

Norway

Tourism in the economy

In the ten-year period to 2015, the value creation attributable to tourism in Norway increased considerably, to reach NOK 110 billion. This figure represents 3.6% of total GDP, a share that has remained relatively stable in recent years. In 2015, the Norwegian tourism industry employed around 160 000 people, representing 6.5% of total employment in Norway.

Domestic tourism, for both leisure and business purposes, dominates the tourism industry in Norway. In 2016, Norwegians made up 71% of all commercial overnight stays. Inbound tourism has, however, seen a considerable increase in the last couple of years, including a 10% increase in 2016 alone. Exchange rate conditions in 2016 continued to benefit inbound tourism, making a visit to Norway less expensive. Key inbound markets are Sweden, Germany and Denmark, but emerging markets such as China have seen a sharp increase.

Tourism governance and funding

The main responsibility for development and regulation in the tourism industry lies with the Ministry of Trade, Industry and Fisheries (the “Ministry”). The Ministry co-operates with other ministries in order to coordinate policies of importance to the tourism industry. One example is the extended co-operation with the Ministry of Culture in order to showcase the potential for increased value creation through closer co-operation between the cultural and creative industries and the tourism industry. The Ministry of Climate and Environment is another key partner, given its role in developing policies to promote a more sustainable tourism industry.

Regional and local authorities also influence tourism activities throughout the country. They establish framework conditions of key importance to tourism, being in charge of planning and regulation in areas such as infrastructure, utilities, national parks and numerous local attractions linked to nature and cultural heritage. A number of regions and municipalities have put in place strategies for tourism in their areas of responsibility, and many also give financial support to their local destination management company.

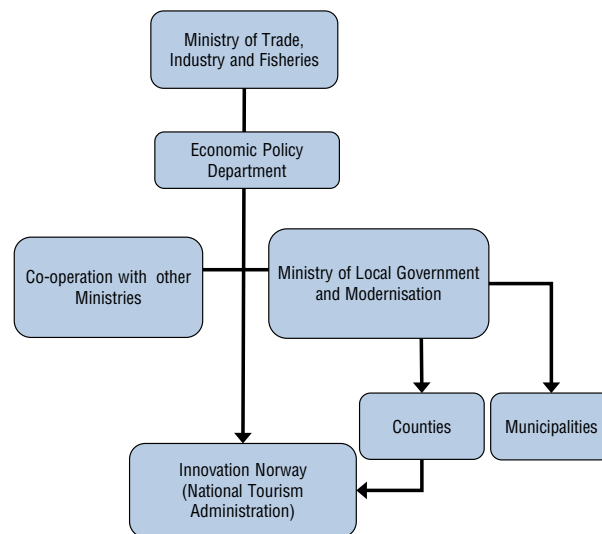
In 2016, the Norwegian Government proposed to restructure regional government, with renewed roles, structures and responsibilities and a reduction in the number of counties. The purpose was to provide a more efficient framework to coordinate activities and solve cross-sectoral challenges. This will be of benefit to the tourism industry, as many of the challenges facing the industry are cross-sectoral. Municipalities have undergone a similar process.

Innovation Norway is a state-owned company that functions as the National Tourism Administration. Its main goal is to increase overall economic growth and to increase value creation in the tourism industry. Innovation Norway focuses on product and business development, as well as international promotion of Norway as a tourist destination, and

brand building. This is achieved through various projects and activities, in close partnership and co-operation with the tourism industry. Innovation Norway is funded by the Ministry of Trade, Industry and Fisheries (majority owner), as well as other ministries and counties.

In both 2017 and 2018, NOK 231.5 million are allocated (annually) to the tourism industry through transfers from the Ministry of Trade, Industries and Fisheries to the National Tourism Administration Innovation Norway.

Norway: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Trade, Industry and Fisheries, 2018.

Tourism policies and programmes

One of the key challenges facing the Norwegian tourism industry is its relatively low level of value creation and profitability compared to that of other industries. This is due to factors such as the low share of high value added tourism products, a high level of seasonality, and lack of co-operation both within the tourism industry itself and with other stakeholders involved in tourism. In certain parts of the country, overcrowding is a major issue.

In May 2017, the Parliament approved a government report (white paper) on Norwegian tourism. The report lays out the Government's overall policy for the tourism industry, including the ways in which the Government will strengthen the foundation for the industry's development in the longer term.

The report concluded that the main national policy priorities for developing the Norwegian tourism industry are:

- Establishing sound framework conditions for business activity in Norway by lowering levels of business tax, improving infrastructure, digitalising the public sector,
- Developing a sustainable tourism industry,
- Increasing co-operation between stakeholders,
- Continuing to promote Norway as a tourism destination,
- Increasing knowledge and expertise in the tourism industry.

As the Government amends framework conditions in order to strengthening the business climate in Norway, the tourism industry is one beneficiary. The Government is

prioritising tax and fee relief for Norwegian companies and is focused on simplification and digitalisation of the public sector, so companies can spend less time on their reporting duties and following regulations, and more time creating value and jobs.

Accessibility is another key factor to competitiveness in tourism. In 2017, the Norwegian Parliament approved the next 12-year national plan for infrastructure in Norway, with a record high level of investment. The plan has a focus on developing safer, more efficient and greener transport solutions, by utilising, and adapting to, the massive technological changes taking place within the sector.

Increased co-operation between the tourism industry and other parts of the economy can contribute to developing Norwegian destinations and tourism products further. The white paper on tourism concluded that a joint strategy for culture and tourism will be prepared by Government. This strategy will be in parallel to the Government's agriculture based rural tourism strategy, presented in January 2017.

