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Prague Destination Management:

# Putting Prague First

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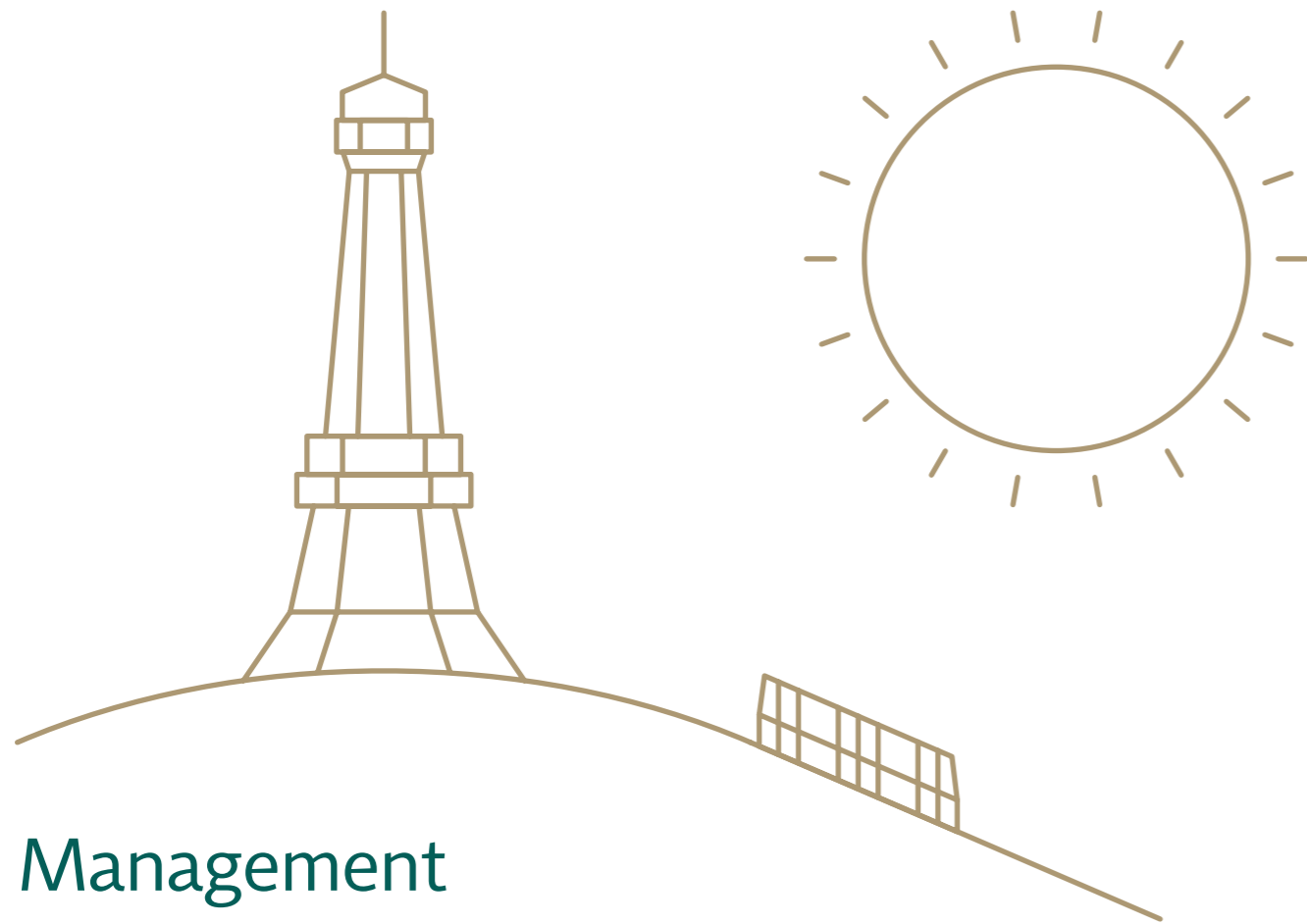
Strategy for Sustainable  
Tourism of Prague



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## Management Summary

Tourism brings many benefits to the Czech Republic's public purse. The current budgetary allocation of taxes results in the vast majority of positive financial effects being felt at the national level. Moreover, Prague is not adequately compensated for the costs that it has to bear in connection with tourism, and Prague, like other European cities, is facing the global growing trend of mass tourism. While this brings profits and employment to the city and its residents on the one hand, on the other it reduces the quality of life of the residents as well as their safety, threatens the exceptional world heritage and genius loci of the Prague Heritage Zone; thus mass tourism brings down the value of the Prague city brand.

This situation requires a new, comprehensive approach to tourism issues, one that is focused on more than simple marketing – on caring for the destination, its management.

The purpose of this present Strategy for Sustainable Tourism of Prague (hereinafter the Strategy) is to balance the economic benefits of tourism with the strategic interest of the city, namely the sustainability

and improvement of the quality of life of its residents, ensuring their safety, as well as the protection and development of culture, and our historical heritage. This amounts to maximizing the positive side of tourism and minimizing the negatives associated with it.

Of course, this is not a task to be accomplished solely through the efforts of Prague City Tourism. It requires signed-up involvement by all the relevant stakeholders, such as Prague City Hall, the City Districts, key organizations and institutions at city and government level, local residents, as well as the business and non-profit sectors. It also requires that all relevant strategic and regulatory measures work together, combining all the tools at the city's disposal. In this context, the Strategy makes use of recommendations from international institutions, in particular the United Nations World Tourism Organization (UNWTO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Travel & Tourism Council (WTTC).

## Methodology and Structure of the Strategy for Sustainable Tourism of Prague

**The Strategy has been compiled by the Prague City Tourism organization of Prague City Hall, to foster the development of incoming tourism from inland and abroad, in cooperation with the Institute of Planning and Development of Prague City Hall (IPR Praha).**

The Strategy is founded on studies of strategic and analytical documents, at city, governmental and international levels, and the selection and analysis of tourism statistical data. The findings of these trends and the related major issues, the needs of the city and the scope for resolving them were discussed with representatives of Prague City Hall, specifically with the Mayor, the Councillor for Culture and Tourism, the Chairman of the Committee on Culture, Exhibitions, Tourism and Foreign Relations, the Councillor of the Prague 1 district with a focus on tourism and business, trade and services support, trade regulations, economic activity strategies, utilization of non-residential premises, as well as experts of the Institute of Planning and Development for Tourism and representatives of the Prague Convention Bureau.

In May 2020 the Strategy proposal went through a participatory review process, consulting with all relevant stakeholders in the field of tourism, including the wider professional public.

The Proposal part of the Strategy is based on the visions and priorities of Prague City Hall Strategic Plan [Strategický plán hl. m. Prahy], from Prague City Hall

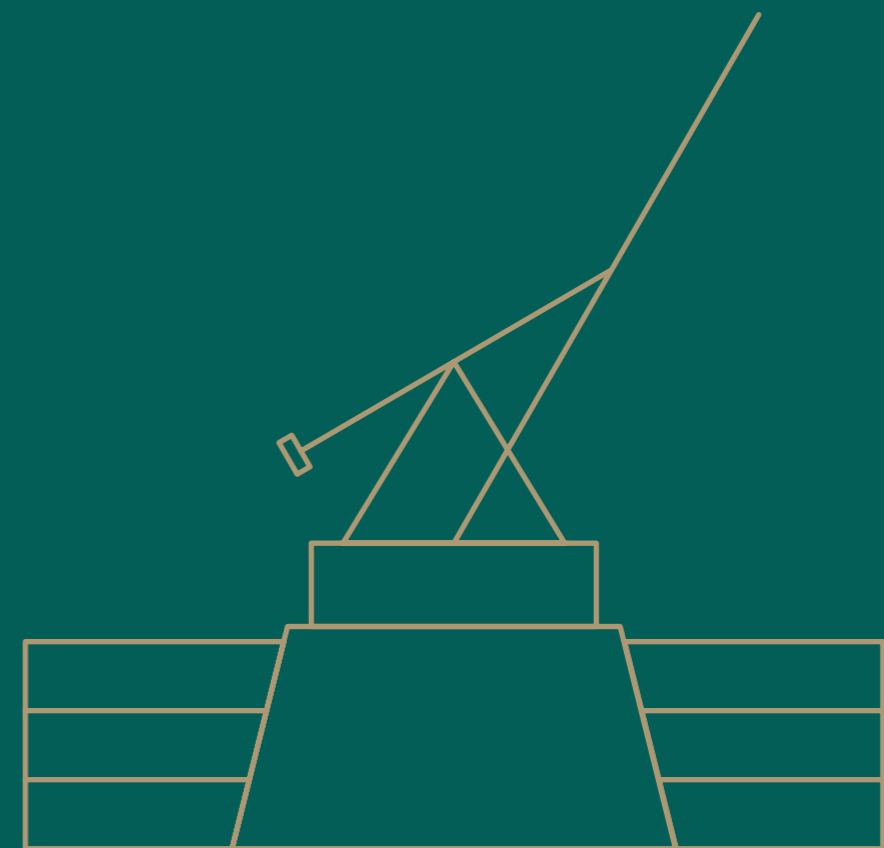
Cultural Policy Concept [Koncepce kulturní politiky hl. m. Prahy 2017–2021], from the Management Plan for the Protection of the World Cultural Heritage of the Historical Centre of Prague [Management plán ochrany světového kulturního dědictví historického centra Prahy] and Prague City Hall Economic Foreign Policy Strategy [Strategie ekonomické zahraniční politiky hl. m. Prahy]. This is closely aligned with the Tourism Development Strategy of the Czech Republic [Strategie rozvoje cestovního ruchu ČR 2021–2030] and the Strategic Framework of the Czech Republic [Strategický rámec České republiky] and takes into account the recommendations of UNWTO and UNESCO.

The aims of the Strategy are all interlinked and directed toward fulfilling the vision of sustainable tourism as intrinsic to quality growth of the city, with an emphasis on its cultural heritage and the quality of life of Prague residents.

The strategy will be implemented through an Action Plan, to be updated annually by Prague City Tourism.



# Current Status



**Table 1:**  
**International tourist arrivals in selected years**

	International visitors (mil.)						World market share (%)	Change (%)		Average annual increase (%)
	1995	2000	2005	2010	2015	2019		2019	17/18	
World	531	680	809	952	1195	1461	100	5,6	3,8	5,2
Europe	308	393	453	487	607	742	51	5,8	3,6	4,6
Czechia		4,7	6,3	6,3	8,7	10,9	0,7	4,4	2,6	6,1
Prague		2,3	3,7	4,1	5,7	6,6	0,5	1,6	1,7	6,0

Source: IPR Prague / Data Source: UNWTO 2020, CSO 2020

Note: data before 2000 are not displayed due to a number of statistically significant changes in data collection

### Tourism is growing globally, Prague is growing faster.

Prague is one of the most highly developed and visited urban tourist destinations in Europe and the world<sup>1</sup>. In 2018, it was the seventh of 126 European cities to welcome overnight visitors. In terms of arrivals, in the same year Prague even took 6<sup>th</sup> place in Europe, and 20<sup>th</sup> worldwide<sup>2</sup>. In Tripadvisor traveller ratings, Prague came 7<sup>th</sup><sup>3</sup>. International arrivals have grown by an average of 6% over the past decade, exceeding the European and global averages. However, in 2018 and 2019, the growth rate of international arrivals in Prague slowed significantly (see Table 1).

### Tourists in Prague spend less than in other European cities.

Total revenue from the Czech Republic's incoming tourism in 2016 was €5.7 billion<sup>4</sup>, but the revenues by visitor numbers are below the EU average. Prague is heavily dependent on visits from abroad – incoming tourists spent €5.9 billion here in 2016<sup>5</sup>, which is 88% of the total tourist spend (see Chart 1).

