

Finland

Tourism in the economy

Tourism is recognised as an important growth sector and contributor to the Finnish economy. In 2017, tourism amounted to 2.6% of Finland's GDP and tourism consumption reached EUR 15 billion. Tourism exports have grown steadily and amounted to 18% of service exports in 2017 – the third largest service export. Tourism industries directly employed 123 500 people in 2017, equivalent to 5.5% of total employment, and it is estimated that this will reach 164 000 by 2028. Around 28 500 tourism-related businesses, many of which are micro in size, recorded a turnover of EUR 9.7 billion.

International visitor numbers have doubled since 2000, and these spent EUR 4.6 billion in 2017 in Finland. In 2018, 5.6 million tourists visited Finland, up 12.4% over 2017, and nights in all means of accommodation reached 6.8 million (+1.5%). The Russian Federation continued to be the largest inbound market (826 000 nights), followed by Germany (628 000 nights) and the United Kingdom (593 000 nights), which replaced Sweden in third place. High growth markets include the Netherlands (up 8.4% on 2017), Spain (up 8.3%) and the United States (up 7.5%). Domestic leisure trips reached 38 million.

In 2018, accommodation establishments in Finland recorded over 22 million overnight stays, up 1.5% on the previous year, of which domestic tourists accounted for around 15.4 million and international tourists 6.8 million. In 2018, 8.7 million domestic tourists were recorded, up 1.5% over 2017.

Tourism governance and funding

The Ministry of Economic Affairs and Employment is responsible for tourism policy. It takes part in drafting legislation on tourism, maintains international relations and works closely with other ministries. Visit Finland is tasked with promoting Finland as a tourist destination, and is responsible for promoting inbound tourism and helping Finnish travel companies to internationalise, develop and market high-quality travel products. It is part of Business Finland, an umbrella body responsible for promoting innovation funding, exports, investment and tourism.

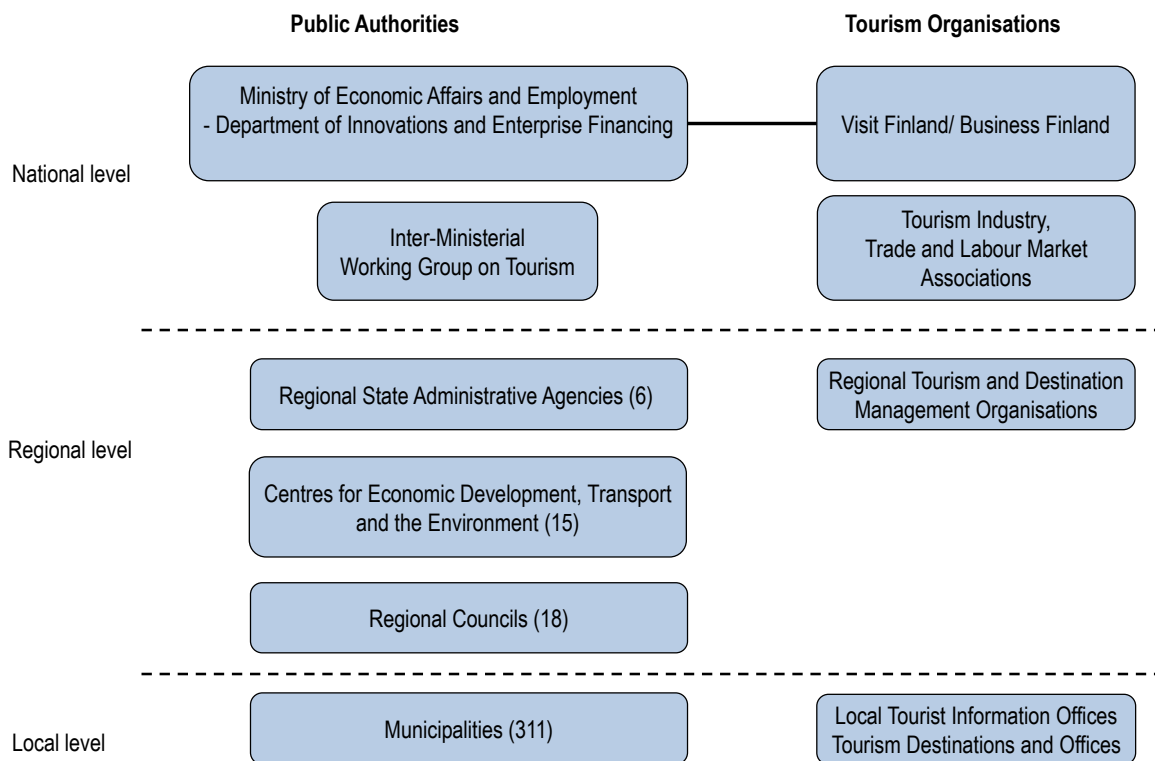
An Inter-Ministerial Working Group on Tourism, chaired by Ministry of Economic Affairs and Employment, acts as a monitoring body for the implementation of tourism policy. It facilitates the effective exchange information on tourism and the preparation of tourism-related matters for decision-makers. It meets several times a year and includes the ministries of Transport and Communication, Environment, Agriculture and Forestry, Foreign Affairs, and Education and Culture, together with organisations under the remit of the participating ministries. These include Business Finland, Visit Finland, *Metsähallitus*, a state-owned enterprise that plays a key role in the management of Finland's physical environment and related outdoor and nature based tourism, Finnish National Agency for Education, Finnish Food Authority, and the Finnish Safety and Chemicals Agency.

