

# Norway

## Tourism in the economy

In the last decade, the economic contribution of tourism in Norway has increased considerably, reaching NOK 120.3 billion in 2017. This represents 3.6% of total GDP, a share that has remained stable in recent years. In 2017, the tourism sector employed 166 000 people, representing 6.1% of total employment. The sector has become a significant employer, particularly in rural areas. Travel exports represented 13.0% of total service exports in 2018.

Inbound tourism saw 5.7 million visits in 2018, following a considerable increase in the last couple of years. Inbound tourism expenditure amounted to NOK 55.3 billion in 2018, compared to NOK 53.8 billion in 2017. Recent annual fluctuations in visits have been substantial, ranging from a 12.4% increase in 2016 to a 2.7% decrease in 2017. Exchange rate conditions have been favourable for inbound tourism since 2013, with a weak Norwegian currency making a visit to Norway less expensive. Key inbound markets are the neighbouring countries of Sweden, Germany and Denmark. Long-haul markets such as the United States and China have seen a sharp increase in visits to Norway since 2013.

Domestic tourism, for both leisure and business purposes, dominates the tourism industry in Norway. In 2018, Norwegians accounted for 69.3% of all commercial overnight stays. A total of 19.0 million domestic overnight trips took place in the country in 2018, a sharp increase of 25.8% compared to 2017.

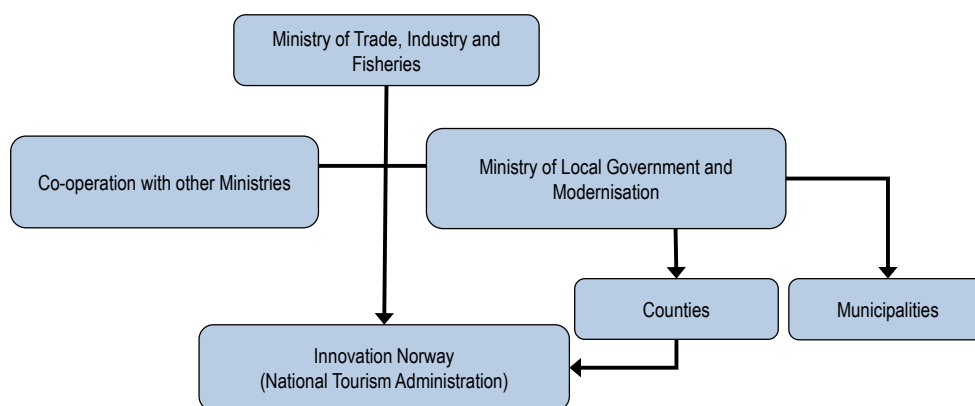
## Tourism governance and funding

Responsibility for the development and regulation of tourism lies with the Ministry of Trade, Industry and Fisheries. The Ministry co-operates with other ministries in order to co-ordinate policies of importance to tourism. One example is the extended co-operation with the Ministry of Culture to showcase the potential for increased value creation between the cultural, creative and tourism sectors. The Ministry of Climate and Environment is another key partner given its role in developing policies to promote a more sustainable tourism sector.

Regional and local authorities also influence tourism development. They establish the conditions of key importance to tourism, with responsibility for planning and regulation in areas such as infrastructure, utilities, national parks and numerous local attractions linked to natural and cultural heritage. Some regions and municipalities have strategies for tourism and many give financial support to their local Destination Management Organisations.

In 2020, Norway will implement a regional reform process that will reduce the number of counties, with those that remain being enlarged, with renewed roles and wider responsibilities. The objective is to build stronger regions that can provide a more efficient framework to coordinate activities and solve cross-sectoral challenges. This reform is expected to benefit the tourism industry, which interacts with many sectors and stakeholders across current regional borders.

## Norway: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Trade, Industry and Fisheries, 2020.

*Innovation Norway* is a state-owned company that functions as the National Tourism Organisation. Innovation Norway's main goal is to increase overall economic growth and value creation in the Norwegian economy, within sustainability goals. To reach this target in the tourism sector, Innovation Norway focuses on stimulating product development, as well as promoting Norway as a brand and tourist destination internationally. Innovation Norway is funded mainly by the Ministry of Trade, Industry and Fisheries, but also receives some funding from other ministries and counties. The latter is most often earmarked for specific sectors and projects. For its NTO role, Innovation Norway, which receives NOK 178 million in 2020 (representing a reduction of 22% compared to the annual funding in 2015-2019). In addition to these earmarked funds, Norwegian tourism companies received approximately NOK 315 million in 2018 from various funding sources in Innovation Norway, to develop their activity.

## Tourism policies and programmes

One of the key challenges facing the Norwegian tourism sector is its relatively low level of value creation and profitability compared to that of other industries. This is due to factors such as a low share of high value-added tourism products, seasonality and lack of co-operation in and between destinations. Certain destinations also face the challenge of tourism developing in an unsustainable way, with overcrowding becoming a major issue at certain times of the year.