In 2019, more than 8 million tourists arrived in Prague and spent almost 18.5 million nights there. However, the average number of overnight stays is only 2.29<sup>6</sup>. While the number of visitors to Prague has been growing in the long term, the average length of stay has shortened (see Chart 2): in 1996, the average stay in group accommodation facilities was 3.7 days, i.e. some 1.4 days less, by 2019. Prague is no exception in this, however, the common global trend of recent years – not only in urban tourism – being to shorten each stay, but visit more destinations. In fact, not only do many more people travel, but they travel to more places and more often (several times a year).

<sup>1</sup> See International Tourism Highlights UNWTO 2019. <https://www.e-unwto.org/doi/pdf/10.18111/9789284421152>

<sup>2</sup> Euromonitor International (2018). Top 100 Cities Destination Ranking. <https://go.euromonitor.com/white-paper-travel-2018-100-cities> (28. 2. 2020).

<sup>3</sup> TripAdvisor (2019). Top 25 Popular Destinations — World. 2018 Traveller's Choice. <https://www.tripadvisor.cz/TravelersChoice-Destinations> (21. 2. 2020).

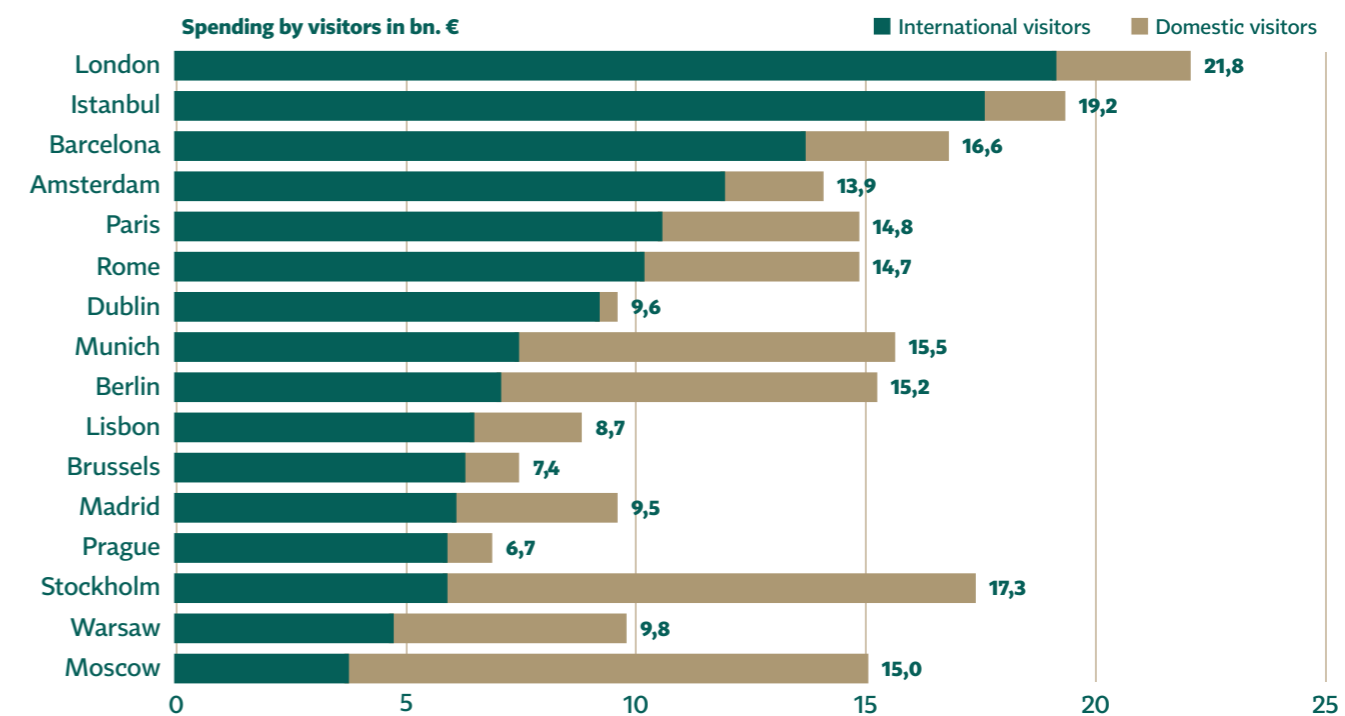
<sup>4</sup> Source: UNWTO 2018, CNB – ARAD 2018, CSO 2018.

<sup>5</sup> Source: WTTC (2017). Travel & Tourism: City Travel & Tourism Impact 2017: Europe.

<sup>6</sup> CSO 2020.

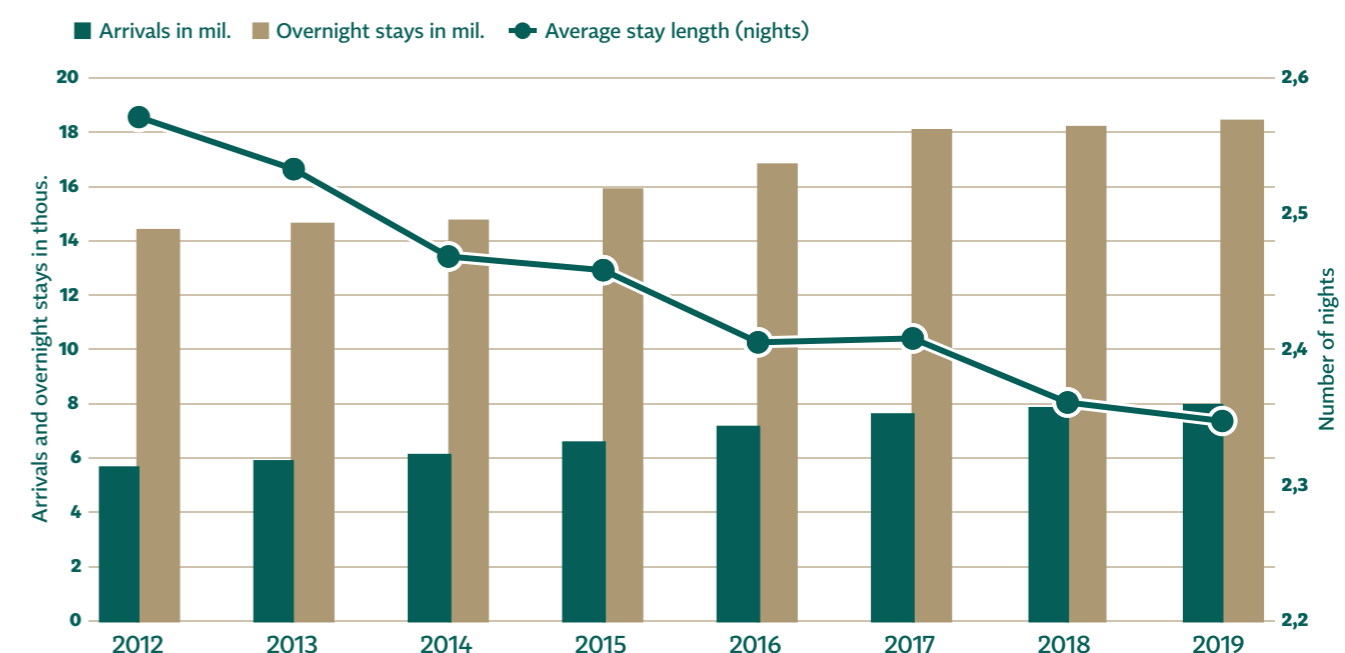
**Chart 1:**  
**Spending by visitors in selected European Cities in 2016 in € billion**

Source: IPR Prague / Data Source: WTTC 2017.



**Chart 2:**  
**Prague tourist accommodation stays 2012-2018**

Source: IPR Prague / Data Source: CSO 2020.



## Positive economic impacts of tourism.

Prague generates more than 60% of the Czech Republic's tourism GDP. This represents the highest share among European cities surveyed and highlights Prague's dominant tourism position nationwide. In Prague, tourism contributes 5% to the city's GDP. Prague is also at the top of the European rankings

with its 8% contribution from tourism to total employment, second only to Amsterdam (see Table 2). Employment is growing more slowly than GDP growth in Prague's tourism sector, with the WTTC expecting an increase of only 0.9% by 2026 (more than, say, Barcelona, but less than other cities<sup>7</sup>.)

<sup>7</sup> WTTC 2017.

**Table 2:**  
**Macroeconomic indicators of tourism in selected European cities in 2016**

	Employment in tourism (thous.)	Share of the city's employment [%]	Employment growth 2006-2016 [%]	Share of the city's GDP [%]	Share of nationwide tourism-related GDP [%]	GDP growth in the city's tourism sector 2006-2016 [%]
Prague	99,4	8,4	7,9	5,0	60,3	35,0
Dublin	22,4	2,6	22,4	1,9	59,1	81,3
Brussels	52,8	4,1	1,0	3,7	52,6	36,1
Warsaw	98,8	5,7	47,2	4,9	44,1	100,0
Stockholm	60,1	4,1	36,9	2,7	38,1	76,0
Lisbon	101,0	7,0	26,6	5,3	31,8	52,0
Amsterdam	88,5	9,8	13,5	4,1	31,7	24,2
Istanbul	114,4	2,1	2,4	4,6	31,6	75,4
Paris	230,1	3,4	-0,5	3,2	27,9	12,5
Moscow	157,9	6,5	19,9	1,5	26,4	27,6
London	227,9	2,5	-0,1	1,9	18,6	9,5
Barcelona	104,1	4,9	-5,3	5,3	12,4	20,3
Madrid	85,4	2,7	-0,5	2,8	10,6	25,0
Rome	119,1	6,0	34,3	4,9	10,1	30,0
Munich	106,6	1,5	37,2	4,4	7,6	23,5
Berlin	154,5	6,5	42,0	4,0	4,9	62,2

Source: IPR Prague / Data Source: WTTC 2017.

