

Finland

Tourism in the economy and outlook for recovery

Before the pandemic, tourism was an important sector of the Finnish economy. In 2017-19, international tourism demand increased faster than other sectors at an annual rate of approximately 8%. In 2019, the sector directly provided 133 200 jobs (5.8% of total employment), and supported 28 500 businesses.

In 2019 tourism directly contributed 2.7% of GDP, which decreased to 1.7% in 2020. The number of people employed in tourism decreased by 29 000 people in 2020, with tourism's direct share of employment falling to 4.9%. At the same time, the number of hours worked decreased by 22%.

In 2020, international tourists arrivals fell 72.8% to 895 577 tourists. This contributed to a 41% decline in total tourism expenditure to EUR 9.7 billion. According to 2021 estimates, total tourism expenditure recovered to EUR 11.2 billion due to the growth of domestic tourism. The share of domestic spending increased from 63% in 2019 to almost 84% in 2021. This occurred as domestic tourists returned to pre-pandemic levels, and international tourism declined further in 2021.

Russia's war in Ukraine, along with the uncertainty related to COVID-19, has created new concerns over the recovery and growth of the Finnish tourism sector. According to the latest forecast, the 2019 level of international arrivals is predicted to be reached in 2024.

Tourism governance and funding

The Ministry of Economic Affairs and Employment is responsible for tourism policy development and support. It participates in drafting legislation on tourism and maintains international relations regarding tourism. In developing the sector, the Ministry collaborates closely with other ministries.

To focus on recovery and resilience, the Ministry of Economic Affairs and Employment established a High-Level Working Group on Tourism in 2021. It is composed of ministries that are of key importance to the tourism sector, including regional councils, state administrations, regional tourism organisations, travel companies, and research and educational institutions and organisations.

Business Finland gathers together all the services related to the promotion of innovation funding, exports, investments and tourism. The Team Finland network brings together all state-funded internationalisation services, from advice to funding. Business Finland is part of this network. Visit Finland is a unit of Business Finland and receives its funding from the state budget. Visit Finland is the national expert organisation responsible for promoting Finland as a destination, supporting Finnish travel companies to internationalise and develop and sell and market high-quality travel products. Visit Finland and the tourism industry conduct joint product campaigns and arrange familiarisation trips for foreign tour operators and the media.

Regional Councils provide support for tourism development projects, general marketing, advisory services, training and research in Finland's 19 regions. Finland has a total of 15 Centres for Economic Development, Transport and the Environment (ELY Centres), which are tasked with promoting regional competitiveness, well-being and sustainable development and curbing climate change. They offer financial, advisory,

consulting and training services to tourism businesses and grant investment support. They also manage matters related to the local infrastructure in their areas.

Finland has allocated funding for developing tourism as part of ministries' own budgets. The budget allocated for Visit Finland's tourism development actions was EUR 9.8 million in 2021-22. In addition to this, EUR 4.7 million was allocated from the Government Programme for 2021. During the years 2021-24, Business Finland (and, as a part of it, Visit Finland) will be allocated funding of approximately EUR 12 million from Finland's national Recovery and Resilience Plan, as the organisation has been given responsibility for implementing the tourism-specific investment included in this Plan.

In 2020-21, the Ministry of Education and Culture awarded a total of EUR 3.95 million in discretionary government grants to cultural tourism development projects through a one-time appropriation from the Government Programme.

A total of EUR 38.1 million was directed to Metsähallitus by the Ministry of the Environment and Ministry of Agriculture and Forestry in 2021. Metsähallitus is a state-owned enterprise that plays a key role in the management of Finland's physical environment and related outdoor and nature-based tourism.

Finland: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Economic Affairs and Employment, 2022.

Tourism policies and programmes

Finland's national tourism policy is implemented under the Achieving More Together - Sustainable Growth and Renewal in Finnish Tourism Strategy for the period 2022-28. This Strategy includes an Action Plan for the years 2022-23. In 2022, Finland updated the Strategy and Action Plan drawn up in 2019, to better reflect the changing operational environment, including the COVID-19 pandemic and Russia's aggression against Ukraine. The focus of the update was on the future outlook and measures to be taken in accordance with the new situation.

The key mission of Finland's national tourism policy is to ensure that tourism is developed as a responsible and growing sector that generates well-being and employment throughout the year. The Strategy's main

objective is to make Finland the most sustainable tourism destination in the Nordic countries. The strategy identifies four priorities to facilitate the sustainable growth and renewal of the tourism sector: i) supporting sustainable development; ii) responding to the digital transformation; iii) improving accessibility; and iv) ensuring an operating environment that supports competitiveness.

During the COVID-19 pandemic, a variety of government organisations provided financing through direct support for the companies and industries most affected. In 2020, EUR 263 million was granted to the tourism sector as COVID-19 funding. A significant part of the financing was allocated to hotels and other accommodation services, as well as the activities of tour operators and reservation services. Finland also granted a state guarantee of approximately EUR 600 million to support the national airline, Finnair.

Other priorities aimed at tackling the consequences of the crisis include raising the resilience and competitiveness of the tourism sector, utilising knowledge-based decision making and ensuring that up-to-date data and information on global trends are available. Overarching these aims is the encouragement and support for the tourism sector to shift towards a more sustainable way of operating.

