Sweden

Tourism in the economy

Tourism-related expenditure was SEK 337 billion in 2018, up 6% on 2017. The value added generated by this expenditure contributed 2.6% to Sweden's GDP. Overseas tourists spent SEK 144 billion making a 6.4% contribution to total exports. The industry employed 172 000 people an increase of 1.7% over 2017 but slightly below national employment growth at 1.9%. In 2018, tourism directly contributed to 3.4% of total employment. Over the last decade, however, tourism related employment has generally grown much faster than the wider economy. Travel exports represented 20.1% of total service exports in 2018.

In 2018, there were 65.2 million nights, an increase of 3.1% when compared with 2017. The total number of nights by international tourists was up 7.0% to 17.3 million. The main markets are Norway, Germany and Denmark with the United States also showing strong growth of 10% against 2017. Overall, trends include a strong increase in foreign visitors, higher concentrations visiting the major cities and an increase in the number of independent leisure visitors. Almost half of visitor nights were spent in the major cities of Stockholm, Gothenburg and Malmö but tourism also remains an important catalyst for regional growth and employment. Over the past four years, there has been a 22% increase in the volume of tourism during the winter, which has shown strong growth relative to the more traditional summer holiday period.

In 2018, there were 35.7 million domestic tourists, a decrease of 4.4% over 2017. For domestic tourism, the number of nights in accommodation increased by 1.8%, from 47.0 million to 47.9 million in 2018.

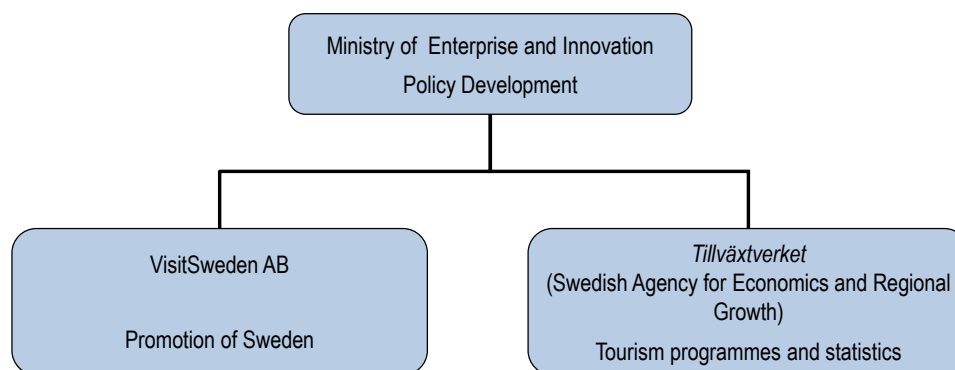## Tourism governance and funding

The Swedish Agency for Economic and Regional Growth, *Tillväxtverket*, is responsible for developing tourism at national level, while *Visit Sweden* markets Sweden as a tourism destination internationally. Both organisations report to the Ministry of Enterprise and Innovation. *Tillväxtverket* develops, implements and supports knowledge-based initiatives to promote tourism development, entrepreneurship, and SMEs competitiveness. The Agency is responsible for official tourism statistics, the production and dissemination of economic knowledge on tourism as well as collaboration with other government agencies. *Tillväxtverket* also supports the regions in their work to develop and implement action plans for sustainable regional development as tourism is a priority for many. It has a regional structure and a role in disbursing EU funds. *Visit Sweden* is a company owned by the government which promotes Sweden as a tourist destination abroad. In previous years, *Visit Sweden* has focused on emerging markets, such as India and China, promoted sustainable nature and ecotourism in rural areas and worked to extend the length of stay of international visitors.

Collaboration between national agencies has recently been strengthened. In autumn 2018 and spring 2019, two high level meetings between 16 national agencies with interests in tourism were held to agree strategic priorities and joint work opportunities (See Box). The Minister for Enterprise and Innovation also holds a national tourism forum twice a year to identify common challenges. The Forum promotes dialogue with public and private actors in the tourism industry, including unions and regional representatives.

As regards regional and local arrangements, the *Swedish Association of Local Authorities and Regions* has recently increased its tourism partnership work providing a helpful network to share knowledge and connect various interests.

The central allocation for *Visit Sweden* is SEK 105 million per year. Related programmes, such as the marketing of Swedish design and fashion, can also contribute further funds, in this instance SEK 28 million in the 3 year period to 2019. The budget at Tillväxtverket for tourism statistics and development totals around SEK 25 million.