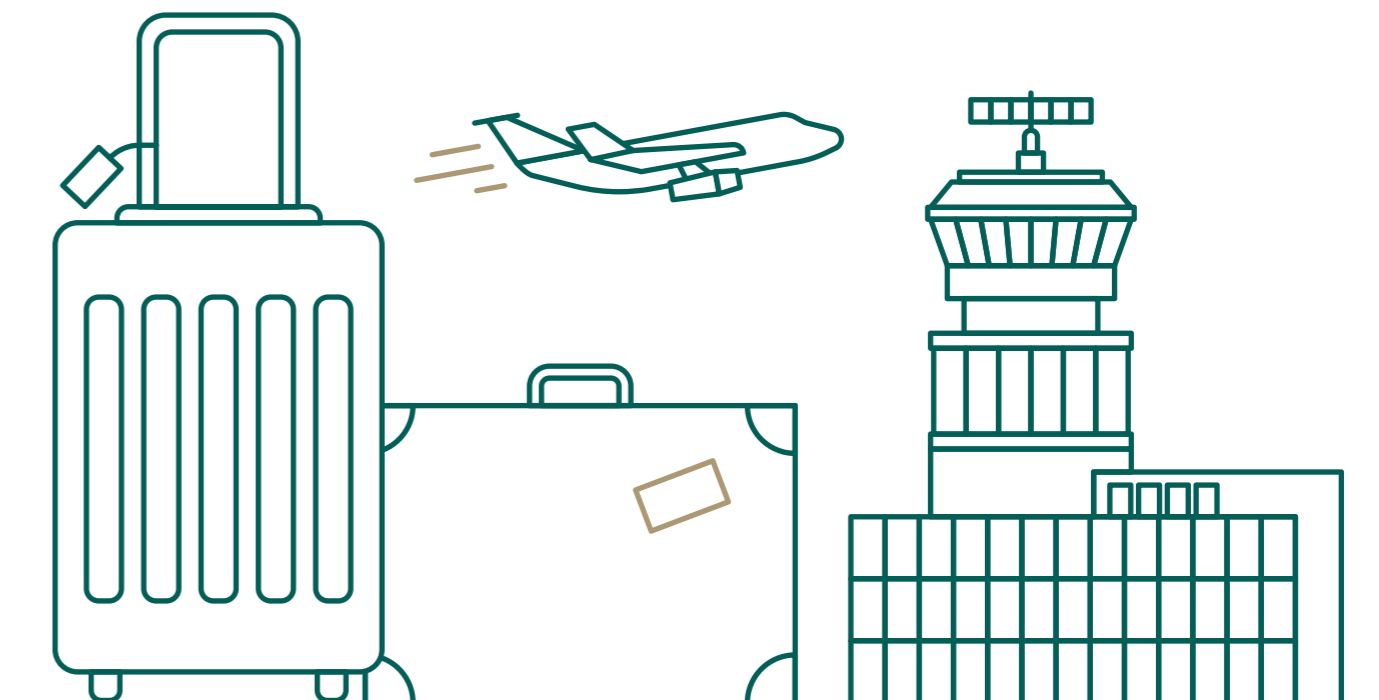
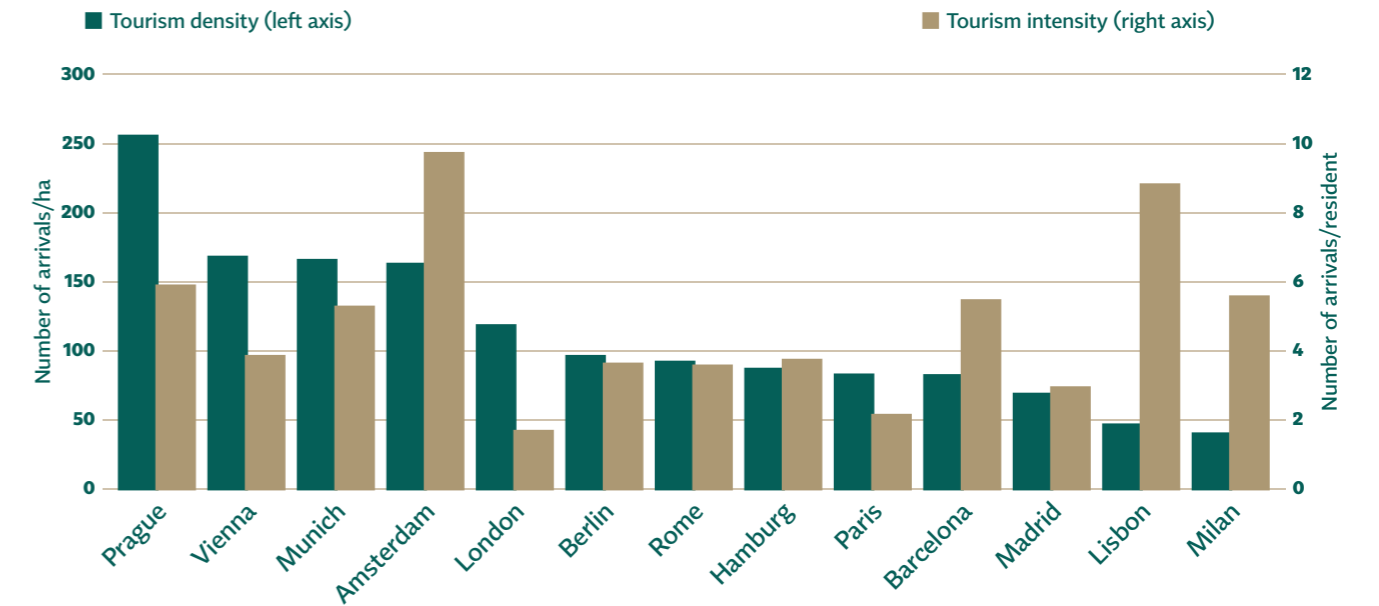
## Prague's tourism burden is considerable.

In terms of tourism density, Prague far outstrips other European cities with 257 arrivals per hectare (see Chart 3). At the same time, tourism in Prague is concentrated over a significantly smaller area than, say,

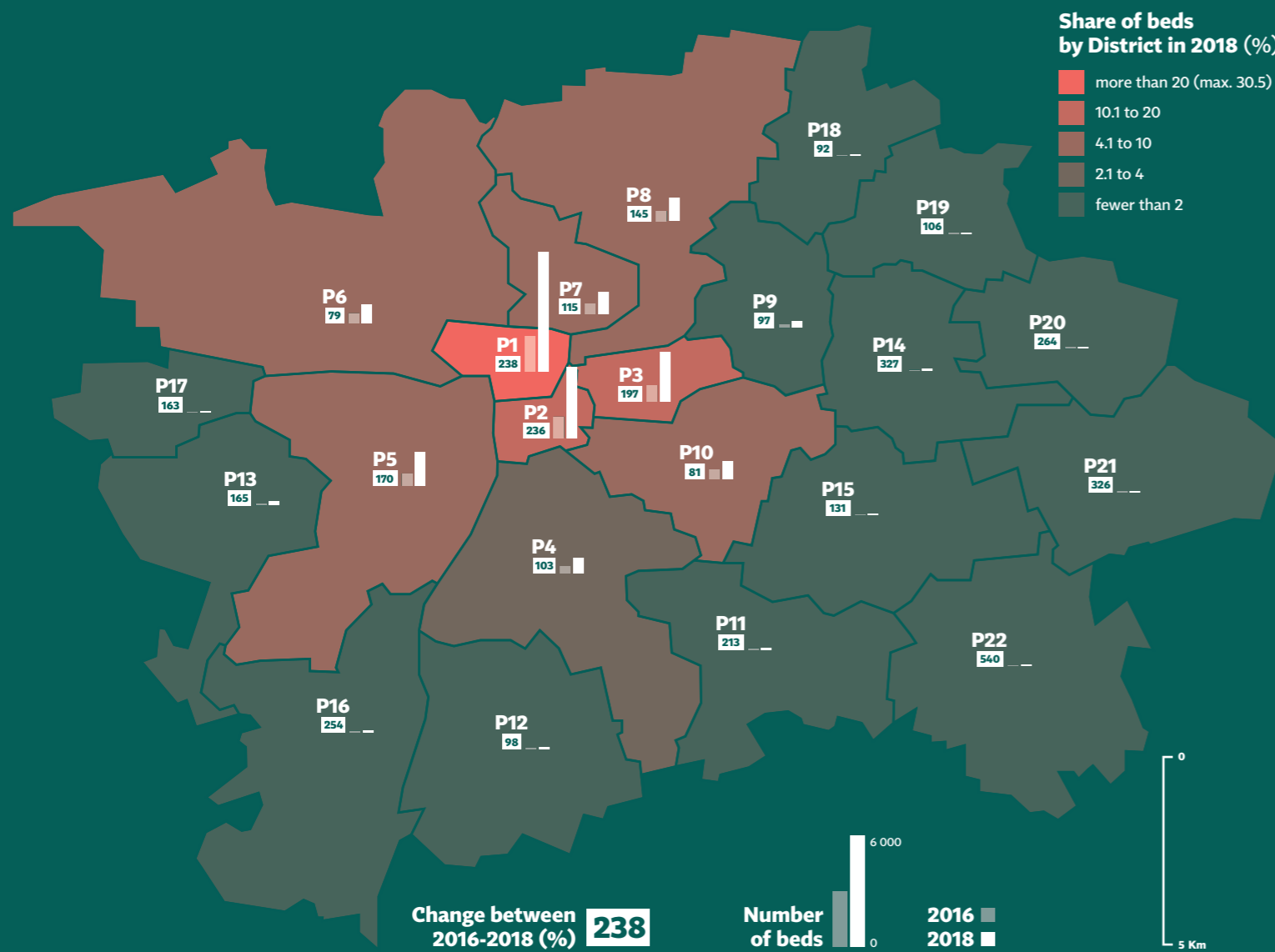
in Vienna, London, Berlin or Rome, and is much more impacted by tourism.

**Chart 3:**  
**Tourist impact indicators for selected European cities in 2017**

Source: IPR Prague / Data Source: TourMIS 2019, Demografia 2018, Observatori del Turisme a Barcelona 2019, Amt für Statistik Berlin Brandenburg 2019, Istat 2019.



**Figure 1:**  
Concentration of Airbnb beds by Prague administrative districts in 2018 and their change between 2016 and 2018



Source: IPR Prague / Data Source: Inside Airbnb (2019). Get the data: Prague. <http://insideairbnb.com/get-the-data.html> (26. 2. 2020). / Tom Slee (2017). Airbnb Data Collection. <http://tomslee.net/category/airbnb-data> (31. 12. 2017).

The city centre has long been seeing the transformation of apartment buildings from residential to accommodation facilities. Between 1990 and 2016, 180 buildings were converted into hotels<sup>8</sup>. Since 2012, an enormous increase in paid private accommodation has also been recorded, using residential apartments

for commercial activities. The biggest provider of these apartments is the online platform Airbnb. In 2012 it offered 600 units in Prague<sup>9</sup>, in 2016 more than 5.5 thousand units, in 2017 more than 12 thousand units<sup>10</sup> and in 2019 about 14 thousand units<sup>11</sup>.

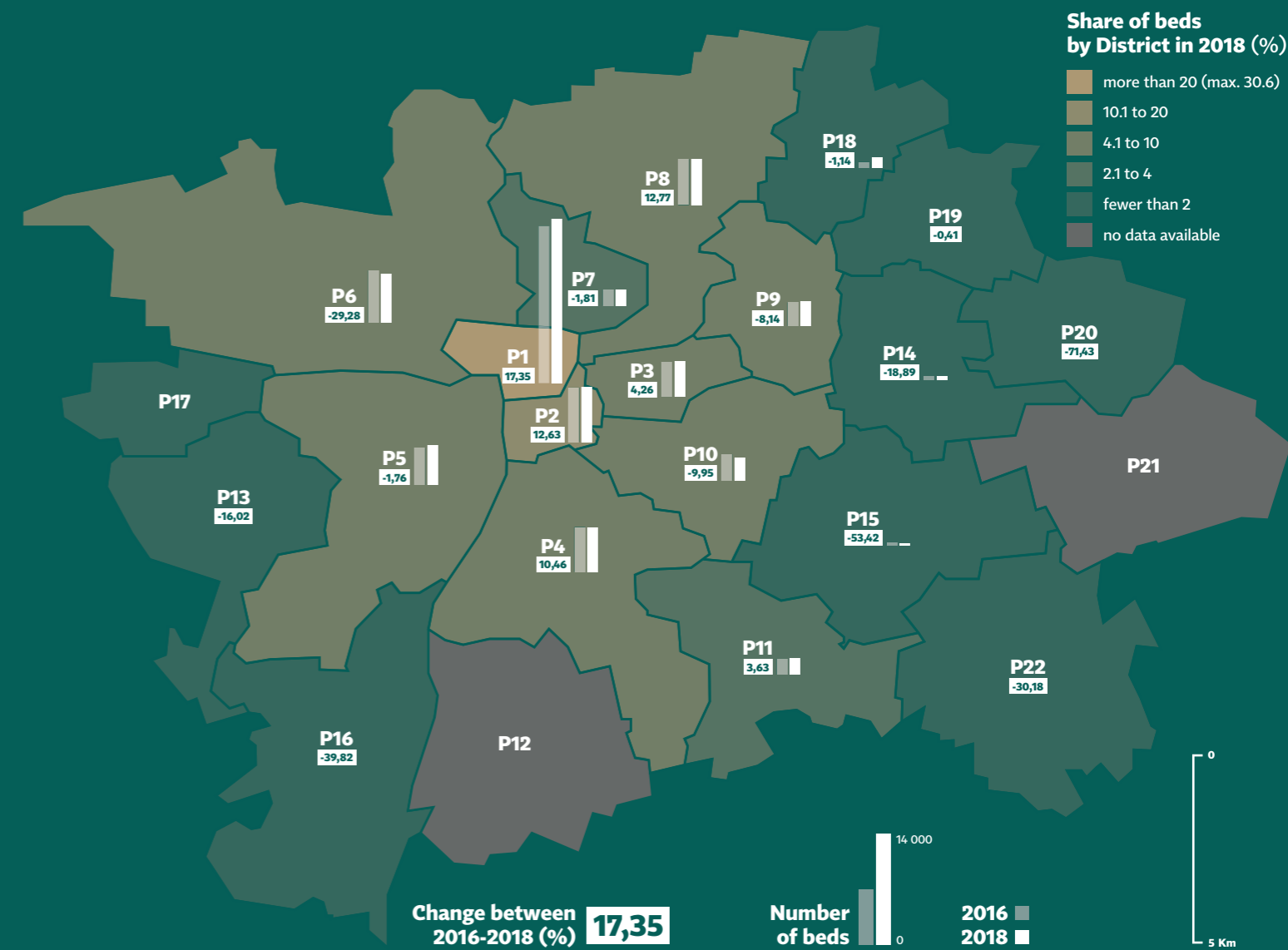
<sup>8</sup> Kadár (2019). Hotel development through centralized to liberalized planning procedures. In Shoval, N (ed): Tourism and Urban Planning in European Cities, pp. 91-110.

