion of travellers do not wish to experience the

destination as tourists: instead, they wish to meet the local people and participate in their everyday activities – they want to connect. They don’t want their tourism experiences handed to them in “prefab” packages; they themselves want to be part of producing them. They no longer pick their preferred destinations by the specific attractions on offer, but rather by the experience, the atmosphere and the emotions they promise. Emotional identification plays a significant role.

**4. Shifts within the target groups:** the Strategy accounts for demographic and social trends, including aging populations in developed countries, the diseases of civilisation, shifts in lifestyle as well as the changing demands emerging with the new “digital generations”.

**5. The proliferation of the sharing economy:** the rapid expansion of the sharing economy brought an explosive rearrangement of sectors such as hospitality and public transport, and regulatory systems could only partially keep up with the pace of these changes. This expansion of the sharing economy is expected to continue in the next 10-15 years, with new emerging forms of use and business models having a significant effect on tourism.

**6. Technological challenges, the digital lifestyle, and the associated disruptive effects:** the continued success of the information revolution, the emergence of artificial intelligence, the development of robotics and the expected introduction of self-driving vehicles will not only pose challenges for the tourism industry – they will also provide opportunities for development. Technology also plays an ever-increasing role in our everyday lives – and in those of the tourists as well, creating new demands for “constant connectivity” or the opposite: an ever stronger urge for escaping from the digital overload.

**7. The effects of climate change, intense urbanisation and “overtourism”:** on a global scale, the next 10-15 years will bring the effects of

climate change to the forefront, as they may affect the appeal of today’s popular destinations.

**8. Shifts in world politics and global security politics:** the increasing threat posed by global terrorism and processes affecting the future of the European Union – Brexit, for example – will have major impacts on the trajectory of tourism on both a global and a national scale. Safety becomes a key factor in making tourism and travel decisions.

Beyond the situation analysis, the Strategy also provides a detailed picture of **tourism in Hungary**, identifying the key trends and resources. It analyses the availability of information, the utilisation of resources and the regulatory environment, setting out the directions of the required strategic interventions.





## The Strategy's system of goals

The system of goals outlined in the Strategy begins by describing the Strategy's motivation, vision and mission, then proceeds to designating the supporting pillars as well as the strategic and horizontal goals.

Motivation means a shared idea which **every player of the sector can identify with**. We believe that for us who consider tourism and hospitality to be more than a job, rather a vocation, the main goal is to communicate to the visitors as much as possible the experience that Hungary means to us. This is why our motivation and purpose, at the most fundamental level of the Strategy, can only be put into words as follows:

“We want to share our passion for Hungary.”

It is our firm conviction that our mission as players in the tourism and hospitality sector, is: **“To tell the story of Hungary, and to contribute to the growth of the nation through the development of tourism.”**

**Our vision** sets the following characteristics for tourism in Hungary by 2030:

1. it is a leading sector of economic growth,
2. it offers quality experiences,
3. it is available and easily accessible, employing innovative solutions,
4. it has developed a solid national brand of tourism,
5. it offers a favourable career path.

Also, tourism substantially contributes to the following goals:

1. the protection of our communities and national values,
2. the encouragement of patriotism.

The next level of the Strategy comprises the supporting pillars and horizontal targets: the major areas addressed by the strategic toolkit.

**The supporting pillars identified within the Strategy include:**

### **A. The Kisfaludy Tourism Development Programme**

The programme outlines the development paths for tourism destinations, products and attractions relevant for the goals related to this strategic pillar; improving the domestic palette of tourism, with a more even distribution over both time and space; achieving a uniform regional concept and profitability, along with social/economic/ecological sustainability.

### **B. Strategic brand communications, targeted marketing communications campaign activity and sales**

The goals relevant for this strategic supporting pillar call for the modernisation of Hungary as a tourism brand, the establishment of a destination brand system, redesigning sales activities on the international market as well as achieving efficiency in marketing communications.

### **C. Committed professionals, welcoming hospitality**

The targets of this strategic pillar include enhanced professionalism and commitment from those employed in the tourism sector.

### **D. Reliable data, measurable performance**

The goals of this strategic pillar include the effective execution of the research/analytic/evaluation tasks as well as the development of the tourism database. The key goal of the pillar is the establishment of a realistic market and sector overview, allowing for performance evaluation and monitoring.

### **E. A transparent and predictable system of regulation and motivation**

The targets of this strategic pillar include the reconsideration of the regulatory and financial environment, placing special emphasis on the suppression of the informal economy, and establishing an efficient resource allocation system.