Sweden: Organisational chart of tourism bodies

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        ┌─────────────────────────────────────┐
        │  Ministry of Enterprise and Innovation │
        │         Policy Development            │
        └─────────────────────────────────────┘
                          │
         ┌────────────────┴────────────────┐
         │                                 │
┌──────────────────┐          ┌────────────────────────────┐
│   VisitSweden AB  │          │        Tillväxtverket        │
│                   │          │ (Swedish Agency for Economics│
│                   │          │     and Regional Growth)     │
│ Promotion of Sweden│          │ Tourism programmes and statistics│
└──────────────────┘          └────────────────────────────┘
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Source: OECD, adapted from the Ministry of Enterprise and Innovation, 2020.

Tourism policies and programmes

Generally, UN Sustainable Development Goals guide Swedish policy. One related objective of the current government is that Sweden will be the first fossil-free state by 2045. The major challenges for Swedish tourism are connectivity and transportation, small enterprise profitability, destination and product development, digitalisation, seasonality and sustainability.

Transportation is crucial and at the same time challenging because of Sweden's geography and location, combined with a relatively small population and sparsely populated areas. These circumstances also make rural tourism development and the installation of high speed internet access challenging. Seasonality has always been an issue but a positive trend has seen recent growth in winter tourism, which is helping spread demand. Sustainability and how to integrate its principles at all levels will remain a major challenge from the perspectives of both public and private sectors.

These challenges are now being considered in the context of a new national tourism strategy for completion in 2020. The policy priority is to develop a long-term strategy to run until 2030 that promotes sustainable tourism development and provides a platform to implement actions that meets both national and global challenges. A major input for the strategy was the 2017 public inquiry. It received many contributions and ideas from a wide range of interests relating to tourism growth, entrepreneurship and employment, and encouraged actors to mobilise their combined efforts for the benefit of the tourism and hospitality sector.

A variety of other initiatives will also inform the strategy. Developed from an earlier Sustainable Destination Development initiative, the *HPU* programme *(Sustainable Product Programme)* seeks to stimulate product development in seven tourism destinations aiming to develop sustainable nature and/or culture based tourism offers. The programme targets support towards a selection of usually small and micro tourism businesses, encouraging innovation in sustainable tourism and developing ways that it can be practically implemented, both by individual companies and within destinations. Work undertaken by *Visita*, the

industry employer's organisation representing some 7 000 hotels and restaurants, has also provided a basis for best practice in the management of sustainable and inclusive tourism growth.

As well as promoting sustainability, the Government has been proactive in reducing the regulatory burden for tourism businesses which due to their size often find it difficult to understand or meet regulations, especially given differing requirements at a number of levels. In some cases, processes and demands can differ among Sweden's 290 municipalities. In line with the government's goals for simplified regulation and its *Digital by Default* principle, a cross-agency project entitled *Serverat* has taken on tourism companies' data delivery responsibilities and contacts with public authorities. Within the project, digital information services and guidance are developed based on a company's circumstances and needs. Simplification of permits and similar procedures that companies must complete in order to start or develop their business are the current focus of the programme. At present, 37 municipalities are fully linked to the project and more are working towards becoming integrated. The website *verksamt.se* provides additional support to businesses with information drawn from several government agencies relating to preparing, starting and developing a successful business.

During 2019 *Tillväxtverket* also has a government assignment to carry out case studies for collaboration between manufacturing industry and tourism sector. The purpose is to investigate the conditions for strengthening the tourism sector and the manufacturing industry. The goal is to promote stakeholder interaction between enterprises, business organisations, tourism organisations and civil society, within and between municipalities and regions. The method aims to strengthen regional and local attractiveness and the development of attractive tourist destinations.

With regard to future-proofing tourism policies, the *Visit the Future* project will inform the development of the new tourism strategy. This is a joint project between *Tillväxtverket* and the trade organisation *Svensk Turism* focusing on innovative and cross-sectoral business development in Swedish tourism destinations. The project has analysed how changes in society and consumer trends can affect tourism development, how other sectors can also be affected, and how as a result of these changes added value can be created for the tourism sector. Recently, two regional pilot projects have begun, one on the theme of robotics and the other on the theme of smart lodging and food.

A strengthened collaboration between national agencies

Collaboration between national agencies has been strengthened in Sweden in recent years. Through dialogue and a structured working process, led by The Swedish Agency for Economic and Regional Growth, Tillväxtverket, a common agenda and activity plan has been developed. Agreed projects include tourism transport planning, aviation impacts and importance, skills analysis and methodologies for world heritage destination development. Collaboration includes 16 agencies, relating to nine different ministries. The overall goals of the collaboration are set by the agencies, considering current Swedish tourism policy goals as well as Agenda 2030. The working process is built around high-level meetings held once or twice a year, gathering the agencies' general directors who give mandate to a working group and decide on prioritised activities. Every activity or project should include at least two active agencies, address a national challenge and contribute to increased knowledge and a long-term solution to a concrete problem. As an example, the Miranda project - Micro-based decision support for sustainable tourism travelling and infrastructure planning was developed in close co-operation with the Swedish Transport Administration, Tillväxtverket and Dalarna University. This has the aim to increase knowledge and improve methods and decision-making for infrastructure and traffic planning to better meet the specific needs of tourism. The approach is to increase the understanding of the scope of tourism at the local and regional level by analysing relevant transport flows and indicators, which in turn provides better opportunities to evaluate and plan for national infrastructure investments.

