OECD Tourism Trends and Policies 2010

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Foreword

This second review of tourism trends and policies, carried out by the OECD Tourism Committee, assesses the long-term evolution of tourism in the OECD area over the last two decades, the impact of the global financial and economic crisis on the tourism industry and also, for the first time, analyses data and policy trends in twelve non-OECD countries, including big emerging economies such as Brazil, China and India.

The report first explores the increasing importance the tourism sector plays in national economies; it also demonstrates that, while the global financial crisis has impacted international tourism levels, particularly in the developed countries, domestic tourism has remained buoyant. Four key concepts central to national governments' policy priorities – quality, competitiveness, sustainability and evaluation – are analysed, together with the main challenges facing tourism in the decade ahead.

Building on the findings of the High Level Meeting of the Tourism Committee, held at Riva del Garda, Italy, in October 2008, the second part of the book focuses on the benefits gained from taking a "whole of government" approach to tourism development, ranging from the implementation of public/private partnerships to the exchange of international best practice. The recommendations stemming from that meeting are discussed in full and the Riva del Garda Action Statement for Enhancing Competitiveness and Sustainability in Tourism *has been annexed to this report (Annex 2.A1).*

The third part of the report documents the increasing use of Tourism Satellite Account (TSA) data for business and policy. Developed by the OECD Tourism Committee, in co-operation with the World Tourism Organization and Eurostat, TSA measures tourism economic impacts in a national economy. The report shows how TSA can monitor the contribution of tourism to Gross Domestic Product (GDP) and assess government revenues attributable to tourism and total employment generated by tourism, and examines the growing interest in the use of TSA as a platform for dynamic modelling. Data on tourism GDP in OECD countries and beyond are also analysed here.

The final part of the report examines tourism policy in 42 countries, including 30 members and 12 non-OECD countries, and presents a statistical profile for each country. The policy areas addressed include the role and importance of tourism in the countries' economies and how their tourism sectors are organised, a comparison of tourism budgets and an analysis of tourism-related policies and programmes in each country.

I would like to congratulate the OECD Tourism Committee on an excellent and timely report, with particular thanks to Isabel Hill, Committee Chair, for her skilful and enthusiastic guidance of the Committee's work, Alain Dupeyras, Head of the Tourism Unit, for his outstanding contribution in designing and compiling the report, together with Jeongbae Kim, Laurent Vassille and Adèle Renaud.

Sergio Arzeni
Director, OECD Centre for Entrepreneurship,
SMEs and Local Development

Acknowledgments. *This edition was directed and co-ordinated by Alain Dupeyras in co-operation with Adèle Renaud. Chapter 1 was drafted by Laurent Vassille. Chapter 2 is based on a study prepared for the Riva del Garda High Level Tourism Committee and builds on analytical work developed by the OECD and the Tourism Committee (e.g. on culture, trade in services, innovation, safety and security, challenges and trends); it was drafted by Graham Todd and Alain Dupeyras. Chapter 3 uses OECD Tourism Committee work on Tourism Satellite Account and was drafted by Alain Dupeyras and Laurent Vassille. The English version of the publication was edited by Graham Todd, Adèle Renaud and Alain Dupeyras. Jeongbae Kim participated in the quality review of Chapter 4. Lucy Clarke contributed to the marketing strategy for the book.*

This book has...

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Executive Summary

Tourism has been variably impacted by the global economic crisis

Over recent decades, travel and tourism have been large contributors to the world economy. International tourism has been growing at a slightly faster pace than the world economy and this seems likely to continue in the long-term despite the current recession. While its economic importance varies widely, in many of the 42 countries covered in this report, it is clear that tourism plays a crucial role in supporting economic growth and development, in sustaining employment and in generating foreign currency receipts. In the OECD area, for example, the employment growth rate in the hotel and restaurant industry exceeded 2% per year between 2000 and 2007, more than a percentage point ahead of the total employment growth rate (Chapters 1 and 4).

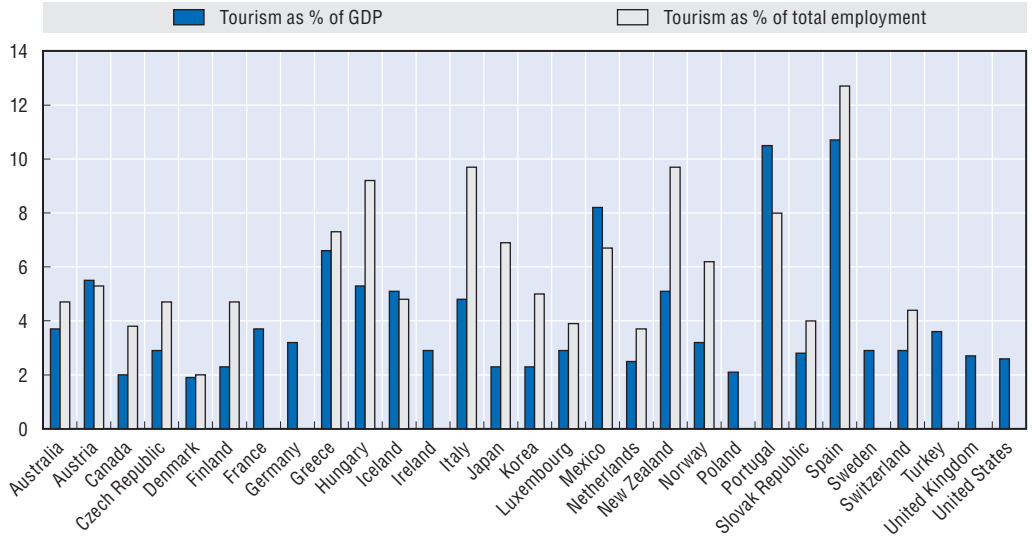
Tourism has been variably impacted by the financial and economic crisis that hit the world economy in 2008 and 2009. Tourism flows started to decline in the second half of 2008 (inbound OECD arrivals declined by 1.8% in the third quarter of 2008 compared to the third quarter of 2007 and by 4.3% in the fourth quarter of 2008 compared to the fourth quarter of 2007); that decline deepened at the beginning of 2009 (–12.5% and –6.5% respectively in the first and second quarters of 2009). International tourism has been affected more than domestic tourism, business tourism more than leisure tourism, hotels more than other types of accommodation and air transport more than other types of transport (Chapter 1). Paradoxically, certain forms of tourism have been impacted only slightly or have even experienced growth in this crisis period, for example, cruise tourism fared pretty well and the 2008-09 winter season in the Alps enjoyed a record year.

OECD countries play a predominant role in the world tourism market

OECD countries continue to play a predominant role in international tourism which remains the fastest-growing component of tourism. Nevertheless, for many OECD countries domestic tourism is more important than international tourism. The results from OECD countries are impressive (Chapters 1 and 4):

- During the last 20 years, the growth rate of non-resident tourism arrivals in OECD countries, while 1.6% below the worldwide rate, has averaged 2.8% per year, well ahead of the GDP growth rate of 2.4% for the zone.
- In 2008, OECD countries still accounted for 57% of international tourist arrivals and for 67% of the corresponding travel receipts.
- An overview of tourism's economic importance in the OECD economies is given in Figure 0.1.

Figure 0.1. **Tourism in the OECD economies**



Sources: Country data, OECD data processing.

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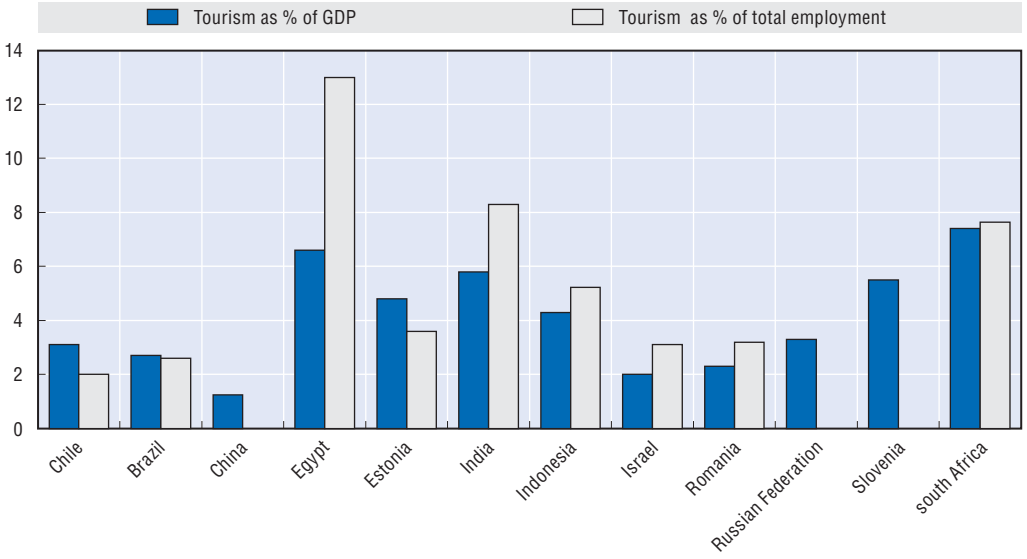
Non-member economies are fast-growing tourism destinations

Many of the 12 non-member economies (Brazil, Chile, China, Egypt, Estonia, India, Indonesia, Israel, Romania, the Russian Federation, Slovenia and South Africa – Chapters 1 and 4) included in this report have a tourism economy representing significant shares of GDP and of total employment (Figure 0.2). They are also among the fastest growing countries as international tourism destinations.

Figure 0.2. **Tourism in selected non-member economies**



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An active tourism policy which stimulates innovation

No country, region or city can rest idle on its natural endowment or cultural heritage: a policy of permanent innovation is needed to stay competitive in a global tourism, travel and leisure market dominated by stiff competition.