In 2017, the Norwegian Government and Parliament established the following national policy priorities for developing Norwegian tourism: i) establishing sound framework conditions for business activity, ii) developing a sustainable tourism industry, iii) increasing co-operation between stakeholders, iv) continuing to promote Norway as a tourism destination, v) increasing knowledge and expertise in the tourism industry, and vi) improving accessibility to boost competitiveness. The Government has also previously developed a tourism strategy based on agricultural resources (2017), which is now being implemented, focusing on Norway as a destination with unique food experiences.

The Government has recently increased public investments in infrastructure in Norway, focusing on developing safer, more efficient and greener transport systems. In order to improve co-ordination and effectiveness, the structure of Norway's DMOs has been amended, with the private sector now taking a leading role following principles set out by the Government. Seven new larger entities have been established to secure more reliable and stable financial arrangements, as well as facilitating co-ordination between the local tourism industry and local public authorities.

In 2019, a key policy development was the launch of the cultural tourism strategy. The work was led jointly by the Ministry of Culture and the Ministry of Trade, Industry and Fisheries with input from many other interest groups. This strategy recognises the potential to further combine culture and tourism, and focuses on developing more cultural-based tourism products. With a budget of NOK 16.4 million the goal for the strategy is to strengthen Norway as an attractive cultural destination, resulting in higher added value, reductions in seasonality and more jobs across both sectors. The strategy has four priority policy areas: i) strengthening Co-operation among culture and tourism stakeholders, ii) addressing a need for more knowledge of cultural tourism, iii) developing and adapting cultural tourism products to make Norway more attractive as a destination throughout the year, iv) increasing promotion of the cultural offer to strengthen Norway as a destination.

The Government is also taking steps to mainstream sustainability. This includes the creation of a *Sustainable Destination certification scheme*, which enhances destination management and aims for long term progress. The sustainability standard is internationally recognised through the Global Sustainable Tourism Council with indicators regularly updated by certified destinations (Box 3.9).

### **Towards a greener cruise and maritime industry in Norway**

Cruise tourism is one of the fastest growing segments in the tourism sector and can make a significant contribution to a destination's economy. Norway has a long coastline with spectacular scenery that attracts a growing number of cruise vessels and passengers. Cruise traffic represents an important customer base for local business in many Norwegian destinations. However, cruise traffic contributes to significant emissions into both the sea (as wastewater) and the air. The most popular cruise destinations (such as Geiranger, Flåm and Bergen) have received attention because of the negative impact of cruise traffic on the local environment and local communities. In order to respond to these challenges, the Norwegian Government has introduced the following measures:

- Stricter regulations on emissions from ships sailing in the Norwegian world heritage fjords from March 2019.
- A new Harbour and Fairways Act, effective from 2020, will grant local authorities wider powers to limit cruise ships and other vessels' stay ashore or in port, in order to reduce emissions and improve air quality.
- An increasing number of Norwegian ports are investing in new infrastructure to be able to offer visiting cruise vessels on-shore power supply (from hydropower). This will enable the vessels to turn off their diesel engines and so reduce emissions. The Norwegian Government's enterprise responsible for promoting environmentally friendly energy solutions (Enova) has granted financial support to investments in 20 ports.
- The Government also launched a new Action Plan for Green Shipping in 2019, outlining policies and measures to reduce national emissions of greenhouse gases, strengthen the Norwegian maritime industry and enable the development of the technology needed to reach global environmental goals.

Another action to increase sustainability includes the development of visitor management measures in fragile natural areas by providing information, signage and simple infrastructure. As part of this effort, the Government will market a selection of trails as *National Hiking Trails*. The objective is to make these trails more robust and accessible, and thus more attractive for travel and business activity. Beyond that, local stakeholders such as municipalities and business communities are encouraged to develop solutions that facilitate and contribute to sustainable value creation.

Fishing tourism is a growing source of income in many coastal communities in Norway. The development of fishing tourism is encouraged as a whole, but it brings some challenges linked to a limited understanding of its extent, and illegal exports of the catch. This leads to pressure on coastal fish stocks and also local conflicts between professional fishermen and the fishing tourism businesses. As a result, in 2018, the Government set up a regulatory framework for fishing tourism with the goal to ensure the sustainable management of fish resources through a better overview and control of fishing tourism. The regulations include a new registration system for fishing tourism companies, a new reporting scheme, and an increase in export quota for guests of registered companies. This framework will be revised by the Government in 2020, in order to improve its functionality. A three-year national research project on fishing tourism is about to be completed, will provide valuable insight into the environmental and the socio-economic impacts of fishing tourism.