<sup>9</sup> Krajčík, V., Veber, J., Bejček, M., Ključnikov et al.: (2017) Economic analysis of accommodation services, including the so-called shared economy segment. Prague: VŠPP 2017. Under the TA CR - BETA programme.

<sup>10</sup> Tom Slee, 2017.

<sup>11</sup> Inside Airbnb 2020.

**Figure 2:**  
Concentration of beds in group accommodation by Prague administrative districts and their change between 2016 and 2018



Source: IPR Prague / Data Source: CSO 2020.

All the accommodation units and facilities are concentrated chiefly within the Prague Heritage Zone and this concentration is only growing over time, contributing, among other things, to the outflow of locals from the

city centre, with more ingrained touristification<sup>12</sup>, rising rental and property prices and overall congestion (see Figure 1 and Figure 2).

<sup>12</sup> Touristification is the progressive repurposing of a territory, whereby the day-to-day facilities for residents are squeezed out and replaced with functions and services targeted solely at tourists..



## Prague gets its actual tourism revenues only from accommodation and city property fees.

Prague has very little tax autonomy. The only tax whose revenues remain in any given municipal territory within the Czech Republic is the real-estate tax, which has no connection to tourism revenues.

Tax revenues included in the budget of Prague City Hall are determined by the Budgetary Allocation of Taxes Act (No. 243/2000 Coll.). It defines the collection and redistribution of shared tax receipts (VAT and income taxes) to municipalities and regions within the Czech Republic.

Tax revenues coming in from Prague exceed the redistribution allocated back to the capital. Any growth in tax revenues in the capital thus means an increase in tax transfers from the state budget to all municipalities of the Czech Republic.

Within the terms of the tourism industry, Prague City Hall only gets to keep 100% of income from local overnighting fees. Under the terms of the Act, as amend-

ed, the fees can go up to CZK 21 in 2020 and from 2021 to CZK 50<sup>13</sup>. In 2018, Prague City Hall collected CZK 324.1 million in local fees in the tourism sector. Other income includes the selection of entrance fees to its public-access towers and from all entrance fees to visited or historical buildings owned by the city or operated by Prague City Hall organizations, amounting to some CZK 300 million a year. Conversely, the approved 2020 budget total outlays amount to CZK 81.6 billion, so the revenue accounts for only a fraction of the city's total expenditure.

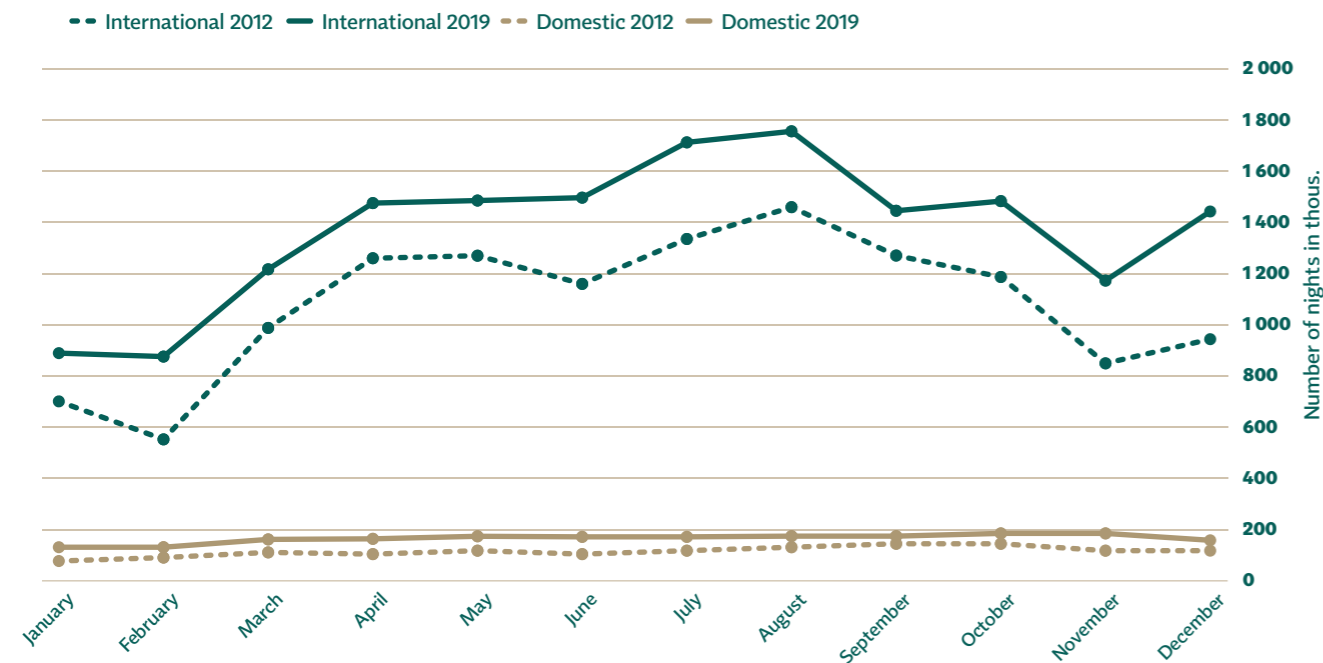
In addition to de facto income, tourism also helps the city's economy as a whole. Among the positives are employment (according to the WTTC<sup>14</sup> estimate, some 99.4 thousand people were directly employed in Prague tourism in 2017), opportunities for developments in business and innovation, attracting foreign investment as well as the development of human capital in the form of intercultural exchange, education and personal development, etc.

13 Amendment to Act No. 278/2019 Coll., which revises Act No. 565/1990 Coll., on Local Fees, dated 15 October 2019.

14 WTTC 2019.

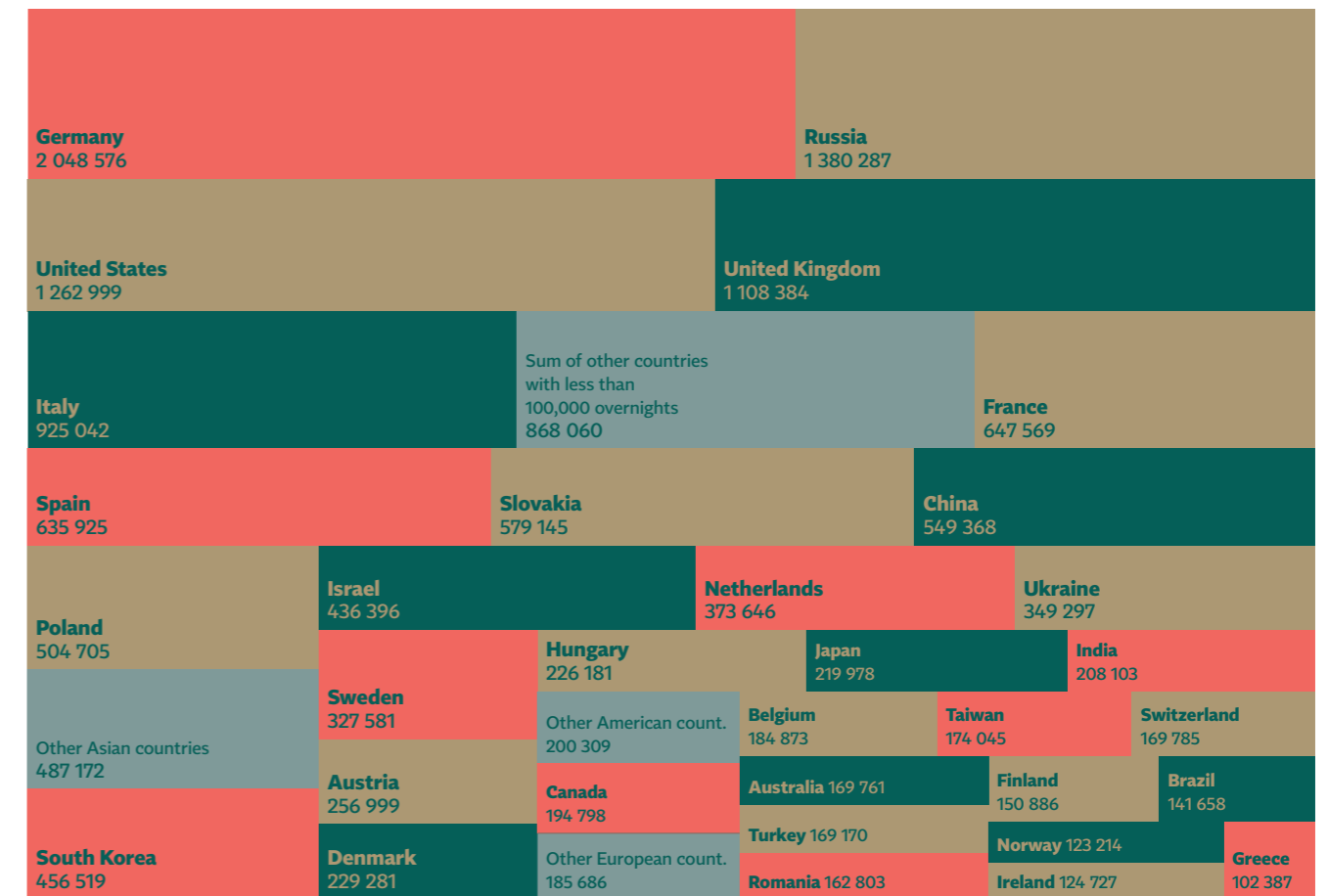
## Chart 4: Seasonality of visitor overnight stays in 2012 and 2019

Source: IPR Prague / CSO 2020



## Chart 5: Number of overnight stays by visitors from abroad in Prague's group accommodation facilities in 2019 by country of origin

Source: IPR Prague 2020 / data source: CSO 2020



## Domestic versus International visitors.

The share of total arrivals made up of domestic tourists is increasing (it grew from 14.1% to 15.5% between 2012 and 2018<sup>15</sup>). Although these tourists prefer other than group accommodation facilities and spend less than foreign tourists (CZK 749 versus CZK 1,484 during their stay, per day), they are very loyal visitors. They travel repeatedly, express a high willingness to return, generally know Prague very well, their interaction with locals is greater and more positive, and their attendance does not show marked seasonal fluctuations, even in times of crisis. They can thus level-up visitor numbers whenever tourism is disrupted by external factors.