Tourism is one of the most dynamic segments of the service sector; it is on the forefront for testing new non-technological innovations centred on best use of human capital, new forms of organisation and management, new frontiers of entrepreneurship and new developments of intangible assets based on reputation, image-building, marketing and communication.

Given the dynamics of international tourism markets, the impact of globalisation on tourism and the constant evolution of tourism demand, governments and other stakeholders should engage in partnerships that can enable destinations and the tourism industry to become more competitive and innovative in the world tourism market.

A "whole of government" approach which integrates multi-faceted policies

It is not just enough to develop and apply tourism-specific policies. Attention has to be paid both to the horizontal and vertical linkages within an economy that are occasioned by the tourism sector. This is because governments need to regard tourism as a cross-cutting sector that concerns a wide range of activities across economies. Addressing the major challenges faced by the tourism industry and maximising tourism's full economic potential require an integrated approach to policy development across many government departments.

This requirement has led to an increased emphasis on a "whole of government" commitment and involvement in the development, implementation and evaluation of tourism strategies. It has also made clear the need for coherent and consistent policies and actions by governments across the full range of ministerial responsibilities influencing tourism and tourism destinations. The difficulties of cross government policy co-ordination, in an environment where the tourism portfolio may be relatively less influential than others, mean that this area remains a major challenge for tourism planning and policy makers.

Governments are taking action on a number of fronts, highlighted in this publication, as being central to the success of the tourism industry. While the priorities accorded to public investment in tourism-related policies and programmes naturally reflect the stage of development of each country's tourism sector (*e.g.* investment in basic infrastructure is needed more in some countries than others), there are also several common themes across many countries in the attitude of governments to tourism development (Chapter 2). The most important of these may be categorised as follows:

- **Investment in quality and skills:** in many countries governments are increasingly aware that the competitiveness of their tourism sector is vital to sustain its economic contribution; public investment in raising the quality and productivity of tourism's labour forces is increasingly common, as are actions designed to raise the quality of the products and services delivered via means such as quality assurance standards and

awards for quality achievement; in the area of human resources, appreciation has also grown of the importance of raising skills in the tourism sector as one means of raising the attractiveness of tourism as an industry in which to work, and improving career prospects.

- **Marketing and branding:** most tourism strategies include a substantial focus on destination marketing and the development of a national or regional brand. Indeed, the largest single item of public budgetary support for tourism is often the marketing budget, which helps finance the development of new and emerging market opportunities whether geographic (*e.g.* China) or perceived niche markets (*e.g.* ecotourism). Increased attention is also being paid to domestic tourism.
- **Environmental sustainability for green growth:** the issue of climate change, the need to ensure the environmental sustainability of tourism and to meet the challenge of reducing tourism's carbon emissions have led governments to introduce a wide variety of schemes and programmes aimed at raising awareness of the importance of environmentally-responsible tourism and encouraging lower carbon activities.
- **Product development and innovation:** programmes designed to renew and diversify the range of tourism products, services and facilities on offer are being promoted by governments with both of the previous two priorities in mind – the need to raise quality in order to remain competitive, and the need to promote the industry's sustainability.
- **Long-term strategic industry planning:** many of the countries included in this chapter have prepared, or are in the process of preparing medium- to long-term strategic tourism plans, reflecting the appreciation on the part of governments of the tourism's key economic importance and of the need to ensure that the sector's potential is fully realised in the national economic interest; in short, tourism has been placed on the agenda of many governments as an economic sector demanding careful attention in the development of national economic policies.
- **Reducing barriers to tourism development:** many governments are taking action to reduce the burden of red tape and, in some cases, of taxation, on the tourism sector while at the same time ensuring that national standards are enhanced; in one case, new border control procedures have been adopted to ease access to the country while at the same time addressing the need for greater border security.
- **A culture of evaluation and capacity building:** the steady growth in the use of Tourism Satellite Accounts and in the improvement of intelligence and analysis covering the tourism sector has led to a much wider appreciation of the importance of the "culture of evaluation" – the process by which the effectiveness of public investment needs to be monitored and the effects of public investment programmes evaluated in order to ensure good value for money and to enable modifications to public policy to be made progressively to meet the changing needs of the global tourism marketplace.
- **Co-operation and partnerships:** at various levels – internationally, with neighbouring states, across government departments and between the public and private sectors, a culture of co-operation is strengthening across many member and non-member countries in the development and execution of tourism sector policy; from the benefits of national public/private partnerships to international best practice research, governments are promoting a more co-operative culture on tourism at many levels, and in particular are responding to the "whole of government" approach to tourism development described in this report.

A long-term vision for tourism policies

The development of a tourism strategy can play a key role in engaging government, industry, destination communities and other stakeholders to identify a vision and direction for tourism development, and in setting priorities for implementing a long-term and sustainable vision for the tourism sector.

In particular, long-term tourism policies need to be developed consistently to be effective and should keep a margin of flexibility in their implementation to adapt to emerging needs, disrupting events and changing trends and fads. Partnerships with the private sector are important in this respect. Also, better information systems, adequate transport and other infrastructure, and a focus on local development issues are both important components in the development of long-term tourism strategies.

The Tourism Satellite Account provides unique economic information on tourism

The *Tourism Satellite Account: Recommended Methodological Framework* (TSA) is the main internationally recognised standard to measure tourism in the economy. The OECD, one of the main developers of the TSA, is co-operating closely with other international organisations to promote the TSA. An increasing number of countries is implementing the TSA; for example, around 80% of the OECD countries are presently calculating a TSA. This economic tool provides users with data on tourism production and consumption; it can be used by a wide range of public and private stakeholders to assess tourism contribution to the economy, to identify the structure of the tourism industry branches, to derive calculations of indirect impacts, of employment data, or of quarterly and regional tourism data. The challenge now for governments is to increase the usage of TSA data for business and policy action (Chapter 3).

Policy recommendations

The *Riva del Garda Action Statement for Enhancing Competitiveness and Sustainability in Tourism* makes important recommendations for the development of tourism policies (Chapter 2). A strong public sector management and a multi-actor system of governance should support tourism, notably by:

- establishing a comprehensive policy framework;
- promoting a coherent policy framework through a “whole of government” approach;
- encouraging a culture of co-operation among tourism actors; and
- implementing evaluation and performance assessment of government policies and programmes affecting tourism development.

Appropriate programmes may include:

- stimulating innovation mechanisms, productivity-based growth and quality;
- improving and promoting the attractiveness of employment in tourism;
- enhancing and promoting the uniqueness of the destination;
- making tourism development more energy efficient and sustainable;

- reducing obstacles to the development of tourism; and
- building up tourism knowledge.

Furthermore, OECD work on Tourism Satellite Accounts – building on its co-operation with other agencies, notably the World Tourism Organization and Eurostat – suggests increasing international efforts in the following areas (Chapter 3):

- promoting a modular approach for TSA development;
- implementing internationally recommended standards;
- involving more stakeholders in the production and dissemination of TSA data and extensions;
- adjusting and better communicating TSA products to users; and
- building the capacity of TSA users.

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Chapter 1

Tourism Trends in the OECD Area and Beyond

Over the last 20 years, tourism has made a significant contribution to world growth. International tourism has been the fastest-growing component of tourism, although for many OECD countries it remains less important than domestic tourism. Tourism has been variably impacted by the financial and economic crisis that hit the world economy in 2008 and 2009. International tourism has been affected more than domestic tourism and business tourism more than leisure tourism. Over the last two decades, competition on tourism markets has sharpened with the emergence of new destinations. In this context, the results from OECD countries are impressive. OECD countries continue to play a predominant role in international tourism both for outbound and inbound flows. Tourism enterprises have contributed greatly to the overall employment increase in the OECD. Demand trends have been changing tourism, in particular, there is a tendency towards more frequent trips during the year, coupled with shorter individual stays.

Introduction

The focus of this chapter is on short-term and long-term trends in the OECD area and beyond. It draws upon available statistics from several databases: OECD, World Tourism Organization, Eurostat and national sources.

This chapter covers, when data are available, the thirty member countries of the OECD, the five countries on the way to joining the Organisation (Chile, Estonia, Israel, the Russian Federation and Slovenia), as well as the five countries that participate in the enhanced engagement programmes with the Organisation (Brazil, China, India, Indonesia and South Africa), and Egypt and Romania (which have regular observer status in the Tourism Committee).

This chapter provides detailed information on trends in international tourism, in domestic tourism, changes in tourism demand, impacts of exogenous factors such as exchange rates and the role of tourism enterprises in terms of employment or investment.

Tourism and the global financial and economic crisis

The focus of this section is on short-term international and domestic tourism trends (2008 and 2009) in the OECD area[1] and beyond. At the time of drafting, it was still too early to have all data that could give a precise picture of the crisis in tourism, especially for the 2009 summer season which is a major period for the tourism year. In particular, there are very few data available on the supply side and data on domestic tourism are generally available only at a later stage.

The financial and economic crisis that hit the world economy in 2008 had a strong impact on tourism. During 2008, the crisis manifested by quarterly decreases in the OECD area GDP volume. The pace of decrease was accentuated in the end of 2008 and at the beginning of 2009. According to the *OECD Economic Outlook* published in June 2009, the whole OECD economic activity could reach its minimum in the 3rd quarter of 2009 and a weak and fragile recovery could start to be seen in the 4th quarter. In the US and Japan, the recovery could take place a quarter ahead of the euro area.

In 2008, tourism jobs accompanied the general downturn, though not as abruptly as in the industrial sectors (Table 1.13). On a yearly basis, on average for the OECD area, jobs in accommodation and food services still rose by 0.6% in 2008 with regard to 2007. However, this was less than the rise of 1.3% for services as a whole. The picture appeared rather contrasted between countries. Steep declines (2% or more) took place in New Zealand, the Netherlands, Ireland, the Czech Republic, Japan and Iceland. On the other hand, sharp rises (2% or more) were registered for Portugal, Finland, Mexico, the Slovak Republic, Sweden, Switzerland, Germany and Italy.