Russia's war in Ukraine brought up new insecurities for the tourism sector and is slowing down its recovery from the pandemic. The absence of Finland's biggest tourism export market, Russia, along with severely weakened accessibility from Asian markets due to the flight ban over Russia, is creating annual losses of more than EUR 1 billion for Finland. In Q3 2022, as part of its goal to increase the vitality of eastern Finland due to the economic effects of Russia's aggression against Ukraine, the Finnish government proposed that tourism be promoted by EUR 7.5 million by strengthening tourism marketing and improving the conditions and services for nature tourism, for example.

Finland is supporting the recovery and ensuring the prerequisites for the sector's long-term development by paying attention to all dimensions of sustainability – economic, ecological, social and cultural – along with supporting digitalisation initiatives and management by data (Box 2.11).

Visit Finland has been developing national sustainable tourism indicators as part of the national Sustainable Travel Finland Programme, targeted at tourism companies and destinations to support their efforts in sustainable development (Box 3.13). The development of indicators is done in close co-operation with the Finnish tourism sector.


Statistical Profile

Finland: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	45 280	..	..	61 300
Overnight visitors (tourists)	30 160	29 130	29 320	23 340	29 380
Same-day visitors (excursionists)	..	16 160	..	..	31 920
Nights in all types of accommodation	80 460	78 360	81 760	90 240	102 260
Hotels and similar establishments	13 510	13 360	12 920	8 370	9 930
Other collective establishments	9 900	10 940	10 720	13 230	14 210
Private accommodation	57 050	54 060	58 120	68 640	78 120
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	3 180	3 224	3 290	896	807
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Russia	297	304	313	96	106
Germany	229	230	220	52	89
Sweden	341	323	320	56	85
Estonia	94	95	96	56	53
United Kingdom	126	139	143	41	43
Nights in all types of accommodation	6 743	6 843	7 056	2 291	2 085
Hotels and similar establishments	6 421	6 505	6 695	2 155	1 968
Other collective establishments	322	337	361	136	117
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	10 480	10 480	10 440	2 690	2 260
Overnight visitors (tourists)	9 330	9 450	9 410	2 330	1 800
Same-day visitors (excursionists)	1 160	1 030	1 030	360	460
Top destinations					
Sweden	1 670	1 790	1 780	350	420
Estonia	2 060	1 670	1 600	620	390
Spain	820	880	790	270	230
Germany	310	330	310	150	100
Norway	..	..	..	..	..
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	4 593	4 883	5 000	1 562	..
International travel receipts	3 002	3 103	3 328	1 107	926
International passenger transport receipts	1 591	1 780	1 672	455	..
Outbound tourism					
Total international expenditure	5 940	6 127	5 074	1 730	..
International travel expenditure	4 945	5 152	5 074	1 468	1 181
International passenger transport expenditure	995	975	..	262	..

.. Not available

Source: OECD Tourism Statistics (Database).


StatLink  <https://stat.link/tcaz5i>

Finland: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2020	2017	2018	2019	2020	2021
Total	..	..	..	..	..	..
Tourism industries	33 723	123 300	129 600	133 200	104 200 p	..
Accommodation services for visitors	2 448	13 300	14 000	14 300	10 000 p	..
Hotels and similar establishments	1 030	..	..	..	..	..
Food and beverage serving industry	13 225	63 200	65 900	68 300	54 100 p	..
Passenger transport	8 270	31 800	34 300	34 500	26 100 p	..
Air passenger transport	75	3 800	4 100	3 900	2 100 p	..
Railways passenger transport	43	2 300	4 400	4 600	4 300 p	..
Road passenger transport	7 953	20 700	20 700	20 800	16 100 p	..
Water passenger transport	199	5 000	5 100	5 200	3 600 p	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	362	1 300	1 500	1 600	1 400 p	..
Travel agencies and other reservation services industry	1 462	1 800	1 900	2 000	1 500 p	..
Cultural industry	3 935	5 200	5 200	5 800	5 200 p	..
Sports and recreation industry	4 021	6 700	6 800	6 700	5 900 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  <https://stat.link/aziqeb>

Finland: Internal tourism consumption

Million EUR

	2019		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	8 851	5 288	16 261
Consumption products	8 593	5 228	15 942
Tourism characteristic products	5 490	4 023	11 363
Accommodation services for visitors	860	586	2 243
Food and beverage serving services	1 635	988	2 623
Passenger transport services	1 830	2 067	4 822
Air passenger transport services	685	1 672	2 987
Railways passenger transport services	206	27	297
Road passenger transport services	572	194	995
Water passenger transport services	367	174	543
Passenger transport supporting services	..	..	..
Transport equipment rental services	94	77	182
Travel agencies and other reservation services industry	425	15	558
Cultural services	308	81	389
Sports and recreation services	337	210	547
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	3 103	1 203	4 577
Tourism connected products	1 272	149	1 692
Non-tourism related consumption products	1 831	1 054	2 885
Non-consumption products	259	60	319

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/r8lx4k>



From:

OECD Tourism Trends and Policies 2022

Access the complete publication at:

<https://doi.org/10.1787/a8dd3019-en>

Please cite this chapter as:

OECD (2022), "Finland", in *OECD Tourism Trends and Policies 2022*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/447c92c2-en>

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