In order to improve coordination within the tourism industry, both public and private initiatives have been taken to put in place more effective destination management organisations. In 2013, overall responsibility for a restructuring exercise of these organisations was given to the industry itself. New and considerably larger destination management entities have been designed to secure more reliable and stable financial arrangements, as well as facilitating coordination between the local tourism industry and tourism activities undertaken by local public authorities. By 2017, the process was almost completed, with the new local management boards up and running and showing initial indications of enhanced coordination and co-operation between stakeholders.

Nature is a significant aspect of what the Norwegian tourism industry markets. Over time, increased traffic and crowding could undermine the quality of the surroundings, the tourism product and even affect safety. In order to achieve national and international environmental goals, the tourism industry must base its activities on sustainability. The Government will promote management of human traffic in nature by providing information, signage and simple infrastructure. As part of this effort, the Government will market a selection of prepared hiking trails as National Hiking Trails, on the model of Norway's National Tourist Routes for roads. The objective is to make the trails sustainable and more accessible, and thus attractive for travel and business activity.

Statistical profile

Table 1. Norway: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	13 280	15 060	15 450	13 700	13 840
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	43 530	53 130	56 060	48 060	51 840
Hotels and similar establishments	9 540	10 500	11 320	10 720	10 210
Specialised establishments	480	2 120	1 660	1 250	..
Other collective establishments	10 460	11 370	11 330	9 310	1 710 |
Private accommodation	23 060	29 130	32 040	26 790	..
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	..	4 938 e	4 842 e	5 304 e	5 960 e
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Germany	..	870 e	878 e	919 e	1 095 e
Sweden	..	612 e	611 e	612 e	679 e
Great Britain	..	335 e	348 e	389 e	419 e
Netherlands	..	337 e	320 e	338 e	405 e
Denmark	..	418 e	374 e	376 e	402 e
Nights in all types of accommodation	7 940	7 692	8 154	8 829	9 727
Hotels and similar establishments	5 051	5 067	5 428	6 032	6 627
Specialised establishments	..	..	..	..	..
Other collective establishments	2 890	2 624	2 726	2 796	3 100
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	15 609	16 885	17 339	16 277	15 733
Overnight visitors (tourists)	9 260	9 280	9 190	8 750	8 030
Same-day visitors (excursionists)	6 349	7 605	8 149	7 527	7 703
Top destinations					
Sweden	1 789	1 770	1 478	1 535	1 222
Spain	1 202	1 395	1 234	1 242	1 290
Denmark	906	890	1 127	937	825
United Kingdom	680	777	676	674	654
Germany	609	542	620	498	452
TOURISM RECEIPTS AND EXPENDITURE, MILLION NOK					
Inbound tourism					
Total international receipts	31 659	33 147	35 131	39 297	43 715
International travel receipts	31 659	33 147	35 131	39 297	43 715
International passenger transport receipts	..	..	..	..	..
Outbound tourism					
Total international expenditure	96 764	108 642	116 168	123 315	129 463
International travel expenditure	96 764	108 642	116 168	123 315	129 463
International passenger transport expenditure	..	..	..	..	..

.. Not available; | Break in series; e Estimated value

Source: OECD Tourism Statistics (Database).



StatLink  <http://dx.doi.org/10.1787/888933640899>

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

	Number of establishments	Number of persons employed				
	2015	2012	2013	2014	2015	2016
Total	..	..	..	..	..	..
Tourism industries	24 115	153 000	153 700	156 800	158 400 p	..
Accommodation services for visitors	3 273	23 200	23 400	24 200	24 700 p	..
Hotels and similar establishments	1 429	..	..	..	..	..
Food and beverage serving industry	10 762	42 000	43 800	45 500	46 500 p	..
Passenger transport	7 652	49 800	50 100	50 300	50 600 p	..
Air passenger transport	125	7 200	7 200	7 000	7 200 p	..
Railways passenger transport	57	4 500	4 600	4 600	4 600 p	..
Road passenger transport	7 014	28 500	28 600	28 800	29 000 p	..
Water passenger transport	456	9 600	9 700	9 900	9 800 p	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	7 200	7 000	7 200	7 200 p	..
Travel agencies and other reservation services industry	2 428	5 300	5 200	5 200	5 200 p	..
Cultural industry	..	18 600	17 500	17 600	17 700 p	..
Sports and recreation industry	..	6 700	6 800	6 800	6 600 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/10.1787/888933640918>Table 3. **Norway: Internal tourism consumption**

Million NOK

	2015		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	113 477 p	45 516 p	158 993 p
Tourism characteristic products	78 112 p	25 168 p	103 280 p
Accommodation services for visitors	9 193 p	6 856 p	16 049 p
Food and beverage serving services	13 106 p	7 070 p	20 176 p
Passenger transport services	34 931 p	9 393 p	44 324 p
Air passenger transport services	22 366 p	5 559 p	27 925 p
Railways passenger transport services	2 349 p	649 p	2 998 p
Road passenger transport services	4 066 p	617 p	4 683 p
Water passenger transport services	6 150 p	2 568 p	8 718 p
Passenger transport supporting services	..	..	..
Transport equipment rental services	367 p	267 p	634 p
Travel agencies and other reservation services industry	17 596 p	294 p	17 890 p
Cultural services	1 291 p	554 p	1 845 p
Sports and recreation services	1 628 p	734 p	2 362 p
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	35 365 p	20 348 p	55 713 p
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

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