In tourism, some similarities with the general pattern of the crisis can be observed. However, specific factors have also played a role on tourism activity, notably the outbreak of the influenza A/H1N1 virus at the beginning of 2009 and the particular measures taken in many countries to support the sector. On another hand, divergences have to be pointed out between countries and types of tourism.

Globally, four aspects of the crisis can be pointed out:

i) International tourism suffered a more acute downturn than domestic tourism. This is a well known pattern: international tourism is usually more volatile than domestic tourism. When the economic situation becomes difficult or uncertain, households tend to take their holidays in their countries rather than abroad. Another aspect of volatility is the tendency to reduce the reservation delays (*e.g.* use of last minute reservations), eventually with the advantage of heavy discounts.

The downturn appears more severe for:

ii) Business travel than for leisure travel. Facing a slump in the overall demand, businesses make efforts to limit their costs, particularly the ones that are the easiest to control. On another hand, in the crisis, the global decline in private consumption expenses has appeared moderate relative to other demand components.

iii) Hotels than for other types of accommodation. This effect can partly be considered as a consequence of the decrease in business travel since the latter entails extensive use of hotels compared with other types of accommodation. Nevertheless, leisure travellers may also have at least partly shifted to other cheaper types of accommodation.

iv) Air transport than for other types of transport. The strong limitations of international tourism particularly for business purposes with specific impacts on long distance flights can be seen as one of the main factors. Airlines were thus driven to limit their flight capacities.

International tourism largely impacted

The year 2008 was a turning point after four years of steady growth from 2003 to 2007 (Table 1.1), with the negative trend starting at the beginning of the second half of 2008. On a yearly basis, the number of international arrivals at world level for 2008 was 1.9% higher than in 2007, 5.2 percentage points less than the growth rate registered during the previous 4 years. But the slowdown (–3.4 percentage points) was slightly less for the OECD countries with a growth rate of 1.4% in 2008. However, it is likely that the growth rates will become negative in 2009. In June 2009, UNWTO forecasted a global decline between –4 and –6% in 2009 compared to 2008. The detailed forecasts were still a bit lower for Europe, which represents a large share within OECD countries, and therefore, the equivalent forecast for the whole OECD area would be between –7% and –5%.

In 2008, only four OECD countries were spared by the downturn: Turkey reached a 2-digit exceptionally high growth (25.0%) of tourist arrivals while Korea (6.9%), Mexico (5.9%) and Austria (5.6%) reached slightly more than 5% growth rates. The other countries suffered either a slowdown or a decline in their corresponding growth rates. The steepest declines concerned Poland (–13.5%), the Netherlands (–8.2%) and more moderately Denmark (–5.6%), Canada (–4.5%), Luxembourg (–4.2%), Ireland (–3.7%), France (–3.2%), Spain (–2.3%), the United Kingdom (2.2%) and Italy (–2.1%). With respect to non-members, in three countries, arrivals grew in 2008 on a double-digit basis: Israel (24.4%), Egypt (15.9%) and Indonesia (13.2%). On the other hand, Romania (–5.5%) and China (–3.1%) recorded declines after periods of rapid growth.

Growth of international tourism receipts in current USD values appears rather high in 2008 compared to 2007: +10.2% at world level and +8.7% for the OECD countries (Table 1.2). A large part of the growth can be imputed to the depreciation of the US dollar, particularly *vis-à-vis* the euro: – 6.3% on average for 2008 compared with 2007. In volume, the growth rates of receipts are rather in line with those of the number of international

Table 1.1. **International tourist arrivals, 2003-08**

	International tourist arrivals			
	Type of indicator[1]	2007/2003 Average annual growth %	2008/2007 %	2008 million
Austria	TCE	2.1	5.6	21.9
Belgium	TCE	1.3	0.6	7.1
Czech Republic	TCE	7.3	–0.5	6.6
Denmark	TCE	7.9	–5.6	4.5
Finland	TF	7.8	1.8	3.6
France	TF	2.2	–3.2	79.3
Germany	TCE	7.3	1.9	24.9
Greece	TF	5.8	..	..
Hungary	TF	..	2.0	8.8
Iceland	TCE	8.1	4.6	1.1
Ireland	TF	5.4	–3.7	8.0
Italy	TF	2.5	–2.1	42.7
Luxembourg	TCE	1.4	–4.2	0.9
Netherlands	TCE	4.6	–8.2	10.1
Norway	TF	7.0	1.4	4.4
Poland	TF	2.2	–13.5	13.0
Portugal	TF	1.3	..	..
Slovak Republic	TCE	5.3	4.9	1.8
Spain	TF	3.9	–2.3	57.3
Sweden	TCE	5.2	..	..
Switzerland	THS	6.6	1.9	8.6
Turkey	TF	13.6	12.3	25.0
United Kingdom	TF	5.7	–2.2	30.2
Total Europe		**5.5**	**1.0**	**403**[2]
Canada	TF	0.6	–4.5	17.1
Mexico	TF	3.5	5.9	22.6
United States	TF	8.0	3.6	58.0
Total America		**5.3**	**4.6**	**97.7**
Japan	VF	12.5	0.0	8.4
Korea	VF	7.9	6.9	6.9
Australia	VF	4.4	–1.1	5.6
New Zealand	VF	4.0	–0.3	2.5
Total Asia-Oceania		**6.4**	**2.6**	**23.4**
Total OECD		**4.8**	**1.4**	**524.1**[2]
Brazil	TF	5.0	0.5	5.1
Chile	TF	11.6	7.7	2.7
China	TF	13.5	–3.1	53.0
Egypt	TF	13.0	15.9	12.3
Estonia	TF	6.8	..	..
India	TF	16.7	5.6	5.4
Indonesia	TF	5.4	13.2	6.2
Israel	TF	18.1	24.4	2.6
Romania	TCE	7.0	–5.5	1.5
Russian Federation	TF	0.4	..	..
Slovenia	TCE	6.3	1.1	1.8
South Africa	TF	6.5	5.5	9.6
Total World		**7.1**	**1.9**	**922**

1. TCE: International tourist arrivals at collective tourism establishments. TF: International tourist arrivals at frontiers (data exclude same-day visitors). VF: International visitor arrivals at frontiers (data include same-day visitors). THS: International tourist arrivals at hotels and similar establishments.
2. Estimate.

Source: World Tourism Organization.

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Table 1.2. **Travel receipts and expenditure, 2007-08**

Billion USD

	Travel receipts		Travel expenditure		Travel balance	
	2007	2008	2007	2008	2007	2008
Austria	18.9	21.8	10.6	11.3	8.3	10.5
Belgium	10.9	12.4	17.3	19.0	–6.4	–6.6
Czech Republic	6.4	7.7	3.6	4.6	2.7	3.1
Denmark	6.2	6.7	8.8	9.7	–2.6	–3.0
Finland	2.8	3.1	4.0	4.4	–1.2	–1.3
France	54.2	55.6	36.7	43.1	17.5	12.5
Germany	36.0	40.0	83.2	91.2	–47.2	–51.2
Greece	15.5	17.1	3.4	3.9	12.1	13.2
Hungary	4.7	6.0	2.9	4.0	1.8	2.0
Iceland	0.5	0.6	1.3	1.1	–0.8	–0.5
Ireland	6.1	6.3	8.7	10.4	–2.6	–4.1
Italy	42.7	45.7	27.3	30.8	15.4	14.9
Luxembourg	4.0	4.5	3.5	3.9	0.5	0.6
Netherlands	13.3	13.4	19.1	21.7	–5.8	–8.3
Norway	4.5	4.7	13.7	16.0	–9.2	–11.3
Poland	10.5	11.7	7.8	9.3	2.7	2.4
Portugal	10.1	11.0	3.9	4.3	6.2	6.7
Slovak Republic	2.0	2.6	1.5	2.2	0.5	0.4
Spain	57.6	61.6	19.7	20.3	37.9	41.3
Sweden	12.0	12.5	14.0	15.2	–2.0	–2.7
Switzerland	12.2	14.4	10.3	10.8	1.9	3.6
Turkey	18.5	22.0	3.3	3.5	15.2	18.5
United Kingdom	38.6	36.0	71.5	68.5	–32.9	–32.5
Total Europe	**388.4**	**417.3**	**376.1**	**409.2**	**12.3**	**8.1**
Canada	15.3	15.1	24.9	26.9	–9.6	–11.8
Mexico	12.9	13.3	8.4	8.5	4.5	4.8
United States	97.0	110.1	76.4	79.7	20.6	30.4
Total America	**125.2**	**138.5**	**109.7**	**115.1**	**15.5**	**23.4**
Japan	9.3	10.8	26.5	27.9	–17.2	–17.1
Korea	6.1	9.1	22.0	17.1	–15.9	–8.0
Australia	22.3	24.7	14.2	15.7	8.1	9.0
New Zealand	5.4	4.9	3.1	3.0	2.3	1.9
Total Asia-Oceania	**43.1**	**49.5**	**65.8**	**63.7**	**–22.7**	**–14.2**
Total OECD	**556.7**	**605.3**	**551.6**	**588.0**	**5.1**	**17.3**
Brazil	5.0	5.8	8.2	11.0	–3.2	–5.2
Chile	1.5	1.8	1.7	1.4	–0.2	0.4
China	37.2	40.8	29.8	36.2	7.4	4.6
Egypt	9.3	11.0	1.9	2.9	7.4	8.1
Estonia	1.0	1.2	0.7	0.8	0.3	0.4
India	10.7	11.8	8.2	9.6	2.5	2.2
Indonesia	5.3	7.4	4.9	5.4	0.4	2.0
Israel	3.1	4.1	3.3	3.4	–0.2	0.7
Romania	1.6	2.0	1.5	2.2	0.1	–0.2
Russian Federation	9.6	11.9	22.2	24.9	–12.6	–13.0
Slovenia	2.5	3.1	1.1	1.3	1.4	1.8
South Africa	9.1	9.6	3.9	4.2	5.2	5.4
Total World	**857.0**	**944.0**	**857.0**	**944.0**	**0**	**0**

Sources: Balance of Payments, International Monetary Fund (IMF), OECD data processing.