From the government's point of view, international visitors are more attractive as tourist revenue, making up 89% of all overnight stays in group accommodation establishments<sup>16</sup>. The typical spend of an international

visitors in 2019 was CZK 3,817, of which CZK 2,333 was spent before the trip and CZK 1,484 during their stay<sup>17</sup>. The average length of stay went down from 3.6 to 3.4<sup>18</sup> nights (between 2012-2019), but this is in line with the global trend.

Tourists from Germany, the United States of America, the United Kingdom, Italy and Spain visit Prague the most and do so the most consistently. The numbers of tourists from Russia have shown notable fluctuations over recent years, but they are typically the longest-staying visitors to the destination. The Asian market (especially those visiting from China, South Korea, Israel, and India) has grown fastest in recent years. However, while Chinese and South Koreans often combine visiting Prague with other European cities and spend on average only 1.8 nights in Prague, the Israelis are more loyal and typically spend 3.3 nights in Prague.

15 CSO 2020.

16 CSO 2020.

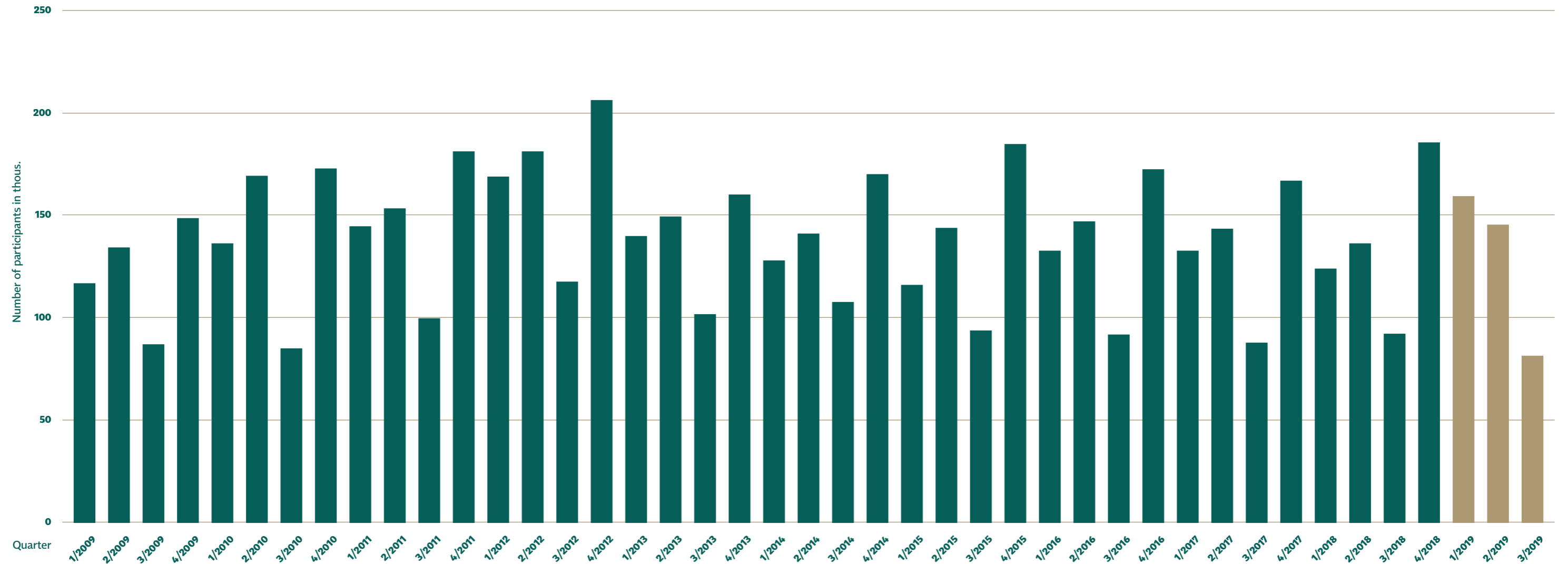
17 CzechTourism 2020.

18 CSO 2020.



**Chart 6:**  
**Participation at conferences and in group accommodation establishments between 2009 and 2019**

Source: IPR Prague / CSO 2020



### The potential of the Congress Industry sector.

The congress sector brings Prague a whole range of positives<sup>19</sup>. More than 700,000 participants come to Prague every year, to more than 5,000 meetings<sup>20</sup>. The average daily spend of a congress delegate is almost three times that of an ordinary tourist, namely CZK 6,500-8,000 per day<sup>21</sup>. The congress industry features high added value of follow-up services. In general, a congress delegate draws a larger volume of services than a regular tourist (services associated

with congress organization). At the same time, the guest is usually accommodated in 4-5 star hotels, and the services drawn are of a higher standard overall.

The congress industry also brings significant non-economic impacts, as it fosters the transfer of know-how to/from the Czech Republic. Moreover, congress delegates remain within congress premises throughout the day, thereby not overloading the city's day-

<sup>19</sup> See KPMG Study for the Prague Convention Bureau (pp. 7-8).

<sup>20</sup> Statistics gathered by the Prague Convention Bureau for 2018, which aggregate the statistics of the CSO and their own members.

The true numbers are even higher.

<sup>21</sup> KPMG study for the Prague Convention Bureau 2017.

### Impact of the Covid-19 pandemic.

to-day activity. Such events are also quite often held outside the main tourist season. Between 2014 and 2017, 3.1% of tourists surveyed came to Prague to attend a conference, congress or fair. On average, these tourists stayed longer (7.1 nights) in the Czech capital and showed a higher number of return visits<sup>22</sup>. A total of 4,534 conferences were held in group accommodation establishments in 2019, with a total of over 536,000 people taking part (see Chart 6).

Global tourism will be significantly affected by the impact of the Covid-19 pandemic, at least in the medium term. It may well change business models and people's behaviour and measures will be required to minimise infection rates, including a reduction in the density of tourism in the more risk-bearing venues.

<sup>22</sup> GfK (2017). Prague inbound tourism: Final analysis of the 2014-2017 survey. Prague City Tourism.

# Major Issues



Over the long term, tourism in Prague has been reaching the limits of durability. Mass tourism and its strong concentration in a relatively small zone have had significant negative effects on the functioning of the city and the life of its inhabitants. Prague has felt clear signs of overtourism, i.e. the unbalanced development of tourism in the city and congestion in its most heavily visited parts. Below are the main impacts of uncoordinated growth of tourism in Prague, derived from structured interviews with city representatives.

### Incessantly growing numbers of international tourists, concentration of tourism within the historic city centre.

#### Major issues arising from tourism in Prague:

1. Increasing touristification of the historical centre of Prague and its overspill into other parts – the dislocation of day-to-day essential services, the growing prices of services, goods and real estate (tourist inflation, tourist gentrification<sup>23</sup>).
2. A worsening exodus of locals from downtown Prague, contributing to the perception of this part of the city as a pure tourist attraction.
3. Congestion in public spaces – crowded pedestrian routes (large groups with guides), halting flows of traffic, making parts of public spaces unavailable, in favour of tourist services.
4. Traffic becoming less smooth-flowing, more obstructed overall, incl. pedestrian thoroughfares – especially through the introduction of tourist-focused transportation – tourist vehicles (motorbikes, multi-bikes, rickshaws, tourist buses, electric scooters), but also standing traffic catering exclusively for tourists (taxi ranks, bus stops).
5. Tourist ‘smog’ – visual smog, growing litter, noise (from tourist attractions, the tourist trade, tourist carts, the inappropriate behaviour of some tourist revellers).
6. Late night business – concentration of nightlife in residential areas, impacting safety, residential quality of life (noise, disorder, aggressiveness, etc.).
7. Short-term private accommodation – offered mainly through the Airbnb platform, but also by booking.com, Flipkey, Vrbo and its subsidiaries – violating the privacy of locals.
8. Lack of communication with local residents in solving the issues related to the impact of tourism in Prague.
9. Insufficient data collection in the area of tourism and the related overall picture of tourist activities in the city.
10. The discrepancy between the revenue the city actually gets out of tourism and the city’s expenditure to deal with the impact of tourism and visitor services.
11. Insufficient connection between tourism development and the overall development of the city and the needs of local residents and other stakeholders.
12. Untapped potential for cooperation with Destination Management Organizations at levels both national (CzechTourism) and regional (e.g. the regional DMO) outside Prague<sup>24</sup>.

<sup>23</sup> “Tourism gentrification can be defined as a process of socio-spatial change in which neighbourhoods are transformed according to the needs of affluent consumers, residents and visitors alike” (Cócola Gant 2015, p. 4, <https://www.rc21.org/en/wp-content/uploads/2014/12/E4-C%C3%B3cola-Gant.pdf>), as a result of this process there is often a progressive gradual displacement of the indigenous (often less solvent) population.

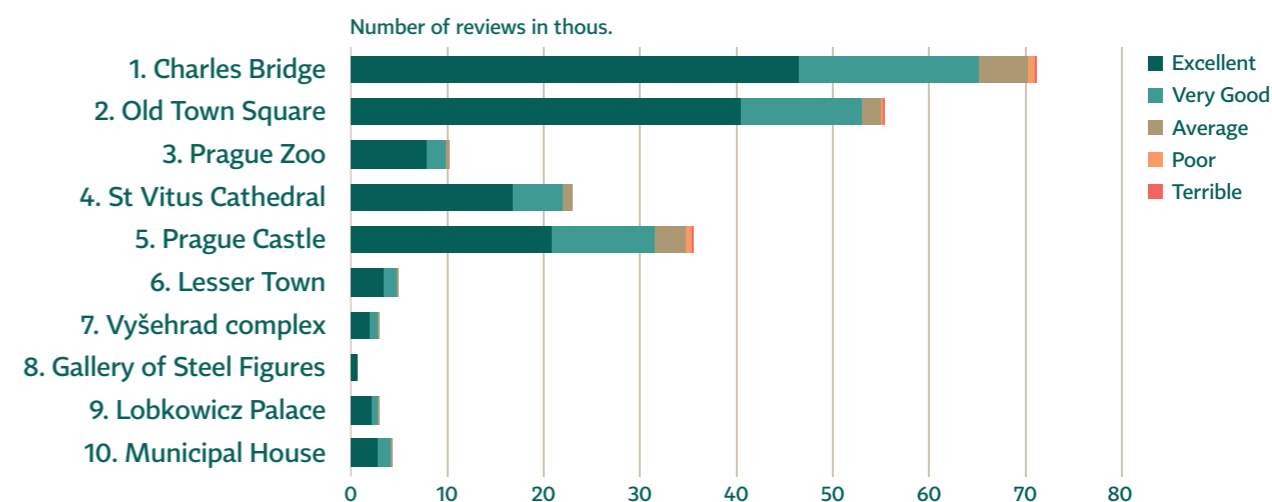
<sup>24</sup> See <https://www.czechtourism.cz/nase-sluzby-pro-vas/spoluprace-s-regiony/certifikace-organizaci-destinacniho-managementu>

Shared economy services in tourist accommodation increase the capacity of downtown accommodation (the Airbnb web-based service), some new transport services mar public spaces (scooters scattered at random throughout the city), as well as unlicensed tourguides, who provide tourists with distorted or false information. The tourist services and product offerings are predominantly a burden to the Prague Heritage Zone, leading to visual (advertising) smog as well as annoying tourist attractions such as ‘beer cars’. The behaviour of some tourists disturbs the peace, especially at night, and also strains policing in the heavily visited parts of the city, leading to a critical lack of security staff in the city centre, coupled with inadequate security legislation.

