

Estonia

Tourism in the economy

In Estonia, both inbound and domestic tourism have seen steady growth. Taking direct and indirect impacts together, tourism contributed around 6% of GDP in 2016.

Nearly 6 million foreign visitors came to Estonia in 2016, up 4% on 2015, spending nearly EUR 1.4 billion on goods and services. Export revenues from tourism amounted to over EUR 1.7 billion and contributed 32% of services exports in 2016. Every fourth trip to Estonia was made from outside the European Union and the number of tourists arriving from Asian countries increased throughout the year.

Over 3 million domestic and foreign tourists stayed in accommodation establishments in 2016. Compared to 2015, numbers were up by 7% and nights spent increased by 8%. 64% of nights spent in Estonian accommodation establishments were attributable to foreign tourists, of which 63% were from the neighbouring countries of Finland, Russia and Latvia. Compared to 2015, the number of tourists arriving from Finland, Russia and Latvia increased by 5%, 8% and 11%, respectively.

Of the foreign tourists staying in accommodation establishments, 73% came to Estonia for a holiday, while 21% were on business. 62% of domestic tourists were on holiday.

Tourism governance and funding

National tourism policy and development activities are implemented by the Estonian Tourist Board, under the Enterprise Estonia Foundation, which in turn is administered by the Ministry of Economic Affairs and Communication.

Ministry activities include:

- Setting tourism policies and programmes and overseeing their implementation,
- Applying for funding from the state budget and the EU to deliver tourism development programmes and projects,
- Drafting tourism-related legislation and regulations,
- Participating in the activities of international tourism organisations,
- Facilitating long term policy development through co-operation with a range of tourism stakeholders.

The Estonian Tourist Board undertakes international and domestic marketing and engages in product development. It also carries out market research in the main target markets and develops and administers the national tourist information service.

Other organisations involved at the national level are the Estonian Travel and Tourism Association, Estonian Hotel and Restaurant Association, Estonian Rural Tourism non-profit

organisation, Tourism Foundations for north, south and west Estonia, Estonian Spa Association, and Estonian Convention Bureau.

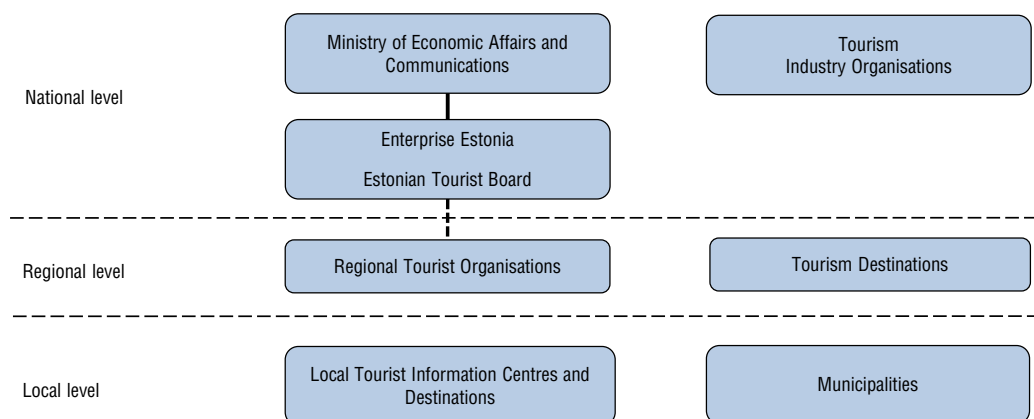
Reform of local administration, including merging local municipalities, will have an effect on local level tourism organisations and their funding. The new National Tourism Strategy 2020+ (to follow the current Development Plan 2014-20) will take account of these changes.

Regional County development centres are located in all 15 counties, offering free advisory services to new and existing enterprises, local government and non-profit associations and foundations. They also engage in the management, dissemination and development of regional and national tourist information.

The overall budget for tourism development is stated in the National Tourism Development Plan for 2014-20 as approximately EUR 116 million, the majority of which is financed through Enterprise Estonia/Estonian Tourist Board. The main sources of funding for tourism development are EU structural funds and the state budget. All the measures and activities of the Estonian Tourist Board are evaluated through measurable indicators which are also set in the National Plan.

While there are no specific tourism taxes, in spring 2016, the Government took a decision to increase the value added tax for accommodation providers from 9% to 14% from 2017. However, this decision was subsequently rescinded, due to the possible negative impact on both the export of tourism services and domestic tourism.

Estonia: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Economic Affairs and Communications, 2018.

Tourism policies and programmes

The main goal of the Estonian National Tourism Development Plan 2014-2020 is to ensure competitive and sustainable development of Estonia's tourism sector. Current actions include:

- Promotional activities to enhance Estonia's position as a tourist destination,
- Developing internationally attractive family tourism attractions,
- Developing competitive (including regional) tourism products,
- Better management of tourism information,
- Monitoring tourism development,
- Fostering international events.

Tourism in Estonia is recognised as an engine for employment, and a significant contributor to Estonia's competitiveness, exports and economic growth. However, progress in tourism should be measured not only in increased number of visitors or overnight stays, but also through growth in overall tourism expenditure, increased quality of service and a greater diversity in the product offer. Recent investment in the tourism sector has been aimed at diversifying tourism attractions and motivating visitors to prolong their stay and increase return visits.

Awareness of Estonia as a travel destination remains low in Western and Southern European countries, pointing to an ongoing need to promote Estonia as an alternative to more traditional destinations. Promotional activities targeted toward long-haul markets such as China, Japan and USA are also carried out in co-operation with other Baltic countries and Nordic neighbours.