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arrivals. On the whole, OECD countries gained USD 48.6 billion more in 2008 than in 2007 whereas their expenses rose only by USD 36.4 billion. Thus, the balance improved by USD 12.2 billion for the OECD area as a whole.

However, trends differ among countries:

- The positive balance of American OECD countries increased by USD 7.9 billion, induced by a USD 10 billion rise in the US balance.
- The negative balance of the Asia-Oceania OECD countries was reduced by USD 8.5 billion, mainly due to the Korean deficit which diminished by USD 7.9 billion.
- For the European OECD countries, the positive overall balance was reduced by USD 4.1 billion. Most countries suffered a slight deterioration in their balances, particularly Germany, France, the Netherlands, Norway and Ireland. In these countries, the decrease in inbound flows was not compensated by corresponding decrease of outbound flows. Only a few traditional net exporting countries recorded a slight improvement in their balances: Spain, Turkey, Greece and Austria.

In line with tourist arrivals, international air transport has paid a large tribute to the crisis. According to International Air Transport Association (IATA) data, the volume of international passenger air traffic (measured by Revenue Passenger Kilometres) slowed down from a growth rate of 7.6% in 2007 to 2.4% in 2008. Air traffic started to decline by the summer of 2008 and in the first half of 2009, the decline became very evident, prompting IATA to forecast in July 2009 an overall –8% decline for 2009. IATA noticed a sharp reduction in business travel and a tendency to replace business class with economy class travel.

The high seasonality of tourism also has to be taken into account to obtain a correct overview of major trends (Box 1.1). However, it is too early to give a precise description of the tourism activity in 2009 compared with the general economic outlook especially because of the specific seasonal pattern of tourism. What can be drawn from preliminary and partial data is that tourism flows could have been more affected in the low season (mostly in the 1st quarter of 2009) than in the high season (3rd quarter of 2009), notably because the holiday travel behaviours can be considered as slightly less volatile than business travel behaviours.

Box 1.1. **Tourism and seasonality**

It is obvious that in most countries, tourism shows a strong seasonality during the year. In most OECD countries the summer season (3rd quarter) is when tourism activity is the highest and the winter season (1st and 4th quarters) when it is the lowest: in the European countries, for instance, the volume of tourism during the summer season might be twice as much as the corresponding volume during the winter season; the ratio would be around 1.5 between the summer season and the spring season (2nd quarter). Such large amplitudes certainly explain why it is common practice to analyse the variations of tourism by comparing the results of a period with the results of the corresponding period of the previous year. This practice will be followed here. Nevertheless, it has to be kept in mind that pitfalls have to be avoided: the method may create misinterpretations depending on the levels of the base year; on another hand, the practice has been totally abandoned for general economic analysis where the correction of seasonal variations has been widely adopted for a number of years.

Table 1.3. **International tourist arrivals, 2007-09**

Quarterly data compared with the corresponding quarter of the preceding year (percentages)

	Type of indicator[1]	2007				2008				2009	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Austria	TCE	–0.5	0.6	3.6	8.0	13.7	–0.6	2.6	4.3	–8.6	3.7
Belgium	TCE	2.7	–1.9	1.5	1.3	3.2	3.8	0.5	–0.5	–8.3	..
Czech Republic	TCE	8.8	1.7	–0.9	9.7	6.8	–0.4	–0.4	–6.3	–17.1	–8.7
Denmark	TCE	17.7	–0.7	–0.2	–1.5	25.1	–7.9	–8.8	–1.7	–35.8	1.3
Finland	TF	16.4	4.1	2.9	6.6	8.9	4.6	–3.9	–2.5	–9.9	–13.0
France	THS	–0.3	2.1	4.0	5.0	6.1	–3.7	–6.3	–5.2	–19.6	..
Germany	TCE	7.8	–0.3	3.3	5.7	5.4	4.3	0.8	–2.1	–8.9	–6.6
Greece	TCE	17.5	20.5	15.3	2.9	7.7	–1.9	0.3	–6.5	–28.5	..
Hungary	TF	–10.6	–11.8	–4.5	–0.3	4.6	1.4	–1.1	5.9	0.4	0.8
Iceland	TCE	32.9	16.6	6.5	5.3	1.6	1.5	4.8	9.2	–3.4	–0.1
Ireland	TF	6.4	0.9	5.6	3.3	4.3	1.3	–6.6	–5.2	–9.1	–11.9
Italy	TF	17.1	–0.3	8.0	3.9	–2.6	2.6	–3.7	–5.1	–5.4	–3.8
Luxembourg	THS	6.4	1.3	8.1	4.0	0.4	–4.2	–6.4	–6.2	..	..
Netherlands	TCE	10.1	–0.8	0.5	4.0	0.8	–11.8	–9.0	–10.1	–14.8	2.8
Norway	THS	2.4	1.9	1.2	6.3	–1.3	–0.5	–10.7	–3.9	–9.3	–14.3
Poland	TF	14.3	4.0	2.0	–10.4	–8.6	–11.2	–15.9	–17.3	–18.6	–12.7
Portugal	THS	7.6	4.4	8.0	7.0	34.8	12.3	10.2	3.0	–21.2	–6.5
Slovak Republic	TCE	–2.3	–1.0	6.7	15.8	9.8	16.7	–0.6	–5.5	–28.4	–31.3
Spain	TF	4.7	–0.5	1.2	1.4	5.2	1.2	–5.3	–9.0	–16.2	–8.2
Sweden	THS	0.9	2.7	7.1	3.9	10.5	5.0	–7.9	–2.7	–9.8	–1.0
Switzerland	THS	7.4	7.0	6.8	9.2	9.2	2.7	0.4	–4.3	–9.7	–6.9
Turkey	TF	17.5	15.7	18.4	18.7	14.6	17.4	9.4	10.0	–4.5	–1.0
United Kingdom	VF	6.1	0.4	–7.0	4.9	6.8	–1.2	–2.2	–13.0	–13.9	–4.4
Total Europe		**6.8**	**2.3**	**3.9**	**4.4**	**6.3**	**0.6**	**–3.0**	**–4.7**	**–14.0**	**–5.1**
Canada	TF	–3.2	–1.8	–1.7	–1.2	–1.9	–4.9	–4.6	–5.6	–8.2	–6.9
Mexico	TF	–3.7	4.8	2.2	–1.7	5.4	2.9	6.5	9.1	7.7	–19.2
United States	TF	9.1	7.8	12.1	15.2	15.4	7.6	3.2	–6.0	–14.3	–6.6
Total America		**3.6**	**5.2**	**7.0**	**7.9**	**9.9**	**4.2**	**2.5**	**–2.5**	**–8.2**	**–9.6**
Japan	VF	13.3	10.7	16.8	14.2	10.6	9.3	–2.0	–16.0	–27.2	–30.1
Korea	VF	2.2	1.4	4.6	10.5	12.0	6.3	4.0	5.9	24.3	6.8
Australia	VF	4.6	3.7	2.7	–2.0	0.4	–1.7	–0.4	–2.5	–3.5	0.6
New Zealand	VF	3.2	2.7	3.6	–1.3	4.2	–3.6	–2.1	–1.5	–7.4	2.3
Total Asia-Oceania		**6.8**	**5.4**	**8.3**	**7.4**	**7.8**	**4.4**	**0.1**	**–5.0**	**–4.7**	**–8.4**
Total OECD		**6.2**	**2.9**	**4.7**	**5.2**	**7.1**	**1.4**	**–1.8**	**–4.3**	**–12.5**	**–6.5**
Brazil	TF	..	..	..	..	4.9	–4.4	2.5	–4.1	..	..
Chile	TF	10.3	10.6	14.6	10.5	14.7	–1.5	6.9	5.6	0.5	11.9
China	TF	10.0	10.6	9.3	8.8	9.6	–3.0	–9.3	–7.7	–11.3	–5.1
Egypt	VF	15.1	17.3	22.6	32.0	25.1	22.6	15.1	3.7	–13.4	–4.0
Estonia	TCE	1.9	–3.9	–5.0	–2.8	5.9	5.0	2.5	3.1	–8.2	–9.1
India	TF	18.9	10.9	9.4	13.6	12.2	9.3	8.6	–4.9	–13.8	–1.8
Indonesia	TF	20.0	17.7	23.2	19.7	15.7	8.1	13.1	16.2	0.0	–5.9
Israel	TF	–8.8	–11.1	48.7	42.6	31.5	36.4	18.7	13.6	–21.5	–15.3
Romania	TCE	9.0	17.4	13.1	7.4	8.1	–2.9	–11.1	–10.1	–17.8	–15.6
Russian Federation	VF	7.7	–0.4	–1.8	4.7	3.4	6.2	8.8	–6.3	–10.8	–11.5
Slovenia	TCE	10.6	10.6	9.7	0.6	5.6	2.2	–0.2	–1.1	–10.1	–9.4
South Africa	VF	10.3	8.2	9.4	5.5	12.0	3.8	1.1	5.7	–2.2	5.3
Total World		**7.6**	**5.4**	**6.9**	**7.3**	**8.5**	**4.0**	**–0.5**	**–2.3**	**–10.5**	**–6.5**

1. TCE: International tourist arrivals at collective tourism establishments.
   TF: International tourist arrivals at frontiers (data exclude same-day visitors).
   VF: International visitor arrivals at frontiers (data include same-day visitors).
   THS: International tourist arrivals at hotels and similar establishments.

Source: World Tourism Organization.

