

Cooperation with the tourism industry as a basic condition for good tourism policy pursued by the state

Współpraca z branżą turystyczną jako podstawowy warunek dobrej polityki turystycznej państwa

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Statement by Mr. Andrzej Gut-Mostowy, Secretary of State at the ceremony of awarding the title of doctor honoris causa by the International Business School on 30 May 2023 (Bulgaria)

Magnificence,

The Honorable members of Senate,
Ladies and Gentlemen,

I would like to express my deep gratitude to the university authorities and academic colleagues for this great distinction.

I would like to emphasize the importance of the quality of education and practical training. I am a graduate of hospitality technical school and the science gained from this stage of my education was very useful in my further activity in the tourism business. In my opinion, only openness to global trends, combined with in-depth knowledge and practice, produce tangible results. Tourism has always been very important in my life. After graduating from technical school, I chose tourism studies and for many years I successfully combine business activity in tourism with activities in the public sphere.

20 years ago, I created and managed the Regional Tourism Organisation in Krakow and Malopolska, which brings together about 150 representatives of tourism business, local governments and tourist organisations. At that time, we started a professional study of tourist traffic, in which I had the honour to participate.

For many years I was a member of the Parliament's Committee on Physical Culture, Sport and Tourism, and in 2021 I became Secretary of State

responsible for tourism in the Ministry of Sports and Tourism and Government Plenipotentiary for Tourism Brands.

Tourism, unlike many other sectors of the economy, is not homogeneous. Its interdisciplinary nature means that it is influenced by such areas as infrastructure, transport, environmental protection, the labour market, regional development, to name but a few. At the same time, tourism affects many areas of the economy.

The regions represent a huge potential for the development of tourism. Many studies indicate the great benefits of tourism development for local communities and territorial cohesion. Tourist function is a driver of local development. It should be remembered that tourism has a huge multiplier effect and has a positive impact on other industries indirectly related to tourism. The tourism potential lies primarily **in the regions. There are natural and cultural values, as well as the willingness of representatives of local communities.** The whole problem is the discovery of these potentials and the creation of commercialised tourism products within it. **The role of local government** is fundamental from the point of view of tourism development. After all, the local government is responsible for the municipal infrastructure necessary for the provision of tourist services. Looking more broadly, it is difficult to develop tourist functions without the involvement of local authorities. Therefore, it should be stressed that cooperation at all levels is necessary. Individual regions are very aware of what projects are needed and what will be the benefits of them.

After the global economic crisis, until 2019 tourism in Poland and the world developed at a stable pace, many investments related to this sector were carried out. By the time of the COVID-19 pandemic, all data related to tourism demand as well as supply showed upward trends. The situation of the tourism industry in Poland and around the world during the COVID-19 pandemic was very complicated due, among other things, to the two-year limitations in functioning.

During this difficult period, I was responsible for the development of aid programmes – the Polish Tourist Voucher, the Tourist Return Fund, the Tourist Assistance Fund and the package of laws constituting the Anti-Crisis Shield. These instruments have provided a number of horizontal solutions for the tourism industry.

Tourist Return Fund

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- ✓ after the outbreak of the COVID-19 pandemic, the Tourist Return Fund was a key aid instrument in the area of tourism. TRF was tasked with helping travel agencies pay out funds for unrealised trips due to the epidemic. This special fund was set up with the Insurance Guarantee Fund, which was to accept requests from travellers and tour operators for payments and to pay travellers money;
- ✓ the repayment of instalments to the Tourist Reimbursement Fund by entrepreneurs was postponed twice, due to the prolonged COVID-19 outbreak;
- ✓ The funds paid out from the TRF – almost PLN 300 million – went to more than 100 thousand people who concluded a contract for participation in the package and did not take it in connection with the outbreak.

Tourist Aid Fund

- ✓ the activation of disbursements from the Tourist Aid Fund concerned reimbursements to travellers of payments for a package which had not been or will not be made in connection with the unavoidable and extraordinary circumstances on the territory of in connection with the martial law announced in Ukraine on 24 February 2022;
- ✓ according to the explanatory memorandum to the law establishing the TAF, the creation of the Fund was necessary to support tour operators in a situation similar to that caused by the COVID-19 outbreak,
- ✓ from the funds deposited on the Tourist Aid Fund's account payments are provided to tour operators to cover reimbursements of payments made by travellers whose packages have not been or will not be realised due to unavoidable and extraordinary circumstances occurring on the territory of the Republic of Poland or at the place where the package is carried out.

The above-mentioned instruments and actions have prevented the bankruptcy of many travel agencies. The years 2020-21 despite the pandemic, which significantly inhibited tourism around the world, did not translate into numerous insolvencies of tourism organisers in Poland. In 2021, 2 travel agencies declared insolvency, which was less than 0.1 % in the total number of entrepreneurs (4326 in 2021). The establishment of the Tourist Return Fund allowed to remain competitive on the

market of tourism organisers and prevented further socio-economic destabilisation.