A Working Group to discuss tourism statistical issues meets twice a year, chaired by Statistics Finland.

Collaboration with the private sector is facilitated through the Business Finland Tourism Advisory Board, which guides the work of Visit Finland and consists of industry leaders from different branches of tourism,

and other tourism organisations and representative bodies. Private sector collaboration also takes place in regular bilateral meetings between the Ministry and trade and labour market organisations.

Finland: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Economic Affairs and Employment, 2020.

At regional level, the Centres for Economic Development, Transport and the Environment (ELY Centres) provide financial, advisory, consulting and training services to tourism businesses, as part of their remit to promote regional competitiveness, well-being and sustainable development. Regional Councils also provide support for tourism development projects, general marketing, advisory services, training and research. There are also some 70 regional tourism organisations, which have varied objectives, tasks and ownership structures. Locally, tourism issues are handled by municipalities and local tourist information offices. The amount of funding provided by public sources varies from year to year. Visit Finland is funded from the State budget, receiving EUR 11.9 million in 2017. In 2018-19, the budget was increased to EUR 16 million in order to deliver the Tourism 4.0 Action Programme. In addition, in 2018 tourism-related projects received around EUR 25 million from Finland's Structural Funds Programme 2014-20, and EUR 12.3 million from the Rural Development Programme for Mainland Finland 2014-20.

Tourism policies and programmes

Recognised trends affecting inbound tourism are sustainability and its impact on tourism and travel behaviour, digitalisation, new potential tourist markets as well as increased international interest in some of Finland's key strengths: nature, security, cleanliness and authenticity. A major challenge faced by tourism in Finland is its price competitiveness, with high taxes and labour costs as contributing factors. Other challenges include seasonality, difficulties in finding skilled workers, connectivity issues and relatively few travel businesses to support tourism growth.

Under the new Tourism Strategy 2019-28 and Action Plan 2019-23, Achieving More Together - Sustainable Growth and Renewal in Finnish Tourism, Finland aims to double tourism exports and be the most

sustainable destination in the Nordic region. The Strategy identifies four key priorities to promote growth and renewal in the sector: support activities that foster sustainable development, respond to digital change, improve accessibility, and ensure an operating environment that supports competitiveness. Co-operation with relevant stakeholders also plays a major role. A range of recent cross-cutting policy initiatives are aligned with the Strategy. The Finnish Food Policy, Food 2030, includes an objective to strengthen food tourism. Strategies to protect high value natural environments and resources, including the Strategy for the Arctic Region, the Baltic Sea Strategy, the updated National Forest Strategy 2025, and the new Maritime Policy Guidelines, closely align to the 2030 Agenda goals, embed sustainability as a core component, and seek to develop new market opportunities, such as nature tourism.

The Digital tourism roadmap in Finland

In 2018, the Roadmap for Digitalisation of the Finnish Tourism Sector was developed, to steer the sector towards greater digital competence, such as the uptake of digital solutions and platforms and management with data. The goal is to create nation-wide digital ecosystems and to have Finnish travel products and services available in multiple digital channels locally and globally. The vision is to become a smart, pioneering destination that provides the best customer journey. The key steps to reach these are i) Data management and collaboration that enables a seamless purchase path and real time information for travellers, and ii) Multi channel online bookability by utilising platform economy and API's. iii) Starting with pilots and scaling up to nation-wide ways of working iv) Supporting sustainable development of Finnish travel industry with digital tools. The Roadmap was developed with a team of industry and digital experts and is updated annually to keep up with the fast moving changes in the industry.

Pilot projects focusing on digital customer experience and data were carried out in four travel destinations. The pilots enabled tailored, cost effective development of digital know-how and services, specifically developing initiatives to help travellers find and get to hidden destinations like Turku and the archipelago, to handle scattered destination information (Lake Saimaa, Kuopio Tahko, North Karelia), to design the ideal digital customer journey (Visit Rovaniemi & Finnair) and to share and analyse data (Helsinki, House of Lapland, Finnair). In 2020, the focus is to scale up the work to national level, improving data driven tourism marketing and sales and deploying national travel data hub. There is also e-learning and Visit Finland academy digital training available to the travel trade. Based on the work undertaken, a digital inventory of tourism assets is the main priority to be developed in the future years.