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According to monthly and quarterly data (Table 1.3), tourism activity started to decline in the second half of 2008 in parallel with the general economic activity. As for international tourism, the contraction of its overall volume approximately followed the same calendar, but with more ample variations. More precisely, the general pattern, with exceptions, consists of a buoyant first half of the year 2008 and a sharp decline in the second half of the year, which became even stronger during the first half of 2009. International arrivals to all OECD countries started to decrease (–1.8%) in the summer of 2008. This is a moderate decrease considering that the reference level in 2007 was well above (+4.7%) the level of 2006. The contraction was accentuated in the last quarter of 2008 (–4.3%) and even more in the first quarter of 2009 (–12.5%). However, the reference quarter of the preceding year was at a high level. With a more moderate reference, the second quarter of 2009 recorded another decline (–6.5%).

Domestic tourism appears more resistant

Domestic tourism appears more resistant than international tourism. This is a general pattern that is confirmed in the present crisis by the partial available data. This is illustrated by Table 1.4 where data on quarterly number of nights spent in hotels and similar establishments have been gathered for the OECD European countries. The data are split between resident and non-resident customers. In general, the hotel type of accommodation represents a largely higher proportion between all types of accommodation for non-resident visitors than for residents. Therefore, particularly for residents, these data have to be confirmed by other data covering more types of accommodation.

In many European countries, the decrease in the numbers of nights spent by non-residents occurred before the decline for residents. The decline was much more severe for non-residents, particularly in the first quarter of 2009 and starting as early as the second quarter of 2008 when declines for residents generally started in the third quarter. Spain appears to be among the exceptions, at least until the first quarter of 2009 when the decline was sharper for residents than for non-residents.

Tourism trends in the OECD area and beyond

Over the past twenty years, tourism has been playing its part in economic globalisation (see also Chapter 2), on the basis of three main factors:

- the dynamism of the world economy, which has seen new economic powers emerge while industrial countries have continued to exhibit appreciable growth and with it, rising incomes;
- the development of new and cheaper means of transport; and
- the intensive use of information and communication technologies (ICT) in tourism and their impact on value creation chains.

The image of tourism has also been transformed in at least three aspects:

- on the supply side, competition between destinations has become sharper;
- on the demand side, new international customers have emerged; and
- on the demand side, people are making more trips but for shorter periods.

In this context, OECD countries continue to play a predominant role in world tourism, on both the supply and demand sides.

Table 1.4. **Nights spent in hotels and similar establishments, 2007-09**[1]

Quarterly data compared with the corresponding quarter of the preceding year (percentages)

	Origin of tourists[2]	2007				2008				2009	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Austria	NR	–2.4	0.5	3.4	6.8	13.0	–7.0	1.2	5.2	–11.5	7.4
	R	–0.3	6.0	6.1	8.8	5.7	–0.3	3.5	2.5	0.0	–2.0
Belgium	NR	4.1	0.7	5.1	3.3	4.6	2.6	0.4	–1.7	–9.5	..
	R	16.1	6.8	7.6	13.5	12.7	3.9	1.2	0.8	–4.8	..
Czech Republic	NR	8.8	1.7	–0.9	9.7	6.8	–0.4	–0.4	–6.3	–17.1	–8.7
	R	–6.6	2.5	–2.0	7.0	8.1	–0.3	–5.0	–3.1	1.0	8.5
Germany	NR	7.6	–1.5	4.8	6.5	4.7	4.6	1.0	–2.3	–7.9	–8.8
	R	2.9	3.4	2.3	2.8	4.5	1.5	1.0	0.6	–3.5	0.0
Denmark	NR	5.9	–4.6	–3.7	–5.2	–0.4	0.0	–5.1	–7.4	–16.1	–9.1
	R	11.7	15.3	11.8	6.1	–0.7	0.9	–6.9	–5.2	–8.2	–14.4
Finland	NR	13.6	6.1	3.1	3.7	10.9	3.0	–0.7	–1.6	–13.0	–15.1
	R	4.1	2.8	4.6	5.9	3.0	4.2	0.1	–0.7	–5.7	–3.8
France	NR	3.4	4.3	5.4	7.5	9.6	–2.9	–4.6	–5.4	–20.3	..
	R	3.2	0.7	2.8	3.7	2.6	1.3	–1.3	–3.8	–6.2	..
Greece	NR	14.4	15.0	11.9	–0.8	8.5	–0.3	0.4	–8.1	–29.6	..
	R	10.3	14.1	20.9	17.7	1.5	1.3	1.6	–1.4	–14.3	..
Hungary	NR	0.6	–1.4	0.0	8.1	7.5	–1.7	–3.4	–5.6	–16.6	–9.4
	R	12.7	4.5	2.1	5.2	1.0	1.5	2.4	1.4	–13.0	–8.8
Ireland	NR	..	..	..	..	2.8	5.7	–3.1	–16.9	–20.1	–18.9
	R	..	..	..	..	8.3	–8.3	–2.8	6.3	–10.5	..
Iceland	NR	27.3	17.0	5.5	4.0	6.5	–4.6	4.3	7.8	..	..
	R	7.7	15.9	9.8	18.5	9.6	7.1	–2.4	–21.4	..	..
Italy	NR	2.8	3.2	6.1	6.7	6.2	–9.7	–5.0	–8.6	–15.2	..
	R	–5.2	1.9	1.9	1.4	4.4	–3.0	–3.1	–6.0	–6.5	..
Luxembourg	NR	6.4	2.0	9.0	6.1	4.0	–3.8	–7.5	–8.6	..	..
	R	–1.7	0.2	–2.0	9.8	–11.9	13.8	3.6	–5.6	..	..
Netherlands	NR	13.2	–1.7	1.3	2.3	–3.1	–7.0	–9.9	–12.1	–14.7	–5.2
	R	23.3	12.7	10.8	9.2	–0.1	–0.4	–2.3	–3.4	–4.5	–1.8
Norway	NR	5.0	2.8	2.5	3.1	–1.8	2.1	–8.2	–1.1	–11.7	–14.4
	R	6.4	6.0	2.3	4.9	–1.7	4.1	–2.1	–4.0	–3.2	–3.1
Poland	NR	19.5	6.1	2.2	3.8	1.5	–1.6	–7.9	–12.9	–14.4	–12.0
	R	14.4	17.9	12.4	12.8	9.2	11.7	9.0	5.3	–0.5	–6.6
Portugal	NR	6.0	2.6	5.7	3.7	9.9	–0.4	–3.7	–9.3	–20.6	–11.2
	R	12.7	2.0	4.1	8.0	4.6	–2.6	4.0	–2.2	–9.2	8.0
Slovak Republic	NR	–3.4	0.3	2.8	7.8	0.7	9.9	–1.3	–9.4	–32.0	–29.2
	R	0.1	–1.2	6.6	9.6	16.0	16.1	14.5	5.3	–4.3	–7.0
Spain	NR	7.6	–0.3	2.0	4.8	4.6	0.4	0.5	–6.6	–14.7	–7.6
	R	3.6	3.5	0.4	1.0	9.4	–6.9	–3.1	–10.5	–16.9	–0.3
Sweden	NR	3.2	3.3	4.8	5.3	11.2	5.1	–4.4	–4.5	–9.0	3.7
	R	5.8	3.8	5.8	5.3	0.2	9.0	1.5	–1.1	–1.8	–4.1
Switzerland	NR	5.2	7.1	5.7	9.0	11.1	0.3	1.1	–2.5	–12.1	–6.3
	R	–0.4	1.0	0.8	6.1	6.2	0.1	4.1	–2.0	–6.1	–2.6
United Kingdom	NR	7.9	3.9	–1.6	3.6	4.6	–3.1	–2.1	–9.5	–13.8	–4.7
	R	8.9	2.9	5.2	–7.4	4.1	5.8	–10.5	–1.4	–16.8	..

1. European OECD countries.
2. NR: non-residents, R: residents.

Source: Eurostat (Statistical Office of the European Communities).

StatLink http://dx.doi.org/10.1787/764423534021

This chapter examines medium- and long-term tourism trends, drawing upon available statistics (Box 1.2). The tourism statistics system has been greatly strengthened during the period under review, although it is still not as complete as it should be. Thus, detailed data from the Tourism Satellite Accounts are still too scarce to allow analysis over sufficiently long periods.

Box 1.2. **Availability and quality of statistical data on tourism**

This chapter relies primarily on statistics covering the period 1990-2008 (eventually partial data for 2009). A few isolated statistics relate to earlier years. It must be borne in mind that the base series still lack statistical continuity. The authors have attempted, to the extent possible, to identify statistical discontinuities. There have been methodological changes over the course of these years, especially in survey techniques.

The paper draws upon several different databases:

- the OECD databases, with respect to tourism data, Balance of Payments data on services, national accounts data, exchange rate and price data, structural statistics on enterprises;
- the World Tourism Organization, for data on international tourism flows, particularly for non-OECD countries;
- Eurostat, for statistics on tourist accommodation; and
- national sources for Tourism Satellite Accounts, and occasionally, for other data.

The focus of this paper is on the 30 member countries of the OECD, the five countries on the way to joining the Organisation (Chile, Estonia, Israel, the Russian Federation and Slovenia), as well as the five countries that participate in the enhanced engagement programmes with the Organisation (Brazil, China, India, Indonesia and South Africa), and Egypt and Romania (which have regular observer status in the Tourism Committee).

Domestic tourism is playing a predominant role

Domestic tourism, *i.e.* travel by residents within their own country, far outweighs inbound tourism. For the OECD area, domestic tourism consumption accounts for about 75% of tourism consumption within the zone, with the remainder representing inbound tourism. Domestic tourism has been long regarded with less interest, mainly because it is not a source of foreign exchange. Consequently, it has tended to be overlooked in tourism statistics (Box 1.3). The Tourism Satellite Account (TSA) has the advantage of placing a value on tourism flows; thus, in general, for equal flows of resident and non-resident tourists, the latter generate much greater tourism spending. Nevertheless, domestic tourism flows are far more important than inbound tourism flows in most developed countries (Table 1.5).