The Prague Heritage Zone has long been overloaded. Tourists congregate in the historical city centre (see Chart 7), where in some places foreign visitors significantly outnumber the residents (Prague is 3rd among major cities by intensity of tourism, after Dublin and Amsterdam, see Chart 2). Their highest concentration is on and around the Royal Route (see Chart 7). The concentration of tourism not only affects the growth of retail prices in goods, housing and services, but increases the financial burden of investments and current expenditure borne by Prague City Hall spent on infrastructure and public services such as safety, cleaning, repairs, lighting, etc. This exacerbates the adverse economic balance for the city’s administrators and its residents.

**Chart 7:**  
**Top tourist destinations based on Tripadvisor data as of 1 March 2020**  
(number of reviews in thousands)

Source: IPR Prague / Data Source: Tripadvisor. Prague: most popular attractions: popular with travellers (sorted by TripAdvisor methodology). [https://www.tripadvisor.cz/Attractions-g274707-Activities-Prague\\_Bohemia.html#ATTRACTION\\_SORT\\_WRAPPER](https://www.tripadvisor.cz/Attractions-g274707-Activities-Prague_Bohemia.html#ATTRACTION_SORT_WRAPPER) (26. 2. 2019).

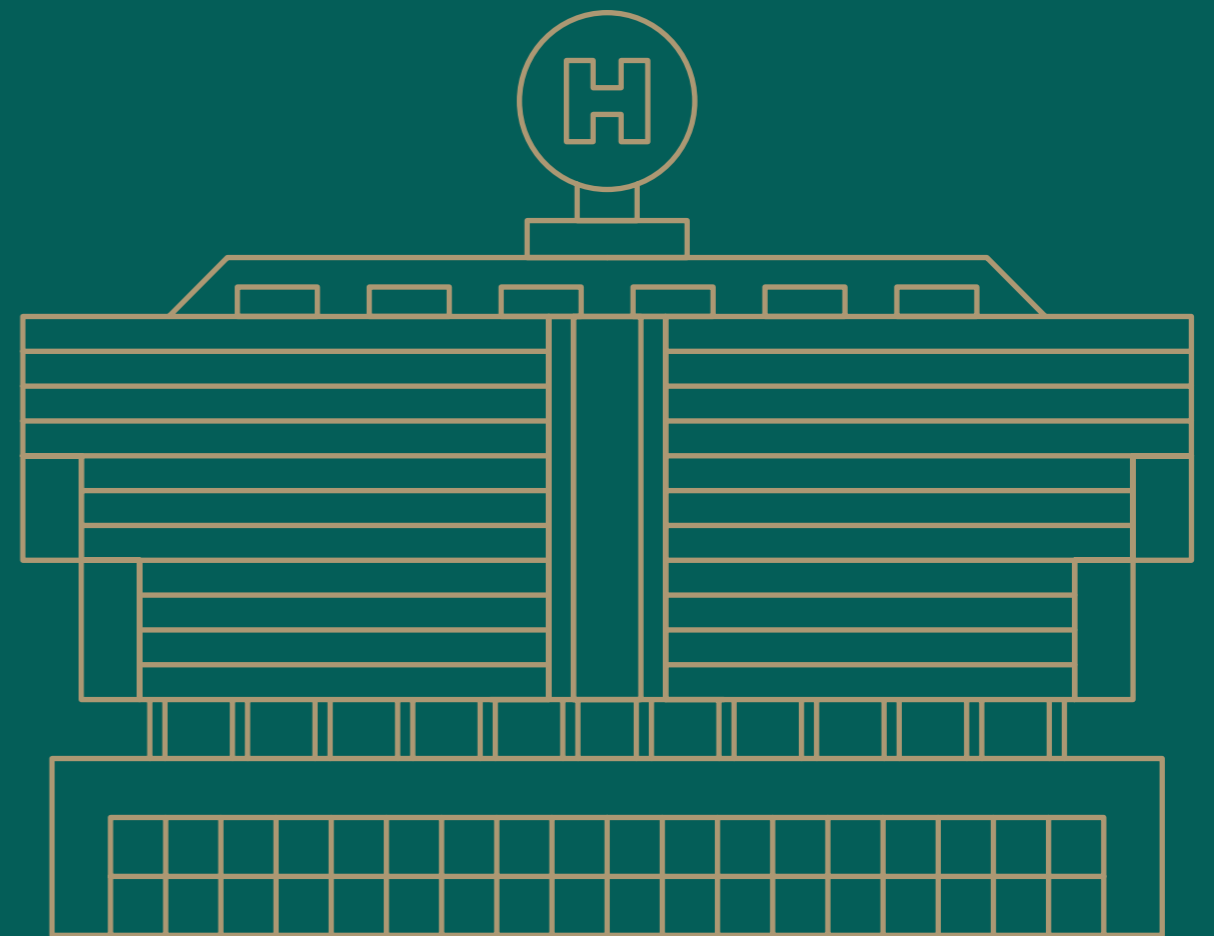


All these problems significantly reduce the quality of life of residents as well as their safety and lead to an ongoing exodus and depopulation of the city centre. They also threaten the exceptional global value and genius loci of Prague’s historical centre, which has justly been included on the UNESCO World Cultural and Natural Heritage List.

### Low tourism added value and low actual income for the city.

The gross added value of tourism in the city is not optimal compared to other sectors. Tourism should increase added value by offering better quality and worthwhile services and products aspiring to a higher standard, i.e. bringing local potential and specific ambience to tourist products and services. At the same time, such a proposition responds to the needs of discerning tourists, who have an interest in the local environment, who seek out original, authentic and local products and services. A move in that direction will further stimulate the growth of ‘slow tourism’ and the willingness of visitors to return to the destination. Prolonging the stay of each tourist will have a real impact on the city’s income from the local accommodation fee and, on the other hand, the tourist interest in local products will stimulate local potential, the cultivation of traditions and taking good care of local cultural heritage and thus the preservation of local ambience. This can grow revenues for local tourism entrepreneurs and become a comparative advantage over other urban destinations, as well as supporting the development of cultural and creative industries in the city.

# City Needs

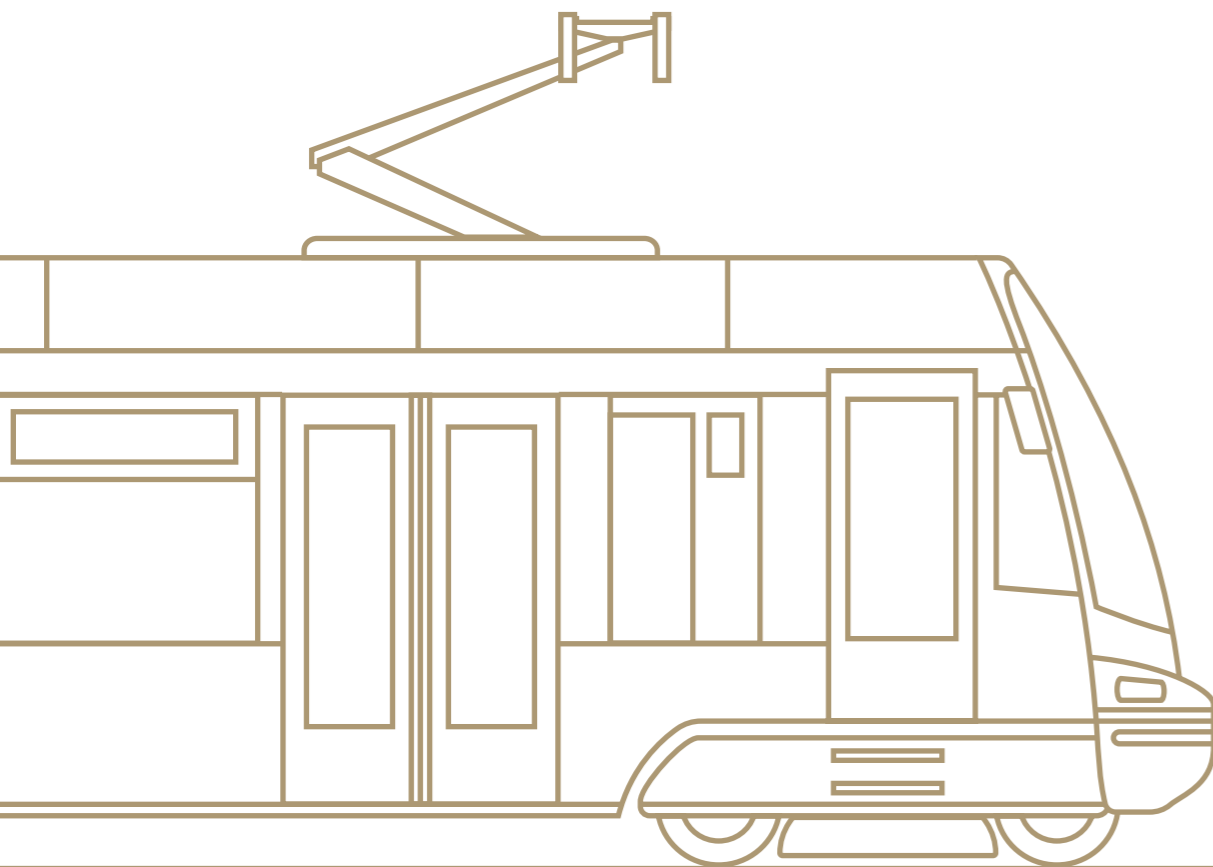


## Improve the quality of life of residents and their awareness.

- Increase citizen safety.
- Set up a cooperation scheme with Prague's residents and intensify communication with them.
- Ensure that the mix of facilities in the city centre is better geared toward residents' needs.
- Cultivate public spaces.
- Create a wealth of options for good-quality cultural and community life.
- Create conditions for attractions to burgeon and be noticed, especially outside the congested city centre, designed to appeal to both visitors to the city, and the locals.

## Eliminate the negative effects of tourism.

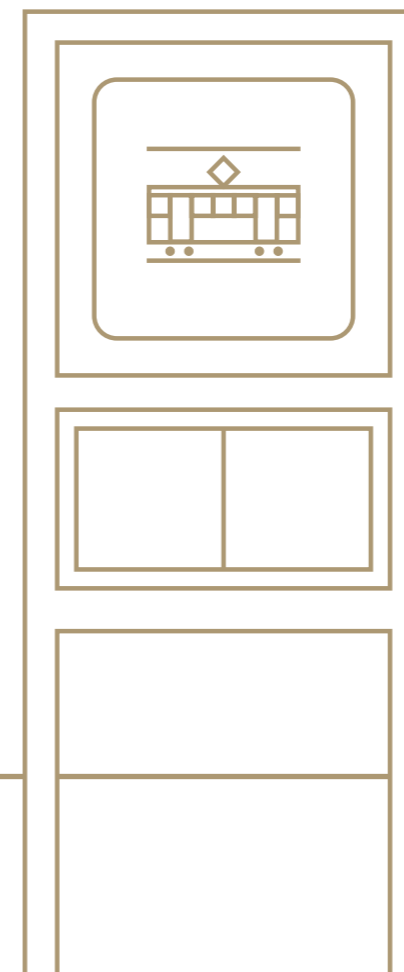
- Ensure a system of crisis communication with citizens in case of conflict situations caused by tourism.
- Liaise with central government authorities to resolve issues related to the development of new services in tourism, especially in the areas of accommodation, transport or tourguides.
- Communicate consistently and enforce applicable rules and legal standards.
- Liaise with central government authorities to resolve issues with new services in tourism, especially in the area of accommodation, transport or tourguides.
- Make efforts to eliminate tourist smog (visual, noise, waste, etc.).
- Enhance and cultivate the quality of distinctive products and services in tourism with apt resources (local, regional and national) in terms of culture, creativity, traditions and people.