Statistical Profile

Sweden: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism[1]					
Total domestic trips	..	..	..	54 216	55 880
Overnight visitors (tourists)	..	..	..	37 316	35 686
Same-day visitors (excursionists)	..	..	..	16 900	20 194
Nights in all types of accommodation	42 654	44 854	46 203	47 017	47 852
Hotels and similar establishments	28 374	30 126	31 221	31 916	33 075
Other collective establishments	14 280	14 729	14 981	15 101	14 777
Private accommodation	..	..	..	..	..
Inbound tourism[2]					
Total international arrivals	19 945	..	..	..	..
Overnight visitors (tourists)	10 750	..	..	..	..
Same-day visitors (excursionists)	9 195	..	..	..	..
Top markets					
Denmark	1 967	..	..	..	..
Norway	1 754	..	..	..	..
Finland	1 550	..	..	..	..
Germany	1 285	..	..	..	..
United Kingdom	603	..	..	..	..
Nights in all types of accommodation	13 748	15 175	15 594	16 191	17 327
Hotels and similar establishments	8 860	9 926	10 375	11 000	11 720
Other collective establishments	4 888	5 249	5 219	5 191	5 608
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	..	..	..	..	..
Overnight visitors (tourists)	..	..	19 771	20 361	18 855
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
..	..	..	..	..	..
TOURISM RECEIPTS AND EXPENDITURE, MILLION SEK					
Inbound tourism					
Total international receipts	96 905	111 723	127 159	139 226	150 104
International travel receipts	81 261	95 453	109 137	120 587	129 945
International passenger transport receipts	15 643	16 270	18 022	18 639	20 159
Outbound tourism					
Total international expenditure	125 986	139 097	147 454	165 911	176 818
International travel expenditure	108 443	121 593	127 460	145 184	156 965
International passenger transport expenditure	17 543	17 504	19 994	20 727	19 853

.. Not available
1. Trips from demand side surveys; Nights from supply side surveys.
2. Arrivals from demand side surveys; Nights from supply side surveys.
Source: OECD Tourism Statistics (Database).

StatLink ᵃᵐˢ᷈ http://dx.doi.org/10.1787/888934077939

Sweden: Enterprises and employment in tourism

	Number of establishments[1]	Number of persons employed				
	2017	2014	2015	2016	2017	2018
Total	..	**152 000**	**154 900**	**154 600**	**169 500 p**	**172 400 p**
Tourism industries	**27 487**	**147 400**	**149 700**	**150 900**	**165 200 p**	**168 200 p**
Accommodation services for visitors	..	70 500	72 600	72 000	80 600 p	82 200 p
Hotels and similar establishments	2 025	..	..	..	..	..
Food and beverage serving industry	25 462	..	..	..	..	..
Passenger transport	..	18 600	18 000	18 600	19 800 p	20 200 p
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	..	12 100	11 600	11 100	11 400 p	11 800 p
Cultural industry	..	16 000	16 100	16 900	18 000 p	18 500 p
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	30 200	31 400	32 300	35 400 p	35 500 p
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	**..**	**4 600**	**5 200**	**3 700**	**4 300 p**	**4 200 p**

.. Not available; p Provisional data
1. Data refer to number of enterprises.
Source: OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888934077958

Sweden: Internal tourism consumption

Million SEK

	2018		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	**192 655 p**	**144 070 p**	**336 724 p**
Tourism characteristic products	137 897 p	62 197 p	200 095 p
Accommodation services for visitors	54 167 p	8 071 p	62 238 p
Food and beverage serving services	17 113 p	26 090 p	43 204 p
Passenger transport services	..	..	..
Air passenger transport services	14 829 p	14 186 p	29 015 p
Railways passenger transport services	3 979 p	47 p	4 026 p
Road passenger transport services	11 949 p	1 262 p	13 211 p
Water passenger transport services	1 754 p	1 784 p	3 538 p
Passenger transport supporting services	..	..	..
Transport equipment rental services	4 500 p	1 585 p	6 085 p
Travel agencies and other reservation services industry	19 121 p	0 p	19 121 p
Cultural services	10 485 p	9 172 p	19 657 p
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	0	0	0
Country-specific tourism characteristic services	0	0	0
Other consumption products	54 757 p	81 872 p	136 630 p
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	**..**	**..**	**..**

.. Not available; p Provisional data
Source: OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888934077977