The share of domestic tourism in a country's total internal tourism varies greatly; it is nearly 95% in Japan but only around 36% in Poland. A number of factors explain this discrepancy:

- country size: the bigger the country, the more important domestic tourism is likely to be;
- geographic location: a country that is readily accessible to residents of other countries will attract more visitors than one that is isolated. Ease of access is influenced mainly by the availability of convenient and inexpensive means of transport;
- accommodation capacity; and
- points of attraction: nature (*e.g.* sea, mountains), culture (*e.g.* museums), etc.

Table 1.5. **Tourism Satellite Account: Internal tourism consumption (ITC)**

	Year	Internal tourism consumption *Billion USD,[1] current prices*	Domestic tourism consumption *As a percentage of ITC*	Inbound tourism consumption *As a percentage of ITC*
Australia	2007-08	79.36	73.4	26.6
Austria	2007	41.60	49.7	50.3
Canada	2008	55.31	79.1	20.9
Czech Republic	2007	11.54	45.1	54.9
Denmark	2006	12.23	49.9	50.1
Finland	2007	15.00	71.0	29.0
France	2007	161.10	65.0	35.0
Germany	2000	145.60	83.0	17.0
Hungary	2004	5.12	42.4	57.6
Iceland	2003	1.28	47.6	52.4
Ireland	2000	6.25	46.3	53.7
Japan	2006-07	202.29	94.2	5.8
Korea	2004	25.77	69.5	30.5
Mexico	2006	79.35	84.9	15.1
Netherlands	2006	69.47	40.1	59.9
New Zealand	2006-07	13.18	56.2	43.8
Norway	2008	19.12	70.7	29.3
Poland	2005	9.38	36.5	63.5
Portugal	2007	23.39	51.4	48.6
Slovak Republic	2005	2.91	43.3	56.7
Spain	2007	117.368	50.7	49.3
Sweden	2007	35.01	63.0	37.0
Switzerland	2005	14.70	60.5	39.5
United Kingdom	2000	134.20	81.9	18.1
United States	2007	689.07	86.2	13.8
Chile	2006	8.68	82.6	17.4
Estonia	2004	1.31	..	..
India	2003	14.40	49.2	50.8
Israel	2004	5.13	61.3	38.7
South Africa	2005	16.61	51.6	48.4

1. The conversion from national currency data to data in US dollars has been calculated using annual average exchange rates for the corresponding year.

Sources: Country data, OECD data processing.

StatLink http://dx.doi.org/10.1787/764451883340

Box 1.3. **Measuring domestic tourism**

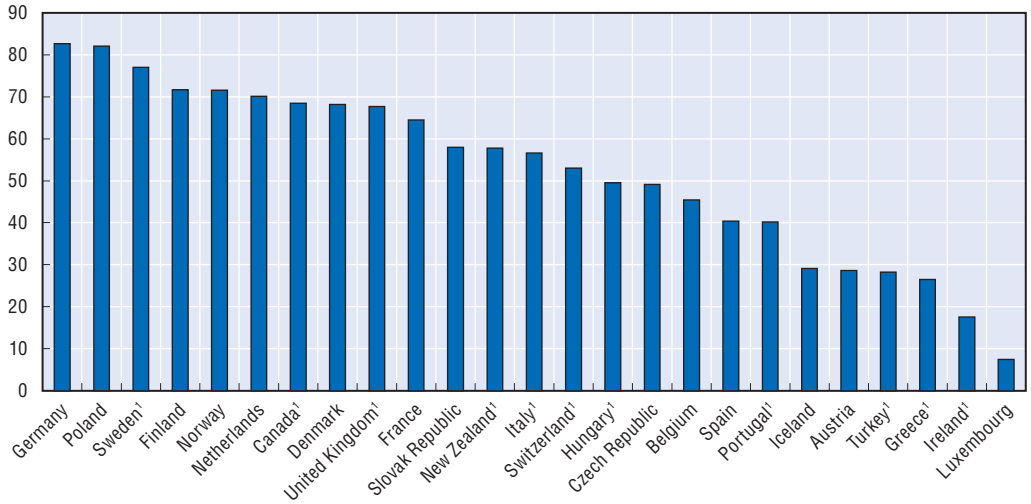
Several OECD countries have no detailed data available on tourism activity of resident visitors. Appropriately designed surveys are needed to measure tourism activity by residents. Such data can be collected as part of more general household consumption surveys, or through separate surveys. In any case, it is essential to be able to identify consumption within the territory (internal tourism) and outside the territory (outbound tourism). The growing utility of the Tourism Satellite Accounts (TSA) is now making it possible to gather data on domestic tourism for a great number of countries.

TSA data are not available for all OECD countries nor are they available in sufficiently long series to allow comparison between the dynamics of the two components of internal consumption. Data on overnight stays in commercial accommodation by residents and by non-residents have long been collected and these can provide an idea of the dynamics.

In many countries, residents rely heavily on non-commercial accommodation (with relatives, friends, or secondary homes), but they nevertheless constitute a substantial clientele of commercial establishments, and collective accommodation receives more residents than non-residents in several countries (Figure 1.1). In Germany and in Poland, residents account for around 80% of all nights spent in collective accommodation. By contrast, the countries where inbound tourism outweighs domestic tourism are either high-intensity tourism countries such as Austria, Greece, Turkey, Portugal and Spain or countries of small size, such as Luxembourg and Iceland.

Figure 1.1. **Shares of nights spent in collective accommodation by residents, 2008**

Percentages of nights spent by residents/nights spent by residents and non-residents



1. 2007 data.

Sources: Eurostat, World Tourism Organization.

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Domestic tourism appears to be less dynamic than inbound tourism; for example, over the period 2003-07, when tourism was recovering strongly from its trough in the early years of the decade, the average annual growth rate (for countries listed in Figure 1.1) in the number of overnight stays by residents was barely 1%, or two percentage points below the corresponding growth rate for inbound tourism.

International tourism is highly sensitive to external factors

International tourism is the main focus of attention even though it still constitutes only a modest fraction of the tourism industries as a whole, particularly in OECD countries. Nevertheless, it constitutes by far the most rapidly growing tourism segment, and is playing a large role in the globalisation process. OECD countries are now witnessing the emergence of new competitors. Chief among these new competitors are countries that are playing an ever more important role in the world economy: Brazil, China, India and the Russian Federation. These countries are experiencing strong growth in inbound and outbound

tourism alike, although this seems to be a result rather than a cause of economic growth. On the other hand, some smaller countries are looking primarily to tourism to drive their development.

The performance of international tourism is closely linked to that of the world economy

Over the last twenty years, international tourism, as measured by the number of tourist arrivals (Box 1.4), has mirrored the four downturns in the world economy, measured by global GDP, which occurred in 1991, 1998, 2001 and 2008 (Figure 1.2). The events of 11 September 2001 accentuated the fall in tourism at the end of that year. Tourism suffered another setback in 2003, despite accelerating world growth. Factors specific to tourism were reflected during this period, such as terrorist threats, the outbreak of the Iraq war, the Severe Acute Respiratory Syndrome (SARS) crisis and the spread of the avian flu in Asia and the Pacific. Yet the shocks that tourism experienced over the period had effects that were very short-lived and were rapidly absorbed. Overall, international tourism growth was far more robust than economic growth. For the period as a whole, the average annual growth rate in tourist arrivals was 4.6%, compared to 3.4% for global GDP.

Box 1.4. **Indicators for measuring international tourism**

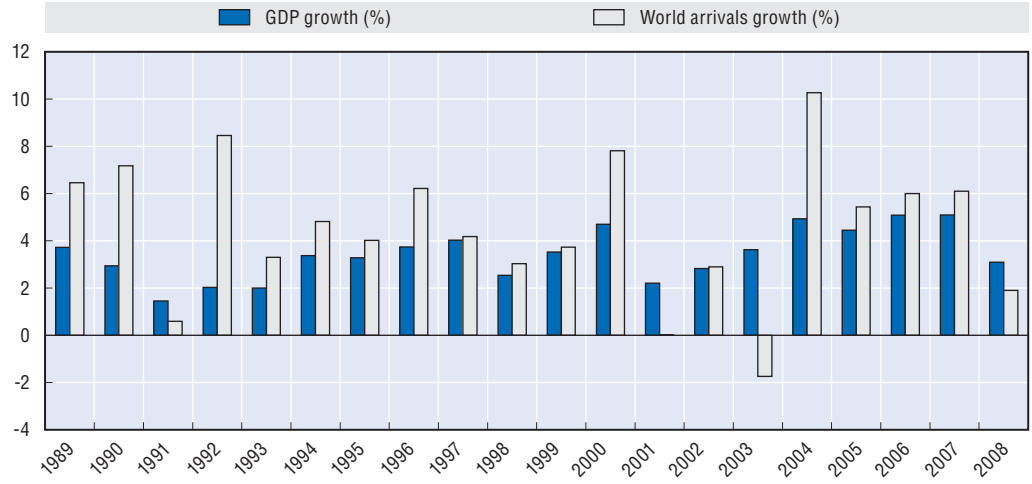
The analysis presented here on international tourism relies on two main indicators: tourist arrivals and tourism receipts. These indicators have the advantage of being available over a fairly long period of time, and almost continuously for most countries. They have some drawbacks, however, which must be borne in mind, with respect to arrivals of non-resident tourists:

- By definition, these do not include same-day visitors (or day excursionists).
- These usually correspond to border arrivals but for some countries they relate to arrivals in collective accommodation establishments, or in hotels alone.
- These do not take account of length of stay. Data on visitor nights would certainly be more useful, but they are unavailable for many countries. Thus, "pass-through" countries receive far more arrivals because of their geographic location. In practical terms, for countries that have both types of statistics, the number of arrivals generally rises faster than the number of visitor nights, because of the trend to shorter stays. On the other hand, expenditures per night tend to vary inversely with length of stay, if only because some travel expenses are essentially fixed and are unaffected by length of stay.
- Arrival statistics are very sensitive to the delineation of borders. For example, in the United States its arrival statistics do not include movements between different states, while in Europe the figures record movements between countries.