## Create an environment for tourism within the terms of sustainable development of the city.

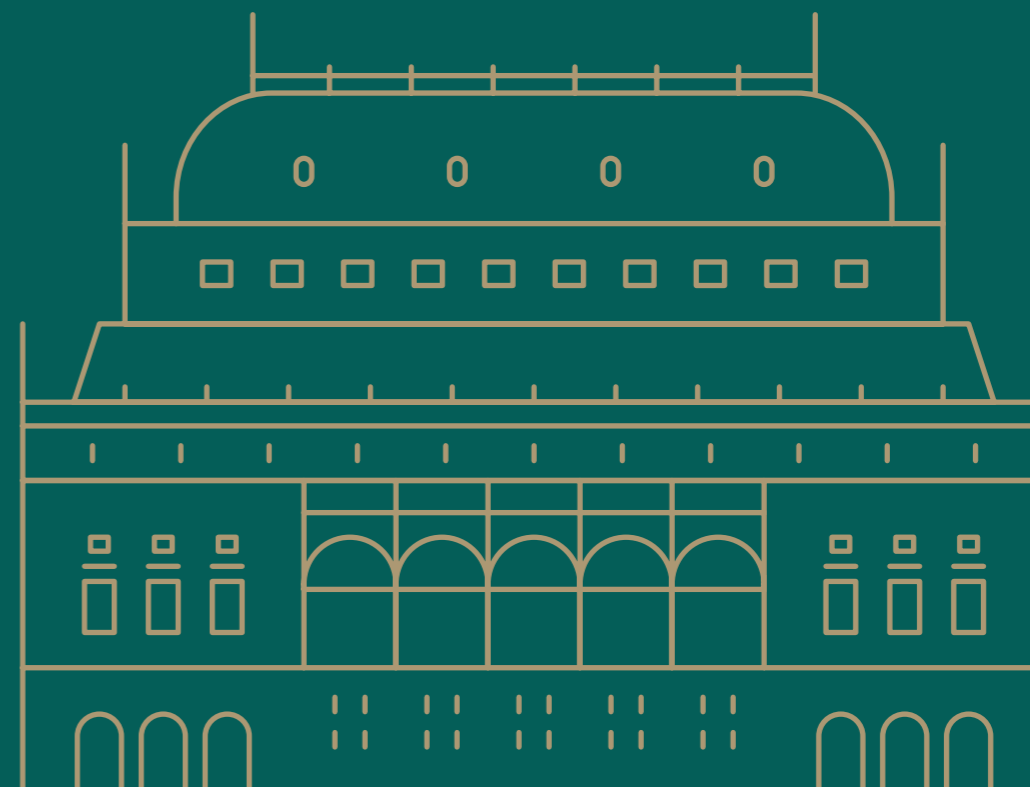
- Increase the share of in-country tourism in Prague over the long term.
- Create infrastructure for cultural, educational and sporting activities for all groups of the population, not specifically for international visitors, and especially so outside the city centre. In this context, emphasis should be given to such venues as the Žižkov Goods Depot, the Prague Exhibition Centre, the Prague Market Hall, a new concert hall, a new multifunctional exhibition hall for the Slav Epic by Alfons Mucha, or, in general, to invest more in the city's brownfield sites with a view to broaden out tourism infrastructure away from the city centre, including accommodation capacity.
- Invest 2% of the City of Prague budget in art purchases, to make locations outside the city centre more appealing.

- Promote and support the development of MICE<sup>25</sup> tourism in Prague, especially Congress and Business tourism.
- Encourage nightlife in zones with minimal impact on local residents. Establish rules vis-à-vis the business community through partnership and communication.
- Aim targeted marketing toward groups with a greater interest in the destination and life within it, 'slow tourism' – the so-called silver generation, families with children, genteel and untroublesome tourists.
- Support an alternative tourist offerings for the aforementioned target groups, for example by promoting eco-tourist destinations and natural features.
- Intensify cooperation with the Regions and Regional destination management organizations, especially with the Central Bohemian Region, thus supporting a wider dispersal of international tourists.
- Streamline transport by using public transport for tourism and ensuring accessibility, especially to the Zoo, Botanical Gardens or Troja Chateau, as well as addressing the accommodation capacity shortage in this area.
- Regulate tourist traffic in Prague by setting clear rules of conduct (where, when, how), thus contributing, among other things, to reducing the carbon footprint and pollution in the city and supporting the development of slow tourism.
- Motivate tourism entrepreneurs to be environmentally friendly (in energy efficiency, product and service offerings, material use, etc.).
- Motivate entrepreneurs to increase the added value of tourism products and services, promoting cultural and creative industries and crafts in tourism.
- Create alternatives to tourist venues, which are at present overwhelmingly found within the Prague Heritage Zone and connect such targets with pedestrian corridors, and thus providing the conditions for the spontaneous venturing about on foot.



<sup>25</sup> The abbreviation stands for Meetings, Incentives, Conventions/Conferences, Exhibitions/Events.

# Strategic Framework





# The Strategy is founded on the visions and strategic priorities of Prague City Hall

The Prague City Hall Strategic Plan positions the city's development and brand as founded on authenticity, based on culture, sophistication, historical heritage and Prague residents' particular lifestyle. The strategic plan is centred on the quality of life in the capital, which stems from the cultivation of shared public spaces, the protection and development of cultural heritage, architectural and urban richness, including building awareness and understanding of the merits of Prague's heritage monuments and their importance for the shared identity and pride of its residents.

The Prague City Hall Cultural Policy Concept 2017-2021 brings its vision of the quality and accessibility of art and culture, coupled with sensitively involving its cultural heritage, and its dissemination throughout the city. In relation to tourism, the vision is one of Prague as a sought-after tourist destination among more discerning, cultured and sophisticated visitors, thanks to offering top-tier contemporary artistic quality in an attractive historical setting and with the assured provision of high-class services.



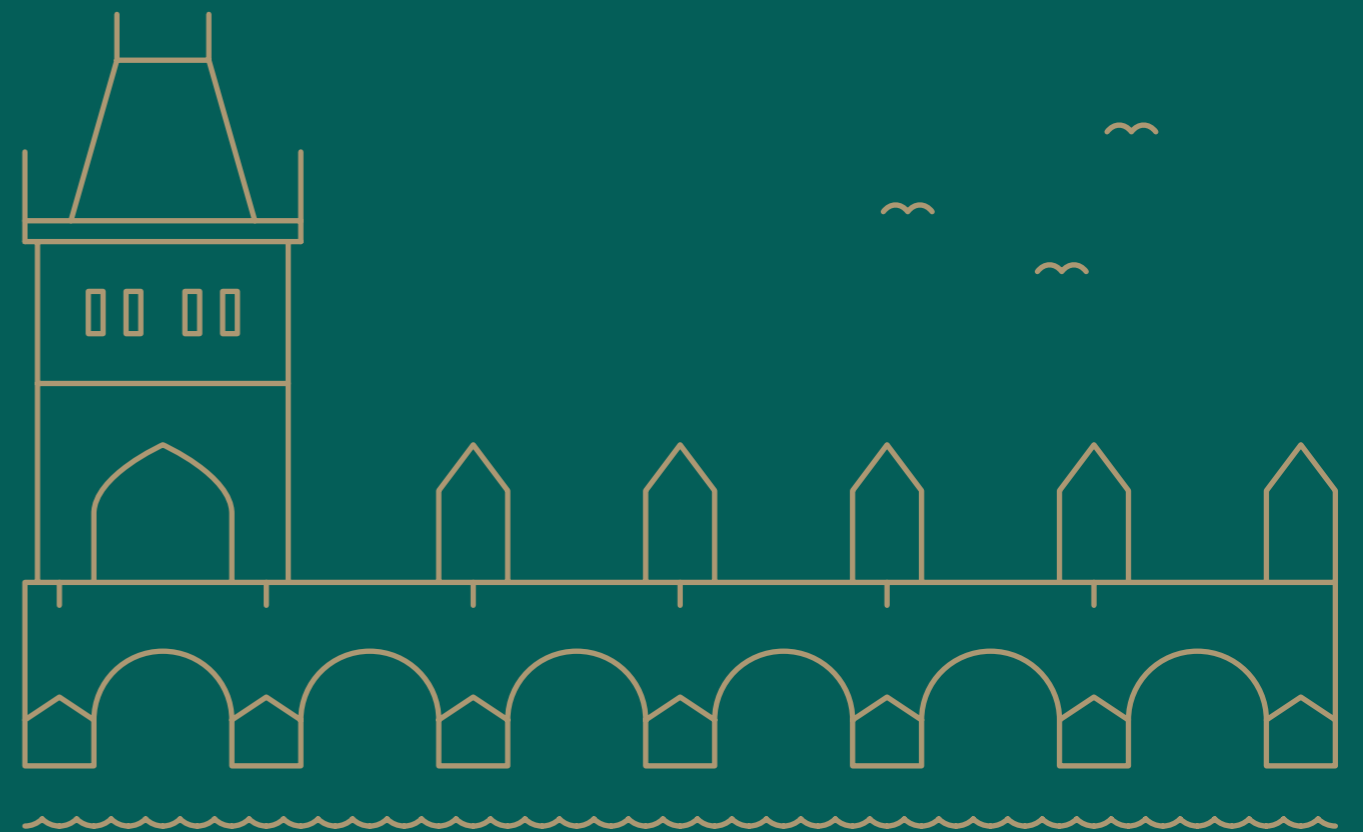
The main objectives of the Management Plan for the protection of the World Cultural Heritage Site of the Historic Centre of Prague include maintaining the authenticity and integrity of the Prague Heritage Zone, i.e. retaining the exceptional and universally acknowledged merits of the city, which is itself crucial for remaining on the UNESCO World Cultural and Natural Heritage List.

The Economic Foreign Policy strategy of Prague City Hall is based on its vision of Prague as a magnet to attract high-added-value international talent and companies. The city's economic diplomacy drive could help attract major companies and institutions, and develop business tourism.

This Strategy is also linked to the Tourism Development Strategy CR 2021-2030 and the Strategic Framework of the Czech Republic, which anticipate trends in society and tourism over the coming decades. One answer to the relentless growth in demand from abroad is the strategic effort to spread international tourist interest beyond the CR's prime tourist destinations, already overloaded with tourism, and go beyond Prague, whose function is then perceived as that of a gateway to the region, while itself protected from mass tourism. Prague's important role in congress tourism is also deemed paramount.



# Trends and Recommendations



## Recommendations of the UN World Tourism Organisation (UNWTO)

Tourism as part of the global economy is influenced by specific megatrends<sup>26</sup>. These include growing visitor demand, sustainable tourism growth, support technologies and mobility.

The UNWTO has issued 11 strategic recommendations on ‘Overtourism’<sup>27</sup> and how to counter excessive tourism. These include creating events and attractions in less visited parts of the city, having dynamic pricing policies, new tourism products, regulatory and tax instruments, targeted marketing, involving the local community and local arts and cultural initiatives, improving urban infrastructure, communicating with residents and tourists, and making use of data and new technologies to assess the impact of tourism as accurately as possible (see Table 3).