Recently, the Government has taken the initiative to develop a national strategy for tourism in Norway. The strategy work will be led by Innovation Norway, in co-operation with a wide range of stakeholders, representing regional authorities, researchers, the tourism industry and others. The goal of the strategy is to ensure a more sustainable and profitable tourism sector in Norway. The final strategy report is due by the end of 2020.

## Statistical Profile

## Norway: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism</b>					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	15 450	13 700	13 840	15 080	18 970
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	56 060	48 060	51 840	52 550	63 280
Hotels and similar establishments	11 320	10 720	10 210	10 880	11 480
Other collective establishments	12 990	10 560	17 100	15 490	15 220
Private accommodation	32 040	26 790	24 530	26 180	36 580
<b>Inbound tourism</b>					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	4 842 e	5 304 e	5 960 e	5 845	5 688
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Germany	878 e	919 e	1 095 e	894 e	1 150
Sweden	611 e	612 e	679 e	678 e	623
United States	..	..	..	..	487
Netherlands	320 e	338 e	405 e	438 e	435
Denmark	374 e	376 e	402 e	406 e	371
Nights in all types of accommodation	8 154	8 829	9 727	9 949	10 138
Hotels and similar establishments	5 428	6 032	6 627	6 586	6 641
Other collective establishments	2 726	2 796	3 100	3 363	3 497
Private accommodation	..	..	..	..	..
<b>Outbound tourism</b>					
Total international departures	17 339	16 277	15 733	16 800	16 520
Overnight visitors (tourists)	9 190	8 750	8 030	8 170	8 110
Same-day visitors (excursionists)	8 149	7 527	7 703	8 630	8 410
Top destinations					
Sweden	1 478	1 535	1 222	1 363	1 356
Spain	1 234	1 242	1 290	1 359	1 169
Denmark	1 127	937	825	742	882
United Kingdom	676	674	654	571	638
Germany	620	498	452	414	563
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION NOK</b>					
<b>Inbound tourism</b>					
Total international receipts	35 131	39 297	43 715	45 974	47 515
International travel receipts	35 131	39 297	43 715	45 974	47 515
International passenger transport receipts	..	..	..	..	..
<b>Outbound tourism</b>					
Total international expenditure	116 168	123 315	126 313	134 099	141 022
International travel expenditure	116 168	123 315	126 313	134 099	141 022
International passenger transport expenditure	..	..	..	..	..

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

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077597>

## Norway: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2017	2014	2015	2016	2017	2018
<b>Total</b>	..	..	..	..	..	..
<b>Tourism industries</b>	<b>25 291</b>	<b>156 800</b>	<b>159 100</b>	<b>162 500</b>	<b>166 400 p</b>	..
Accommodation services for visitors	3 287	24 200	25 000	25 200	25 900 p	..
Hotels and similar establishments	1 432	..	..	..	..	..
Food and beverage serving industry	11 361	45 500	46 800	48 900	49 700 p	..
Passenger transport	7 525	50 300	50 500	51 100	52 400 p	..
Air passenger transport	127	7 000	6 800	6 700	6 500 p	..
Railways passenger transport	54	4 600	4 400	4 400	4 400 p	..
Road passenger transport	6 934	28 800	29 400	29 800	31 000 p	..
Water passenger transport	410	9 900	9 900	10 200	10 500 p	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	575	7 200	6 900	6 900	7 100 p	..
Travel agencies and other reservation services industry	2 543	5 200	5 500	5 400	5 600 p	..
Cultural industry	..	17 600	17 500	17 900	18 500 p	..
Sports and recreation industry	..	6 800	6 900	7 100	7 000 p	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	..	..	..	..	..	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077616>

## Norway: Internal tourism consumption

Million NOK

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
<b>Total</b>	..	..	..
<b>Consumption products</b>	<b>123 986 p</b>	<b>52 632 p</b>	<b>176 618 p</b>
Tourism characteristic products	85 259 p	29 214 p	114 473 p
Accommodation services for visitors	10 006 p	8 350 p	18 357 p
Food and beverage serving services	14 622 p	8 220 p	22 842 p
Passenger transport services	37 279 p	10 465 p	47 743 p
Air passenger transport services	23 650 p	5 987 p	29 636 p
Railways passenger transport services	2 628 p	778 p	3 406 p
Road passenger transport services	4 271 p	717 p	4 988 p
Water passenger transport services	6 730 p	2 983 p	9 713 p
Passenger transport supporting services	..	..	..
Transport equipment rental services	385 p	308 p	693 p
Travel agencies and other reservation services industry	19 791 p	384 p	20 174 p
Cultural services	1 380 p	636 p	2 017 p
Sports and recreation services	1 796 p	851 p	2 647 p
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	38 727 p	23 418 p	62 145 p
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
<b>Non-consumption products</b>	..	..	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

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