

Finland

Tourism in the economy

In recent years, tourism in Finland has grown more than other sectors and is recognised as an important contributor to growth in the economy and the creation of jobs. The number of international travellers has doubled since 2000, providing revenue of EUR 3.7 billion in 2015. In 2015, the value added generated by tourism amounted to EUR 4.5 billion, or 2.5% of Finland's GDP. Travel-related credits in 2016 accounted for EUR 2.5 billion, an increase of 6% on the previous year.

According to Finland's tourism accounts the sector employed about 137 800 people in 2015, equivalent to 5.5% of the active working population. It is estimated that tourism will employ 180 000 people by 2025.

In 2016, accommodation establishments in Finland recorded nearly 20.3 million overnight stays, of which domestic tourists accounted for nearly 72% (14.6 million) and foreign tourists for 28% (5.8 million). In 2016, the demand for accommodation services increased by 3.1%.

Despite a dramatic decrease in the number of overnights by Russian visitors in the past few years (down 11% in 2016), it is still the primary country of origin in terms of the number of registered overnight stays in Finland, accounting for 12% of the total. The number of arrivals from Russia started to increase towards the end of 2016 as the ruble strengthened against the EUR. Sweden, Germany and the UK were also significant source markets, accounting for more than half a million overnight stays. In terms of rate of growth, China was the top performer in 2016, with a 29% increase in overnight stays.

Tourism governance and funding

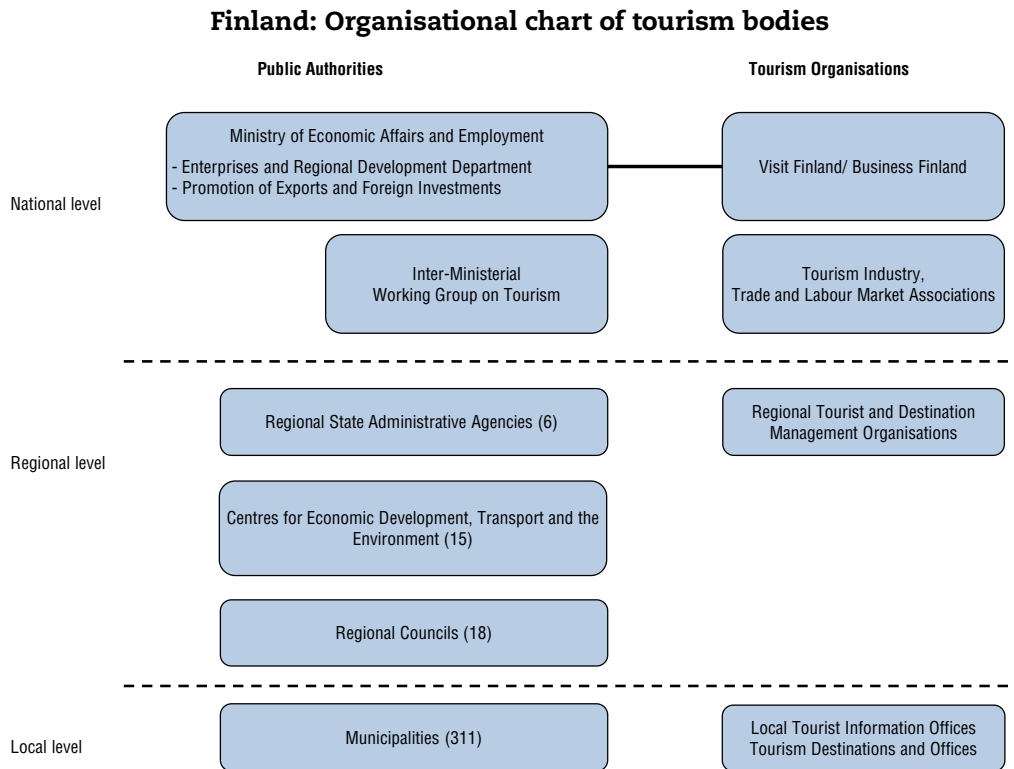
The Ministry of Economic Affairs and Employment is responsible for tourism policy, legislation, tourism development, international tourism relationships and support measures. An inter-ministerial working group on tourism meets several times a year to exchange information on tourism issues and to prepare tourism-related matters for decision-makers. It is one of the bodies charged with monitoring and implementing Finland's tourism policy.