### **F. Leadership and co-operation**

The goals of this strategic pillar include enhanced co-operation between the various market players in the sector, allowing for a clear division of tasks between the government, municipal and private (for-profit and non-profit) players along clearly defined roles and responsibilities.

### **G. Identity and attachment**

The National Tourism Development Strategy 2030 highlights the importance of utilising various tourism-related methods to support the realisation of strategic goals for the nation.

The system of goals set in the Strategy, is completed by the designation of horizontal intervention areas (H), including:

#### **H1. Cooperative tourism**

The goal is to **establish a type of tourism** which allows for the visitors to experience local lifestyles by living together with the local communities, in harmony with the environment.

#### **H2. Family-friendly tourism**

The essence of this principle is to establish tourist attractions which provide shared experiences for multiple generations, and the development of family-friendly accommodation services and transport infrastructure.

#### **H3. Accessible tourism**

The goal is to achieve physical and informational/communication accessibility as well as improve the direct physical accessibility of the attractions.

#### **H4. Informative tourism**

The goal here is to provide the visitors with consistent and meaningful information in multiple languages.

#### **H5. Digital tourism**

The goal is to utilise the potential inherent in available digital technologies, and apply it to every facet of tourism.

## The strategic toolkit and financial resources of the Strategy

The toolkit of the Strategy comprises all future interventions planned for deployment by the state management of tourism, in order to achieve the goals set in the Strategy.

The categories these tools belong to include:

1. development policy, planning and support,
2. marketing communications,
3. sales,
4. training, education and attitude-transformation methods,
5. research,
6. regulation,
7. facilitation of the achievement of horizontal goals.

The currently available and planned development resources for the realisation of the Strategy, projected up to 2030:

- ▶ HUF 574.6 billion from the national budget, and
- ▶ HUF 262.18 billion from EU development funds.



## The indicator system of the Strategy

The key indicators for realising the targets set within the Strategy include:

Name of indicator	Unit of measure	Base year	Base value	Target value realisation year	Target value
The direct and indirect – i.e. total – contribution of tourism to the economy (GDP ratio)	%	2013	9,8	2030	16,0
Number of registered employees in tourism and related sectors	employees	2013	364 370	2030	450 000
Hungary's ranking on the global tourism competitiveness index rankings (WEF ranking)	ranking	2016	49	2030	30
Guest nights spent in commercial lodgings nationwide	nights	2016	27 629 453	2030	50 000 000
Guest nights spent in commercial lodgings nationwide by Hungarian guests	nights	2016	13 827 408	2030	25 000 000

Guest nights spent in commercial lodgings nationwide by foreign visitors	nights	2016	13 802 045	2030	25 000 000
Number of guest rooms renovated in the Kisfaludy Accommodations Development Construction (Kisfaludy Accommodation Development Pla)	rooms	2016	0	2030	30 000
Number of tourism development projects with the participation and/or oversight of the Agency	rooms	2016	0	2030	500
Programme packages for the development of tourism-related courses within the higher education system	packages	2016	0	2023	1
Programme packages for the development of tourism-related vocational training courses	packages	2016	0	2023	1
Executive information systems employing genuine data, suitable for measuring tourism performance at the destination level	systems	2016	0	2020	1

## Institutional system for implementing Strategy

A key contributor to the execution of the Strategy is the top-level organisation of state tourism management: the Hungarian Tourism Agency, which allows for the implementation of a substantial number of projects in the first phase (until about 2023) by providing large-scale public funding, building a new tourism country brand and a related destination brand system, and establishing a fair and competitive framework for the operation of the sector, with special emphasis on human resource development. The second phase of the Strategy in the given time period involves decreasing the share of state's involvement as well as establishing a sound and effective regional organisational system.

As detailed in the Strategy, a wide-range co-operation between the different sectors of government, municipalities, professional, academic and NGO parties will be achieved, both within the sector itself, and in associated industries.

## The principles and monitoring of the Strategy's implementation

The principles for implementing the Strategy include:

Basic principle	Description
Measurability	Measuring the effects of the implemented developments, and the results of each intervention.
Complexity	Taking into account all factors regarding the regional and product-level target group within the implementation and evaluation processes.
Demarcation	A clear separation and visualisation of direct and indirect tourism effects within the implementation and evaluation processes.
Transparency	Continuously keeping the public informed of the results achieved and the resources used.
Co-operation	The consistent co-operation of all parties involved in the implementation of the Strategy.
Flexibility	The continuous monitoring and, if needed, review and redesign of the Strategy.



OCTOBER 2017