In the same period (2021), some European countries experienced a larger scale of bankruptcies among travel agents. In Norway, for example, there are 24 offices; in the Czech Republic 14 offices; there are 99 offices in Romania; in Denmark 8 offices; six offices in Austria. Therefore, the Polish security system is one of the best in Europe.

As the Secretary of State responsible for tourism in such a difficult period for the entire tourism industry as the COVID-19 pandemic was, I was aware of the need to make quick and effective decisions to sustain and stimulate the national tourism economy, both on the supply side and on the tourism demand side.

Polish Tourist Voucher – it was a quick response to the epidemiological situation that occurred in 2020, which affected our country and Polish entrepreneurs and citizens. On 15 July 2020, the Polish Tourist Voucher Act entered into force, and from 1st August 2020, authorised persons could activate their voucher on the Electronic Services Platform (ESP) belonging to the Social Insurance Institution. The programme was a very socially and economically valuable undertaking and, above all, a great organizational undertaking. On the one hand, it was a so-called "lifebuoy" for the tourism industry, on the other hand, huge support for Polish families who found themselves in a difficult situation as a result of the crisis caused by the COVID-19 pandemic.

The benefit in the form of a tourist voucher in the amount of PLN 500 was granted for a child up to the age of eighteen. In the case of a child with a disability, he was entitled to an additional voucher of PLN 500. In the first stage of the scheme, the benefit concerned accommodation in tourist facilities and packages with a minimum of one night, organised by tourist operators or public benefit organisations. After the changes, the vouchers were also used to pay for day trips, which did not include accommodation, together with any attractions provided by the organisers as part of a given offer. According to the original provisions of the Polish Tourist Voucher Act, the right to make payments expired on 31st March 2022. However, due to the remaining number of vouchers still to be used and in order to further strengthen the economic domestic tourism industry, especially the small and medium-sized enterprises sector, the scheme was extended until the end of September 2022 and then until the end of March 2023.

The Polish Tourist Voucher turned out to be a great economic and social success, as evidenced by statistical data from the reports of the ICT system maintained by the Social Insurance Institution as of 31 March 2023: the **total number of vouchers activated by beneficiaries amounted to almost 4 million, representing more than 88 % of all vouchers**. A total of 7.3 million children benefited from the Polish Tourist Voucher, including more than 220 thousand children with disabilities. It was a great support for families, especially for the less wealthy.

Over 28.000 tourist entrepreneurs from all over Poland participated in the PTV program. The sum of funds received by entities from the tourism industry throughout the duration of the programme amounted to about 3.2 billion zlotys.

After the COVID-19 pandemic, Poles began to rediscover Polish tourism products, especially when foreign travel was severely limited and involved health risks or a risk of quarantine stay. In recent years, there have been huge changes in tourism due to the search for destinations accessible by car, close to areas of natural value and providing the possibility of isolation.

As the Secretary of State responsible for tourism, I was a co-author **of the “Polish Spas” Programme**. The program was designed as a program addressed to all health resort municipalities and having the status of a spa protection area. Fifty spa municipalities across Poland received non-repayable funding of up to PLN 5 million from funds from the fourth edition of the Strategic Investment Programme – Polish Spas. In total, over 240 million zlotys are supported by local governments that suffered during the COVID-19 outbreak. The Polish Spa Programme was developed in cooperation with the Association of Health Communes and the Chancellery of the Prime Minister.

The financial resources under the programme are intended for investments extending the offer for patients and tourists, in accordance with their needs, including the revitalisation of spa parks, the construction of swimming pools or road modernisation. The main objective of the support was to improve the economic situation of municipalities, as well as to increase the development potential in terms of mitigating the effects and complications of COVID-19 disease in the light of the projected radical increase in demand for medical tourism and rehabilitation services. The programme made it possible to rebuild the potential and develop competitive advantages vis-à-vis foreign entities. Polish spas are of great importance in rebuilding the potential of

medical tourism in Poland, which is a Polish export specialty. In addition, changes and development will translate into greater service possibilities for domestic patients.

As the Secretary of State responsible for tourism, I was also a co-author **of the Mountain Municipality Support Programme during the COVID-19 pandemic**. It was the mountain municipalities that were most affected by the pandemic, because the tourist winter seasons always ended with large restrictions on functioning. As part of the call for applications for funds from the support programme introduced by the Resolution of the Council of Ministers in January 2021 on support for the implementation of investment tasks by local government units, as a tool to reduce the effects of the COVID-19 outbreak, 202 municipalities out of 203 supported have submitted applications. The co-financing from the programme amounted to 40 % of the average annual value of investment expenditure incurred in 2016-2020, but no more than PLN 8 million per municipality. All municipalities have benefited from this solution. Municipalities could also apply for subsidies for income from property tax lost in the first quarter of 2021. In the case of this instrument, the co-financing for one municipality amounted to 80 % of its income foregone. More than 27 % of eligible municipalities have benefited from this solution.