**Table 3:**  
**Recommended areas of the UNWTO strategy to address visitors’ growth in cities**

S1	Promote the dispersal of visitors within the city and beyond	S7	Create city experiences that benefit both residents and visitors
S2	Promote time-based dispersal of visitors [year-round]	S8	Improve city infrastructure and facilities
S3	Stimulate new visitor itineraries and attractions	S9	Communicate with and engage local stakeholders [and entrepreneurs and involve them in destination management]
S4	Review and adapt regulation	S10	Communicate with and engage visitors [in destination management]
S5	Enhance visitors’ segmentation	S11	Set monitoring and response measures [collection of relevant data]
S6	Ensure local communities benefit from tourism		

Source: Cited [and augmented by IPR Prague]<sup>28</sup>

## Recommendations of the United Nations Organisation for Education, Science and Culture (UNESCO)

In support of sustainable tourism, UNESCO has published a World Heritage Sustainable Tourism Toolkit<sup>29</sup> guide, founded on good practice principles of caring for tourist destinations. It contains strategy-level recommendations on understanding tourism, developing a destination strategy, managing, coordinating and engaging local stakeholders, and makes recommendations for the implementation tier, relating to communication with tourists, the development of appropriate infrastructure, the creation of a tourism product, the management of tourist behaviour, financing and investment issues and for setting up monitoring.

<sup>26</sup> See OECD Tourism Trends and Policies 2018. <https://www.oecd-ilibrary.org/docserver/tour-2018-6-en.pdf?expires=1581948753&id=id&accname=guest&checksum=50CABF78E09F9021CBBF4F4B3F279BAE>

<sup>27</sup> UNWTO (2018). Overtourism? Understanding and Managing Urban: Tourism Growth beyond Perception. <https://www.e-unwto.org/doi/pdf/10.18111/9789284420070> (28. 2. 2020).

<sup>28</sup> Ibid.

<sup>29</sup> <http://whc.unesco.org/sustainabletourismtoolkit/how-use-guide>

Furthermore, the UNWTO has issued recommendations on sustainable tourism, which advocate balancing the environmental, economic and socio-cultural aspects of tourism development (see Table 4).

**Table 4:**  
**UNWTO Sustainable Tourism Goals**

Economic Viability	To ensure the viability and competitiveness of tourism destinations and enterprises, so that they are able to continue to prosper and deliver benefits in the long term.	Community Wellbeing	To maintain and strengthen the quality of life in local communities, including social structures and access to resources, amenities and life support systems, avoiding any form of social degradation or exploitation.
Local Prosperity	To maximize the contribution of tourism to the prosperity of the host destination, including the proportion of visitor spending that is retained locally.	Cultural Richness	To respect and enhance the historic heritage, authentic culture, traditions and distinctiveness of host communities.
Employment Quality	To strengthen the number and quality of local jobs created and supported by tourism, including the level of pay, conditions of service and availability to all without discrimination by gender, race, disability or in other ways.	Physical Integrity	To maintain and enhance the quality of landscapes, both urban and rural, and avoid the physical and visual degradation of the environment.
Social Equity	To seek a widespread distribution of economic and social benefits from tourism throughout the recipient community, including improving opportunities, income and services available to the poor.	Biological Diversity	To support the conservation of natural areas, habitats and wildlife, and minimize damage to them.
Visitor Fulfilment	To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, disability or in other ways.	Resource Efficiency	To minimize the use of scarce and non-renewable resources in the development and operation of tourism facilities and services.
Local Control	To engage and empower local communities in planning and decision making about the management and future development of tourism in their area, in consultation with other stakeholders.	Environmental Purity	To minimize the pollution of air, water and land and the generation of waste by tourism enterprises and visitors.

Source: As cited<sup>30</sup>

## Recommendations of The United Nations Conference on Housing and Sustainable Urban Development. (Habitat III)

The New Urban Agenda<sup>31</sup> aims to promote urban economies “to transition progressively to higher productivity through high-value-added sectors”, e.g. “through the promotion of cultural and creative industries, sustainable tourism, performing arts and heritage conservation activities.”

<sup>30</sup> UNWTO (2013). Sustainable Tourism for Development Guidebook. First ed. <https://www.e-unwto.org/doi/pdf/10.18111/9789284415496> (28. 2. 2020).

<sup>31</sup> <http://habitat3.org/wp-content/uploads/NUA-Czech.pdf>

# Vision and Goals



Taking Care of the Interests  
of Praguers

**Quality of Life**

Taking Care of  
Public Spaces

Taking Care of  
the Destination

## Vision

Tourism as one of the pillars of sustainable development of the city with respect to the cultural heritage and quality of life of the local community.

## Goals

The objectives of the Strategy are to care for the interests of Prague citizenry, public spaces and the destination. These goals have in common the preservation of a high standard of life in the capital.

## Strategic Objective 1: Taking Care of the Interests of Praguers

Measures	Actions
<b>Communicate and cooperate with Praguers</b>	Put in place a communication system for Praguers in dire need, to handle tourism-related problems or conflict situations.
	Keep up systematic communication with Praguers, residents as well as tourism entrepreneurs.
	Far-sightedly support the sustainable development of nightlife, in zones with minimal impact on the lives of local people.
	Build and develop tourism-related cooperation with security forces at city and national level, one of the aims being to increase staffing capacity in congested areas. Initiate a change in legislation in order to ensure sufficient staffing capacities.
	Develop a strategy to cope with a returning pandemic or other natural disasters.
	Facilitate and promote access by Praguers, residents and tourism entrepreneurs to the cultural heritage of the city, in order to deepen their knowledge of, and sense of belonging to the city.
	Ensure a balance of cultural, community and tourism utilization of the city's cultural heritage monuments.
	Minimize air, water and soil pollution as well as waste from visitors and the tourism businesses sector.
<b>Promote and build positive relationships between the local and visitor communities</b>	Run information and awareness campaigns among visitors about restrictions, rules and accepted behaviour in Prague.
	Foster relationship-building between domestic and foreign visitors with respect to local culture and the community.

## Strategic Objective 2: Taking Care of Public Spaces

Measures	Actions	
<b>Take care of the aesthetics of public space and their sensitive use</b>	Monitor, and insist on proper placement and rule-observance regarding advertising visuals, the labelling of business premises and other tourist signage in the Prague Heritage Zone, with strict inspection and enforcement.	
	Develop urban tourist infrastructure (P+R, street furniture, public toilets, information boards, information centres, etc.).	
	Liaise with the central government authorities to deal with new services in tourism, especially in the areas of accommodation, transport or guides.	
	Engage in dialogue with online platforms especially in the areas of accommodation and transport in order to minimize the negative impacts of their business in Prague.	
	Involve artists, creatives and innovators in the restoration, development and use of public space with an emphasis on promoting the quality of leisure time in Prague.	
	Reinvest profits from tourism in culture and the upkeep of heritage monuments as well as improving public space in their vicinity, especially in high-footfall tourism locations.	
	Take care to provide quality city events (Christmas markets, etc.).	
	Build high-class cultural, educational and sports infrastructure outside the city centre.	
	<b>Keep traffic flowing</b>	Regulate and/or set clear rules for tourist means of transport and how and where they can be used, in order to ensure the smooth and unobstructed flow of traffic on land and water as well as pedestrian routes.
		Streamline transport by making public transport the preferred choice for tourism.
Improve tourists' awareness of Prague transport options.		
Ensure accessibility especially to the Prague-Troja district, by spanning the banks of the Vltava River.		

# Strategic Objective 3: Taking Care of the Destination

Measures	Actions
<b>Innovate tourism products</b>	Create alternative hiking trails, predicated on worthwhile destinations, eliminating the excessive concentration of foreign visitors at conventional sites.
	Develop the Prague brand, based on its authentic culture, sophistication, historical heritage and Prague residents' way of life, and getting rid of the image of Prague as a venue for stag parties.
	Support the makers and sellers of regional products with links to all CR regions.
	Support and provide benefits for visitors who stay in Prague for an above-average period of time.
	Develop and support a product to grow slow tourism, targeting visitors with an interest in the local environment, who respect the lives of local people and local culture – especially the so-called silver generation (50+), families with children, young people or other discerning target groups. 'To feel fulfilled, not briefly thrilled'.
	Create a product to promote domestic tourism, even in combination with an offering for residents.
	Support the offering of quality culture for domestic and international visitors with an emphasis on areas outside the city centre or in the centre, in the low season.
	Support MICE tourism, including investment in helpful infrastructure and accommodation capacity outside the centre. In cooperation with the economic diplomacy of Prague City Hall, supporting strategic events that bring high-added-value to Prague and thus contribute to the image of Prague and the Czech Republic as an innovative and creative hub for promising new industries.
	Buy-in to the view that efforts to change the visitor structure (e.g. congress clientele) and the effort to disperse international visitors from the city centre means an inescapable need to invest in accommodation facilities of a new kind and in new places.
	Encourage business tourism, support key international institutions and organizations establishing a base in Prague.
	Promote innovative tourism products mainly through online marketing, websites, the Prague Visitor Pass card, tourguide services and other Prague City Tourism communication tools.
	Take into account the principle of sustainability and all its pillars as defined by UNWTO in the destination management of Prague and strengthening international cooperation.
	Certify Prague City Tourism, a.s. as a Destination Management Organization.

	Support the quality certification of products and services in tourism.
	Support training programmes for tourism workers (tourguides, destination workers, etc.).
	Create visitor guides for tourism infrastructure stakeholders (transport providers, congress organizers, etc.).
<b>Grow cooperation at all levels</b>	Support interdepartmental, intersectoral and interinstitutional cooperation to make tourism development integral to the development of the city as a whole.
	Ensure the institutionalized or formalized involvement of all relevant departments of Prague City Hall, city districts and other key organizations of the city in addressing the issues of sustainable tourism.
	Promote and build high-quality cooperation between destination companies at all levels (local, regional, national and transnational).
	Promote the marketing interests of Prague among other public stakeholders (CzechTourism, Czech Centres, The Czech Foreign Ministry, The Czech Ministry of Culture, The Czech Ministry for Regional Development, etc.) in favour of the Sustainable Tourism Development Goals in Prague (decongesting – spreading visitors out).
	Institutionalize cooperation in congress tourism with the Prague Convention Bureau.
	Promote and build international cooperation and partnerships, involvement in international tourism networks and platforms.
	Cooperate with tourism stakeholders from the public sector, the civic, business and non-profit domains, aiming to fulfil the objectives of this Strategy.
<b>Maximise the benefits of tourism</b>	Use the buildings owned by Prague City Hall to improve tourism services, raise its attractiveness for the desired target groups and grow the city's tourism income.
	Create an incentivized environment for entrepreneurs in added-value tourism products and services.
	Set up rules and control systems in novel tourism services, such as private-sector accommodation, tourist transport or tourguide activities, thereby minimizing the negative impact of these services in the city.
	Reduce bureaucratic barriers, for the film industry in particular. Promote high-quality film production that builds the image of a sophisticated city.

<b>Conduct research, monitoring and evaluation</b>	Use all the available data and new technologies to direct tourist flows and assess tourism impacts.
	Undertake regular statistical surveys and opinion polls among the city's inhabitants as well as domestic and international visitors.
	Secure the gathering of comprehensive statistical data as regards the congress industry, in particular going beyond CSO data collection to include congress centres, historical palazzos, universities, etc. Draw up regular and relevant impact studies.
	Cooperate with research organizations when it comes to innovative solutions on tourism-related issues.
	Maintain an information database on stakeholders, events and tourism programmes in Prague as a basis for providing quality information to the tourist public, whether through Tourist Information Centres or the tourism portal <a href="http://www.prague.eu">www.prague.eu</a> , the Prague Visitor Pass, mobile apps as well as other emerging tools.