Growth in visitor numbers creates the preconditions for development of new international transportation routes, better connectivity and intermodal transport systems. An example is the Rail Baltic project, which is proposed as a modern and eco-friendly high-speed railway that will connect Estonia with its neighbours and with Central and Western Europe. Rail Baltic is one of the biggest investments in the coming years that will improve travel opportunities for Estonian people as well as developing business and trade, tourism and the exchange of goods. The railway route will ensure speeds of up to 240 km/h and provide the opportunity to travel comfortably and quickly to Latvia and Lithuania and onwards to Central Europe and beyond.

Implementation of the current National Tourism Development Plan 2014-2020 has largely been based on investment of EU structural funds. The underlying principle of the plan is to offer a high quality visitor experience that builds on welcoming and safe tourist routes accessible to people of all ages and abilities.

Some specific initiatives to date have included:

- Developing Estonia as an attractive conference destination and addressing seasonality by continuing to support international conferences and large scale events. As part of this initiative, the development of a major conference centre in Tallinn is planned and will be funded from the state budget,
- Infrastructure investment in new family tourism attractions to diversify the regional tourism offer,
- Further development of coastal and marine tourism, including support for development of the small harbour network,
- Organising *Baltic Connecting 2017*, an event focused on long-haul markets which aims to inform foreign travel trade professionals about tourism opportunities in Estonia, Latvia and Lithuania.

A review of the plan will be undertaken in 2018, together with planning and consultation for a new long-term National Tourism Strategy that will aim to further increase tourism income, investment to improve the quality of the tourism offer, and enhancement of unique local experiences. There is also a recognised need to develop Estonia as a sustainable tourism destination with the right balance between promoting tourism based on the country's natural assets and action to protect these assets in the long term.

It will also be necessary to plan for a shift from EU funding to national funding, take account of emerging trends in European and global tourism, and take a whole-of-government policy approach to long-term sustainable tourism development.

Statistical profile

Table 1. **Estonia: Domestic, inbound and outbound tourism**

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	966	1 041	1 104	1 183	1 268
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	1 721	1 825	1 890	2 012	2 214
Hotels and similar establishments	1 151	1 220	1 290	1 379	1 495
Specialised establishments	..	..	..	..	..
Other collective establishments	571	604	600	633	719
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	5 306	6 113	6 193	5 729	5 964
Overnight visitors (tourists)	2 744	2 873	2 918	2 989	3 147
Same-day visitors (excursionists)	2 562	3 240	3 276	2 740	2 817
Top markets					
Finland	829	895	916	1 234 |	1 280
Russian Federation	266	305	275	388 |	412
Latvia	101	105	113	246 |	265
Germany	111	102	113	211 |	221
Sweden	78	74	72	117 |	121
Nights in all types of accommodation	3 823	3 909	3 919	3 770	4 015
Hotels and similar establishments	3 499	3 537	3 516	3 368	3 559
Specialised establishments	..	..	..	..	..
Other collective establishments	324	372	404	402	455
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	3 846	3 706	3 841	3 596	3 564
Overnight visitors (tourists)	2 672	2 613	2 712	3 078	3 053
Same-day visitors (excursionists)	1 174	1 093	1 129	518	512
Top destinations					
Finland	647	578	576	566	574
Latvia	203	228	247	358	347
Germany	137	137	139	223	221
Sweden	167	155	164	217	237
Russian Federation	249	222	233	214	219
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	1 240	1 524	1 679	1 629	1 383 p
International travel receipts	954 e	1 226	1 366	1 287	1 383 p
International passenger transport receipts	286	298	313	342	..
Outbound tourism					
Total international expenditure	747	931	1 009	1 014	993 p
International travel expenditure	620 e	797	885	885	993 p
International passenger transport expenditure	127	133	124	129	..

.. Not available; | Break in series; e Estimated value; p Provisional data

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933639930>

Table 2. **Estonia: Enterprises and employment in tourism**

	Number of establishments ²	Number of persons employed				
	2015	2012	2013	2014	2015	2016
Total
Tourism industries
Accommodation services for visitors ¹	1 417	5 900	6 100	6 500	6 900	..
Hotels and similar establishments
Food and beverage serving industry	1 957	14 200	14 700	16 100	17 000	..
Passenger transport
Air passenger transport
Railways passenger transport
Road passenger transport
Water passenger transport
Passenger transport supporting services
Transport equipment rental
Travel agencies and other reservation services industry	398	1 500	1 800	1 600	1 600	..
Cultural industry
Sports and recreation industry
Retail trade of country-specific tourism characteristic goods
Other country-specific tourism industries
Other industries

.. Not available

1. Data for accommodation service for visitors refer to number of establishments.

2. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933639949>Table 3. **Estonia: Internal tourism consumption**

Million EUR

	2012		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	184	1 251	1 703
Consumption products	177	1 127	1 571
Tourism characteristic products	151	785	1 173
Accommodation services for visitors	25	199	323
Food and beverage serving services	31	230	261
Passenger transport services	48	256	401
Air passenger transport services	26	77	127
Railways passenger transport services	3	1	8
Road passenger transport services	8	24	47
Water passenger transport services	11	154	219
Passenger transport supporting services	..	7	7
Transport equipment rental services	0	4	29
Travel agencies and other reservation services industry	41	32	83
Cultural services	3	41	44
Sports and recreation services	1	7	8
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	3	10	18
Other consumption products	26	342	398
Tourism connected products	13	35	64
Non-tourism related consumption products	13	307	333
Non-consumption products

.. Not available

Source: OECD Tourism Statistics (Database).

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