Data on receipts and expenditures are derived from an evaluation of the "travel" and "transportation passenger services" lines in the Balance of Payments. The "travel" line is available for most countries over a long period. For transportation passenger services, data are frequently unavailable.

The work that has been done in the context of the Tourism Satellite Accounts can provide a better understanding of the differences in levels and trends of these various indicators; however, they cover only short periods for many countries.

Figure 1.2. **World international tourist arrivals and GDP growth, 1989-08**



Sources: International Monetary Fund, World Tourism Organization.

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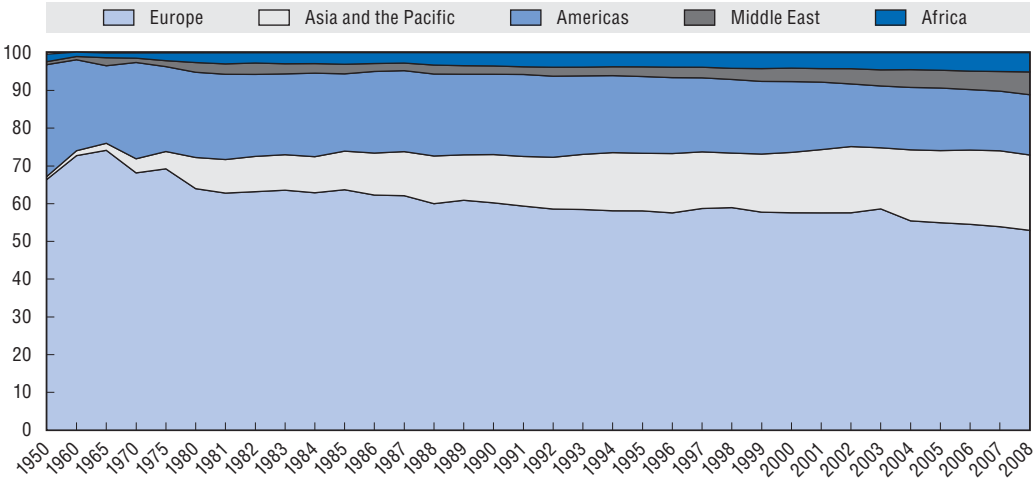
World tourism is shifting to the South and the East

In the years following the Second World War (Figure 1.3), international tourism involved primarily Europe and North America. Since the 1970s, Asia-Pacific, Africa and the Middle East have taken a significant share of world tourism. Europe, however, still accounts for more than half, both in terms of international tourist arrivals and tourism receipts. For the last decade, Asia-Pacific has surpassed the Americas (North, Central and South America), accounting for about more than 20% of international tourism in terms of arrivals and receipts. The Americas rank third, with around 20% of revenues and only 16% of arrivals. Africa and the Middle East lag far behind, despite strong growth in their market shares, which now stand at around 5% in terms of arrivals and slightly less, between 3% and 4%, for the associated receipts.

Figure 1.3. **International tourism: Market share by region, 1950-08**[1]



1. Measured in terms of tourist arrivals.

Source: World Tourism Organization.

StatLink http://dx.doi.org/10.1787/764121267272

OECD countries are losing market shares

Over the last 20 years, OECD countries as a whole have seen a decline in their share of international tourism and of the world economy. Growth in arrivals averaged only 2.8% *versus* 4.4% worldwide, and GDP growth was 2.4% *versus* 3.4% worldwide (Table 1.6).

In 2008, however, OECD countries still held a majority share of international tourism: 57% of arrivals and 67% of receipts (Box 1.5). Since 2000, the loss has been 10 percentage points for arrivals but only 5 percentage points for receipts. During the decade 1990-2000, the loss was around five percentage points both for arrivals and for receipts.

Box 1.5. **Limitations of the market share concept for analysing the competitiveness of destinations**

The usefulness of the market shares concept for analysing the competitiveness of destinations should not be overestimated by making it an overriding objective of tourism policy. This caution holds whether market share is measured by visitor arrivals or by tourism receipts, or indeed by other indicators. It is backed by at least two arguments:

- In the last few decades, competition on world tourism markets has become fiercer, with the rising clout of new destinations. Countries that have a long-standing tradition of receiving foreign tourists are unlikely to see their tourism industry grow as fast as those in countries that are just opening up to tourism. An analogy can be drawn here with product cycle theories.
- A tourism destination is not a "product" in the common sense. A measure of competitiveness must take into account many other dimensions beyond the economy, such as natural and cultural heritage, environment, infrastructure, rules and regulations, security, etc.

OECD countries are unevenly distributed among the broad geographic areas of global tourism: these account for 80% of European tourism, 60% of American hemisphere tourism, and only 12% of Asian tourism. In particular, there are few OECD countries in the fast-growing tourism areas.

In Europe, over the last two decades, tourism development has been relatively modest in western European countries, which continue however to receive the greatest numbers of tourists. It has been especially dynamic in the countries of central and eastern Europe, and has remained fairly strong in southern Europe and around the Mediterranean, and also in the countries of northern Europe.

In central and eastern Europe, the rapid expansion of inbound tourism began in the early 1990s after the fall of the Berlin wall. Growth remained fairly strong into the present decade, particularly in the Czech Republic and in the Slovak Republic. In Estonia, inbound tourism grew rapidly during the 1990s, but has tended to stagnate since 2000. In the Russian Federation, visitor arrivals have been rising at a modest pace during this decade.

The southern Europe and Mediterranean zone has traditionally attracted heavy tourism inflows. OECD countries account for the preponderant share, with around 85% of arrivals, but they are subject to heavy competition from North African countries and also from destinations such as Croatia and Slovenia. In Slovenia, inbound tourism has grown very quickly in the 1990s and since 2000. Despite this competition, the destinations traditionally most visited, such as Spain and Italy, have maintained their position with a growth rate of 3%

Table 1.6. **International tourist arrivals, 1990-2008**

	Type of indicator[1]	Average annual growth					2008 million
		1995/1990	2000/1995	2003/2000	2007/2003	2007/1990	
		%	%	%	%	%	
Austria	TCE	–2.0	0.9	2.0	2.1	0.5	21.9
Belgium	TCE	..	3.0	1.2	1.3	2.0[2]	7.1
Czech Republic	TCE	..	7.1	2.7	7.3	5.8[2]	6.6
Denmark	TCE	..	..	–0.6	7.9	4.1[3]	4.7[4]
Finland	TF	..	8.8	–1.4	7.8	5.8[2]	3.6
France	TF	2.7	5.2	–0.9	2.2	2.7	79.3
Germany	TCE	–2.7	5.1	–1.1	7.3	2.1	24.9
Greece	TF	2.7	5.3	2.2	5.8	4.1	17.5[4]
Hungary	TF	..	..	..	..	..	8.8
Iceland	TCE	6.0	27.3	6.7	8.1	12.5	1.1
Ireland	TF	5.6	6.6	0.6	5.4	4.9	8.0
Italy	TF	3.1	5.8	–1.3	2.5	2.9	42.7
Luxembourg	TCE	–1.3	2.1	0.6	1.4	0.7	0.9[4]
Netherlands	TCE	2.6	8.8	–2.8	4.6	3.8	10.1
Norway	TF	8.1	1.5	1.7	7.0	4.7	4.4
Poland	TF	..	–2.0	–7.6	2.2	–2.1[2]	13.0
Portugal	TF	3.5	4.9	–1.1	1.3	2.6	12.3[4]
Slovak Republic	TCE	1.9	3.1	9.2	5.3	4.3	1.8
Spain	TF	0.5	6.5	2.0	3.9	3.3	57.3
Sweden	TCE	..	10.6	3.7	5.2	7.0[2]	5.2[4]
Switzerland	THS	–2.7	2.4	–5.9	6.6	0.3	8.6
Turkey	TF	8.1	6.2	11.6	13.6	9.4	25.0
United Kingdom	TF	5.0	1.3	2.1	5.7	3.6	30.2
Total Europe		**1.9**	**4.5**	**0.1**	**5.5**	**3.4**	**403.0**
Canada	TF	2.2	3.0	–3.7	0.6	1.0	17.1
Mexico	TF	3.3	0.4	–3.3	3.5	1.3	22.6
United States	TF	2.0	3.4	–7.0	8.0	2.1	58.0
Total America		**2.4**	**2.6**	**–5.4**	**5.3**	**1.7**	**97.7**
Japan	VF	0.7	7.3	3.1	12.5	5.7	8.4
Korea	VF	4.9	7.2	–3.7	7.9	4.7	6.9
Australia	VF	11.0	4.0	–1.3	4.4	5.1	5.6
New Zealand	VF	7.6	4.9	5.6	4.0	5.6	2.5
Total Asia-Oceania		**5.4**	**6.0**	**0.1**	**6.4**	**5.3**	**23.4**
Total OECD		**2.1**	**4.1**	**–1.0**	**4.8**	**2.8**	**524.1**
Brazil	TF	12.8	21.7	–8.0	5.0	9.4	5.1
Chile	TF	10.3	2.5	–2.5	11.6	5.9	2.7
China	TF	13.8	9.3	1.8	13.5	10.2	53.0
Egypt	TF	3.6	12.2	3.9	13.0	9.1	12.3
Estonia	TF	..	18.1	6.2	6.8	11.2[2]	1.9[4]
India	TF	4.5	4.5	1.0	16.7	6.6	5.4
Indonesia	TF	14.7	3.2	–4.1	5.4	5.6	6.2
Israel	TF	15.8	1.8	–24.0	18.1	4.0	2.6
Romania	TCE	–11.8	2.5	8.4	7.0	0.5	1.5
Russian Federation	TF	..	..	2.1	0.4	..	22.9[4]
Slovenia	TCE	..	8.3	8.0	6.3	7.5[2]	1.8
South Africa	TF	..	5.5	4.2	6.5	6.1[2]	9.6
Total World		**4.2**	**4.9**	**0.5**	**6.9**	**4.4**	**922.0**

1. TCE: International tourist arrivals at collective tourism establishments.
   TF: International tourist arrivals at frontiers (data exclude same-day visitors).
   VF: International visitor arrivals at frontiers (data include same-day visitors).
   THS: International tourist arrivals at hotels and similar establishments.
2. 2007/1995.
3. 2007/2000.
4. 2007 data.