The Ministry of Economic Affairs and Employment established a Tourism Cooperation Group in 2016. This consists of 35 industry leaders from different branches of tourism. Its main purpose is to identify and prioritise, from an industry perspective, actions to promote the competitiveness of tourism for inclusion in the next Government Programme.

Visit Finland is an expert agency responsible for promoting Finland in international markets. Visit Finland and the tourism industry conduct joint product campaigns and arrange familiarisation trips for foreign tour operators and the media. It acquires market information for the industry and promotes product development.

Visit Finland is a unit of Finpro Ltd., a provider of internationalisation advisory services. In 2017 the Government decided that Finpro will merge with the Finnish Funding Agency for Innovation (Tekes) to form Business Finland. This combined body, which will begin operations in 2018, will gather under one roof all the services related to the promotion of innovation funding, exports, investments and tourism.

A key role in providing the physical environment for outdoor and nature based tourism is played by *Metsähallitus*, a state-owned enterprise administering more than 12 million hectares of state-owned land and water space, including national parks and hiking areas. Finland's 40th national park was created in 2017.



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

At a regional level, Regional Councils carry out all legislative implementation, steering and supervisory functions, while Centres for Economic Development, Transport and the Environment manage the regional implementation and development tasks of the state administration. The Centres offer financial, advisory, consulting and training services to tourism businesses. A sector manager acts as a national expert on tourism for all the regional Centres. The Centres and Regional Councils will be disbanded in 2020 as part of a process to reform public sector administration, and new autonomous regions will be founded.

There are also about 30 regional tourism organisations in Finland, and these have varied objectives, tasks and ownership structures. Locally, tourism issues are handled by municipalities and local tourist information offices.

There is no separate budget for tourism development in the Ministry of Economic Affairs and Employment. Visit Finland is funded from the state budget, receiving EUR 11.9 million in 2017. Support for tourism is also provided directly or indirectly through

the budgets and activities of other ministries, development agencies and the various regional bodies identified above.

The amount of funding provided by public sources varies from year to year. In 2016, tourism-related projects received about EUR 19 million from Finland's Structural Fund Programme 2014-2020 and about EUR 29 million from the Rural Development Programme for Mainland Finland 2014-2020.

The importance of tourism for the growth of Finland's economy is increasingly recognised by the Government. As a consequence, the Government decided in its mid-term review in 2017 to allocate additional funding for tourism development. This additional funding amounts to EUR 16 million for 2018-2019. It will be allocated to supporting marketing and the work of Visit Finland, enhancing digitalisation in tourism, tackling seasonality and finding new solutions to workforce supply and demand problems in the tourism sector. Furthermore, steps to reduce the regulatory burden will be important in enabling investment and development of tourism facilities.

Tourism policies and programmes

One of the challenges faced by tourism in Finland over the years is its poor price competitiveness, with high taxes and labour costs among the main reasons for this. Other challenges include seasonality, difficulties in finding skilled workers during the high season, connectivity issues and relatively few functioning travel chains to support growth in tourism.

The current tourism strategy in Finland is the Roadmap for Growth and Renewal in Finnish Tourism for 2015-2025. The aim is to make Finland the number-one tourist destination in Northern Europe by 2025. The theme for the roadmap is "Achieving more together" and its strategic focus areas are:

- Strengthening the theme-based collaboration of tourism centres and networks of tourism related companies, as well as new openings in product development, sales, and marketing,
- Developing competitive and diverse offerings from the interfaces of tourism and other fields,
- Increasing the effectiveness of marketing activities and making travel services easier to buy,
- Providing a competitive operational environment for tourism that supports growth and renewal,
- Improving accessibility and functioning supply chains to support tourism growth.

The strategy was reviewed for the first time at the end of 2016, with all quantitative growth targets exceeded. In the next few years particular emphasis will be given to digitalisation, seasonality, supply chains, and better understanding emerging markets.

Specific tourism programmes and government initiatives in line with the roadmap include:

- Finland Air Transport strategy 2015-2030,
- Various cultural policies such as Arts and Cultural Festivals – a cultural resource growing in strength; Proposal for an action plan 2017-2025,
- The Food 2030 report on food policy, including a specific objective to strengthen food tourism,

- Finland's Strategy for the Arctic Region and the related action plan (updated in 2017), which includes sustainable tourism as one of four priorities. The Arctic sustainable tourism destination programme will be carried out in 2018-2019,
- Finland's updated (2017) Baltic Sea Strategy draws attention to the importance of sustainable and inclusive tourism,
- Growth programmes and theme-based umbrella programmes to strengthen marketing, networking, product quality and development in different parts of Finland. Growth programmes for 2015-18 include FinRelax, Finnish Archipelago and StopOver Finland. National umbrella programmes cover summer activities, cultural tourism and food tourism.