The importance of tourism for the growth of Finland's economy is recognised by the Finnish Government. Government support for tourism was strengthened with the allocation of additional funding support for the Tourism 4.0 Action Programme for period 2018-19. This initiative supported the implementation of the national tourism strategy, and aimed to continue recent growth with investment in marketing, enhancing digitalisation, measures to tackle seasonality, and steps to enhance the sustainability of tourism businesses. The latter goal is supported by the Sustainable Arctic Travel Destination programme implemented by Business Finland/Visit Finland. One of the principal measures is to create the Sustainable Travel Finland label for both businesses and destinations. The concept has three aims: to be a low threshold sustainable development tool for tourism destinations and businesses; a marketing communication tool for Visit Finland; and a label to identify sustainable travel businesses and destinations to both travel trade and consumers.

In January 2018, the Ministry launched a two-year programme *Matkailudiili* to ease the shortage of skilled workers in the tourism sector, with measures to improve awareness and perceptions of employment opportunities in tourism, strengthen co-operation between tourism actors, and pilot tourism employment projects (Box 1.14). A Roadmap for the Digitalisation of the Finnish Tourism Sector originally launched in

2018 sets out the vision to make Finland a smart, pioneering tourism destination that provides the best customer journey (see box).

Statistical Profile

Finland: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	45 280
Overnight visitors (tourists)	28 850	29 160	29 790	30 160	29 130
Same-day visitors (excursionists)	..	..	..	..	16 160
Nights in all types of accommodation	78 838	78 890	80 730	80 460	78 360
Hotels and similar establishments	..	..	13 750	13 610	13 210
Other collective establishments	..	..	9 570	10 050	11 060
Private accommodation	..	..	57 390	56 790	54 070
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	2 731	2 622	2 789	3 180	3 224
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Russian Federation	615	352	307	382	378
Germany	248	266	268	297	304
United Kingdom	181	190	200	229	230
China	85	121	158	210	203
United States	93	95	108	126	139
Nights in all types of accommodation	5 710	5 510	5 771	6 743	6 843
Hotels and similar establishments	4 795	4 677	4 973	5 726	5 777
Other collective establishments	915	834	798	1 017	1 066
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	9 780	10 020	10 280	10 480	10 480
Overnight visitors (tourists)	8 730	8 900	9 130	9 330	9 450
Same-day visitors (excursionists)	1 050	1 120	1 150	1 160	1 030
Top destinations					
Sweden	1 830	1 630	1 830	1 680	1 790
Estonia	2 010	2 090	2 170	2 070	1 670
Spain	790	700	830	820	880
Germany	420	540	470	530	500
Russian Federation	310	310	390	340	300
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	4 115	3 614	3 628	4 593	4 883
International travel receipts	2 745	2 318	2 392	3 002	3 102
International passenger transport receipts	1 370	1 296	1 236	1 591	1 781
Outbound tourism					
Total international expenditure	4 764	5 219	5 604	5 893	6 133
International travel expenditure	3 992	4 325	4 693	4 945	5 151
International passenger transport expenditure	772	894	911	948	982

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076704>

Finland: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2017	2014	2015	2016	2017	2018
Total	..	..	..	..	..	..
Tourism industries	32 216	121 500	121 600	122 400	123 500 p	..
Accommodation services for visitors	..	..	..	..	..	..
Hotels and similar establishments	2 207	12 700	13 000	12 900	13 000 p	..
Food and beverage serving industry	12 238	59 400	60 700	63 000	64 100 p	..
Passenger transport	8 601	32 000	31 900	29 600	29 200 p	..
Air passenger transport	78	3 200	3 200	3 300	3 500 p	..
Railways passenger transport	62	4 400	3 900	2 400	2 300 p	..
Road passenger transport	8 267	21 500	21 000	21 000	20 500 p	..
Water passenger transport	194	2 900	2 800	2 900	2 900 p	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	344	1 300	1 400	1 400	1 500 p	..
Travel agencies and other reservation services industry	1 554	1 700	1 700	1 700	1 500 p	..
Cultural industry	3 460	5 200	5 100	5 000	5 200 p	..
Sports and recreation industry	3 812	9 200	8 800	8 800	9 000 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/10.1787/888934076723>

Finland: Internal tourism consumption

Million EUR

	2016		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	8 092	3 599	13 979
Consumption products	7 878	3 528	13 694
Tourism characteristic products	4 803	2 573	9 359
Accommodation services for visitors	742	436	1 993
Food and beverage serving services	1 505	591	2 096
Passenger transport services	1 709	1 253	4 012
Air passenger transport services	663	991	2 410
Railways passenger transport services	172	22	267
Road passenger transport services	547	146	911
Water passenger transport services	327	94	424
Passenger transport supporting services	..	..	..
Transport equipment rental services	76	19	97
Travel agencies and other reservation services industry	367	0	482
Cultural services	185	94	279
Sports and recreation services	221	180	401
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	3 074	955	4 335
Tourism connected products	1 279	122	1 707
Non-tourism related consumption products	1 795	833	2 628
Non-consumption products	214	71	285

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076742>



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