The funds were used to finance or co-finance publicly accessible tourist infrastructure, as well as municipal infrastructure related to tourist services, in particular the construction, extension, reconstruction or modernisation of: hiking trails for hiking, cycling, horse, water, ski and winter tourism, as well as their markings, squares, pedestrian streets, promenades, parks, viewpoints, parking lots, leisure equipment rentals, museums, regional cultural and other tourist attractions, municipal infrastructure necessary for the development of tourist services, e.g. roads, pavements, sewage treatment plants, etc. The municipalities benefiting from the support applied for measures amounting to PLN 672.7 million.

On 24 September 2021, during the Tour Salon fair in Poznań, an agreement on cooperation in the field of tourism between the Ministry of Development and Technology of the Republic of Poland and the Ministry of Tourism of the Republic of Bulgaria was signed. The persons signing the document were ministers responsible for tourism in both countries – Andrzej Gut-Mostowy, Secretary of State and Minister Stela Baltova. The aim

of the agreement is to deepen cooperation in the field of tourism between our countries, in particular by exchanging information and data related to tourism, encouraging cooperation between tourism stakeholders, hotel managers and tour operators, as well as exchanging information on tourism development programmes implemented in both countries.

An excellent platform for achieving the objectives of the concluded Agreement is, among others, the scientific **journal created this year, entitled “Academic Journal.” “Tourism – management, administration, law.”** It is a scientific journal of the Ministry of Sports and Tourism, where articles will be published in the field of such scientific disciplines as: legal sciences, physical culture, management and quality, administrative sciences, as well as socio-economic geography and spatial management. We have invited a wide range of scientists to cooperate. We were supported by both national scientists and the foreign scientific community, in particular academics from Bulgaria, for which I would like to thank you and once again invite you to publish in our journal. Details can be obtained from the Deputy Editor-in-Chief of the director Dominik Borek present here today.

Tourism, like all sectors of the economy, needs data and research to grow, and the resources invested have yielded the greatest return. In the case of the tourism economy, the spectrum of research and data needed, as well as their dissemination, is very broad. Depending on the time horizon we are talking about, in the short, medium or long term, information needs will vary and may relate to demand, supply, labour market or trends. The scope and form of knowledge delivery must also be adapted to the profile of the recipient, and in the case of tourism, the group of stakeholders is very diverse. The role of the State is to provide basic statistical data, but also to develop, in cooperation with the relevant institutions, solutions that will support the use of available data for the development of the tourism economy. I know that the problem of the modern world is not the data itself, but the ability to analyse and use them, I am glad that you as a university understand these matters perfectly. I congratulate the organisation of the conference **Sustainable Development – Circular Economy, Critical Infrastructures, Green Transition XVIII International Scientific Conference** on 18-20 May 2023. I know that our representative – Mr. Dominik Borek, Director of Tourism Department took part in the event, which was our expression of our willingness to cooperate with you as an outstanding academic community in the

field of tourism. I think that the common ideas and opportunities offered by tourism in Poland and Bulgaria will be an opportunity to expand our cooperation. At this point, I would like to propose and consider the signing of a letter of intent which would constitute this cooperation between individuals. In the area of tourism, the Ministry of Sports and Tourism is a kind of “a hub” to initiate and support valuable research initiatives.

I would like to remind you that it was my idea that the Council of Experts on **Climate Change was established. Tourism**, which consists of academic professors, supporting the ministry with an advisory voice. Also, the Council of the Polish Tourism Organisation with the chairman of the Chamber of Commerce of the Polish Hotel Industry and cooperation with chambers of commerce and local governments were the foundation for the development and consultation of all these solutions. The potential for this between the Ministry of Sports and Tourism of the Republic of Poland and the International School of Business in Sofia seems obvious. I believe that within the framework of the working arrangements, we will develop an effective formula of cooperation at the academic and advisory level between our institutions, we will lead the agreement on this subject after returning to Poland.

I would also like to take this opportunity to invite you, as outstanding representatives of the world of science, to **participate in the 2nd European Congress of Sport and Tourism**, which will be the biggest event of its kind in Poland, and we hope also in Europe. It is a dozen or so discussion panels, conferences and meetings of the world of science with tourism business and sports. On 26-28 September 2023 I invite you to the capital of the Polish Tatras to Zakopane to celebrate World Tourism Day and develop fruitful Polish-Bulgarian cooperation.

Once again, I thank the Magnificence Rector, the Senate of the University and everyone involved in today’s celebration. For me personally, it is an expression of appreciation not only of my person, but of the whole team, which supports Polish-Bulgarian cooperation in numerous fields of tourism and science. Thank you again very much!