Statistical profile

Table 1. Finland: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	30 915 |	30 479	28 850	29 160	29 790
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	81 742 |	82 779	78 838	78 890	80 730
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	7 636	..	..	7 529	7 705
Overnight visitors (tourists)	4 226	..	..	4 858	4 599
Same-day visitors (excursionists)	3 410	..	..	2 670	3 106
Top markets					
Russian Federation	3 578	..	..	1 023	761
Sweden	702	..	..	674	642
Estonia	758	..	..	654	506
Germany	342	..	..	312	348
China	..	..	..	208	265
Nights in all types of accommodation	5 803	5 860	5 710	5 510	5 771
Hotels and similar establishments	4 878	4 838	4 733	4 603	4 918
Specialised establishments	..	..	..	..	..
Other collective establishments	925	1 022	977	907	853
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	9 980 |	9 530	9 780	10 020	10 280
Overnight visitors (tourists)	7 670 |	7 200	7 470	7 750	7 890
Same-day visitors (excursionists)	2 310 |	2 330	2 310	2 270	2 390
Top destinations					
Estonia	1 682	1 566	1 520	1 720	1 720
Sweden	1 060	930	1 070	860	1 050
Spain	670	700	790	700	830
Germany	490	480	420	540	470
Russian Federation	400	370	310	310	390
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	..	3 049	2 764	2 307	2 454 p
International travel receipts	..	3 049	2 764	2 307	2 454 p
International passenger transport receipts	..	..	..	..	..
Outbound tourism					
Total international expenditure	..	3 985	3 979	4 305	4 672 p
International travel expenditure	..	3 985	3 979	4 305	4 672 p
International passenger transport expenditure	..	..	..	..	..

.. Not available; | Break in series; p Provisional data

Source: OECD Tourism Statistics (Database).



StatLink  <http://dx.doi.org/10.1787/888933639987>

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

	Number of establishments	Number of persons employed				
	2015	2012	2013	2014	2015	2016
Total	..	..	..	..	..	..
Tourism industries	31 616 p	120 400	121 000	121 500	122 500 p	..
Accommodation services for visitors	..	..	..	..	..	..
Hotels and similar establishments	2 097 p	12 900	12 900	12 700	12 200 p	..
Food and beverage serving industry	11 890 p	57 100	57 000	59 400	60 500 p	..
Passenger transport	9 066 p	33 600	34 200	32 000	31 900 p	..
Air passenger transport	81 p	3 500	3 400	3 200	3 100 p	..
Railways passenger transport	76 p	5 200	5 100	4 400	4 400 p	..
Road passenger transport	8 702 p	22 300	23 000	21 500	21 600 p	..
Water passenger transport	207 p	2 600	2 700	2 900	2 800 p	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	318 p	1 100	1 200	1 300	1 300 p	..
Travel agencies and other reservation services industry	1 568 p	1 800	1 700	1 700	1 600 p	..
Cultural industry	3 174 p	5 400	5 400	5 200	5 200 p	..
Sports and recreation industry	3 503 p	8 500	8 600	9 200	9 300 p	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933640006>Table 3. **Finland: Internal tourism consumption**

Million EUR

	2014		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	7 691	4 035	14 165
Consumption products	7 425	3 960	13 824
Tourism characteristic products	4 292	2 714	9 114
Accommodation services for visitors	661	410	1 822
Food and beverage serving services	1 354	653	2 007
Passenger transport services	1 495	..	..
Air passenger transport services	573	.. c	..
Railways passenger transport services	182	27	302
Road passenger transport services	531	210	962
Water passenger transport services	209	.. c	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	65	20	91
Travel agencies and other reservation services industry	328	0	478
Cultural services	176	95	271
Sports and recreation services	211	188	399
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	3 133	1 246	4 710
Tourism connected products	1 365	118	1 814
Non-tourism related consumption products	1 768	1 128	2 896
Non-consumption products	266	75	341

.. Not available; c Confidential data

Source: OECD Tourism Statistics (Database).

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