Sources: World Tourism Organization, OECD data processing.

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a year, or slightly even more for Spain. Tourism growth rates in Turkey and Greece have exceeded the OECD average.

There are many OECD members in western and northern Europe. Inbound tourism growth has generally been more dynamic in northern countries, such as Iceland, Sweden, Finland, Ireland and Denmark. While significant, inbound tourism growth has been somewhat weaker in the Netherlands, the United Kingdom and France. Germany has seen particularly strong growth since 2003.

On the American continent, the OECD countries (Canada, Mexico and the United States) should be distinguished from the other areas (South America, the Caribbean and Central America). For the OECD countries, inbound tourism has been growing slowly in the last two decades. The setbacks observed from 2000 to 2003 were absorbed fairly promptly after 2004, especially in the United States, where the depreciation of the dollar against the euro has attracted visitors from across the Atlantic. In South and Central America and in the Caribbean, while the volume of international tourism is still far short of that in North America, growth rates have been much higher for at least 20 years. That growth has been especially strong in Central America, and in particular for the three countries that receive the most tourists: Costa Rica, Guatemala and El Salvador. It was slightly slower but still strong in South America, particularly in Brazil, Argentina, Chile and Peru.

International tourism in Asia-Pacific has been booming, and China is now one of the most popular destinations in the world. Since 1990, tourist arrivals in China have increased by a factor of five and more. For the two OECD countries in Asia – Japan and Korea – inbound tourism growth has also outpaced the world average. Increases in tourist arrivals in those two countries were particularly strong between 2003 and 2007.

Australia and New Zealand are the two main destinations in Oceania. Since 2003, their inbound tourism growth rate has matched or has slightly been under the world average.

Trends in tourism expenditure and receipts

In estimating each country's tourism expenditure and receipts, this section uses credit and debit data from the "travel" and "transportation passenger services" items of the Balance of Payments.[2]

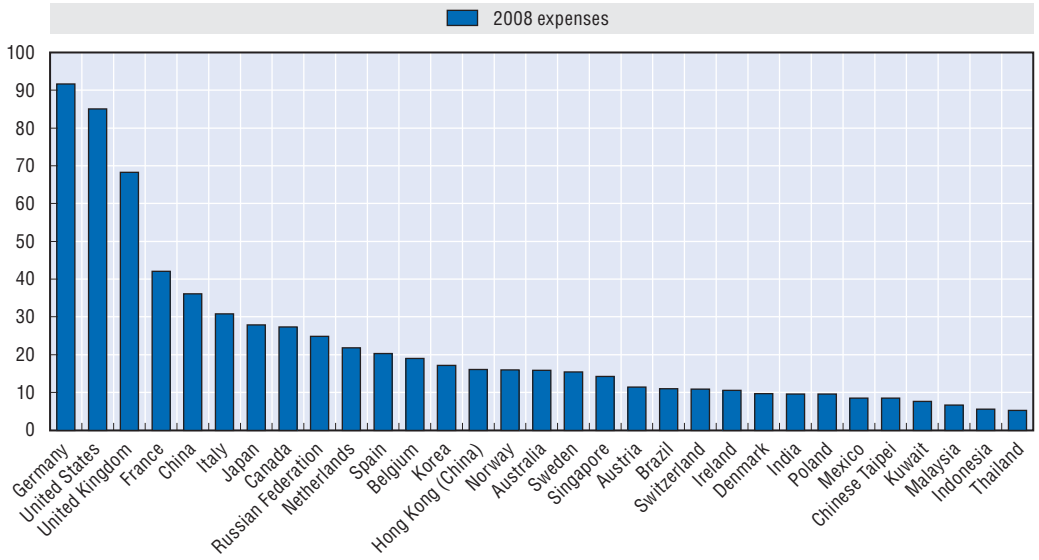
OECD countries are leading receiving and spending countries. The OECD is both a large destination and a large origin area for international tourists. In a list of countries ranked by descending order of international tourism expenditures, only six of the top-spending 25 countries or territories do not belong to the OECD (Figure 1.4): China, the Russian Federation, Hong Kong (China), Singapore, Brazil and India. The four biggest countries of origin are OECD countries: Germany, the United States, the United Kingdom, and France. These four alone account for around 43% of the 25 countries' expenditures.

With respect to receipts from international tourism, the same countries figure with a slightly different ranking (Figure 1.5). Germany, for example, is in sixth place, while Spain moved up to second place. Austria also advanced several notches. Turkey and Greece join the 25 countries receiving the most receipts. The first five places are occupied by OECD countries: the United States, Spain, France, Italy, and the United Kingdom, and together they represent 50% of receipts for the 25 countries.

There are eight OECD non-member economies in this ranking: China, Thailand, Hong Kong (China), Malaysia, Macao, the Russian Federation, Croatia and Egypt.

Figure 1.4. **Main countries for outbound tourism, 2008**

Billion USD



Sources: Balance of Payments (travel item), IMF, OECD data processing.

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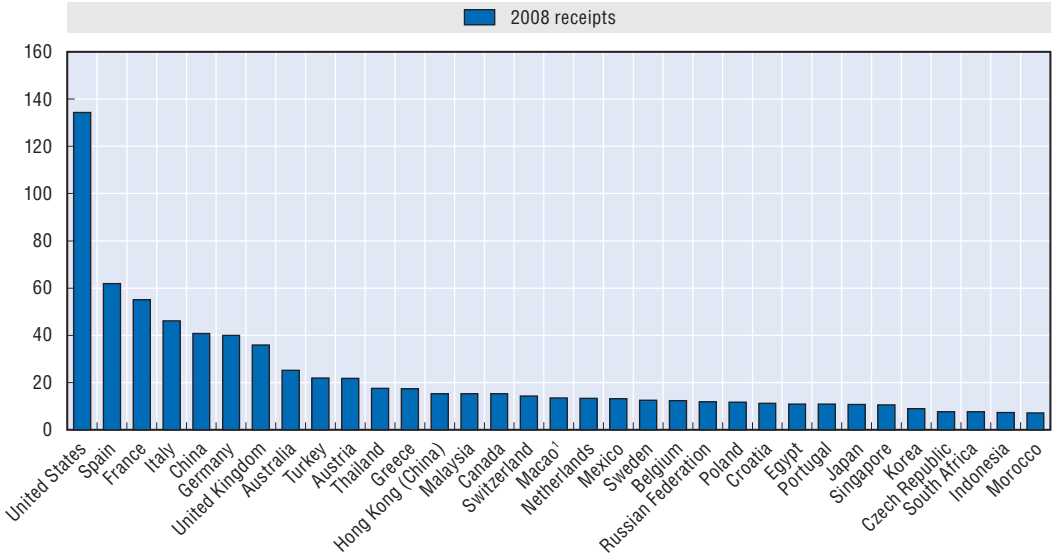
Figure 1.5. **Main countries for inbound tourism 2008**

Billion USD



1. 2007 data.

Sources: Balance of Payments (travel item), IMF, OECD data processing.

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The OECD balance of travel expenditures and receipts. Overall, the OECD area appears to be in rough balance as regards international tourism, in the sense that its outbound tourism expenditures are roughly equivalent to its inbound tourism receipts. The difference between expenditures and receipts can be considered (if statistical discrepancies are not taken into account) as the balance of extra-OECD tourism, it has been less than 0.1% of the GDP for the

whole period surveyed. In 2008, receipts amounted to USD 631 billion or around 67% of world tourism receipts.[3] This was well below the figures for the early 1990s, when OECD receipts accounted for about 80% of the total. On the expenditure side, the figure was USD 594 billion in 2008. The statistical gap between total world receipts and total world expenditures shows a tendency to overestimate receipts *vis-à-vis* expenditures, and suggests that the apparent OECD surplus of receipts over expenditures is in fact a deficit.

This situation holds true for tourism in the OECD area as a whole. For individual countries, receipts and expenditures are generally much more skewed. As a general rule, the northern countries have been net senders while the southern countries tend to be net receivers, a pattern that has been very stable over the period of study (Table 1.7). More specifically, three situations can be distinguished:

- Countries in balance: this category applies to countries where the net tourism balance falls between –1 and +1 percentage points of GDP.
- Net receiving countries: their revenues from non-resident visitors exceed by a wide margin the expenditures that their residents make when travelling abroad.
- Net sending countries: their residents' expenditures abroad exceed by a wide margin the receipts derived from non-resident visitors.

Every country's classification in the above breakdown has remained fairly stable since the 1990s. The countries that are clearly net receivers are Greece, Portugal, Spain, Turkey, Austria, New Zealand, the Czech Republic and Hungary. These countries were already in this category in 1995. Greece and Spain, two countries with strongly growing inbound tourism, demonstrated differing trends for outbound tourism, which has developed much more quickly in Spain than in Greece. The countries that are clearly net senders include Iceland, Norway, Korea, Belgium, Germany, the United Kingdom and Ireland. Only the latter two countries were absent from this category in 1995. For its part, Germany has reduced its deficit as a percentage of GDP since 1995. Similarly, Japan, Sweden and the Netherlands, which were net senders in 1995, have managed to bring their tourism accounts much closer to balance by boosting their inbound tourism sharply.

The OECD area and international passenger transportation. International passenger transportation, of which air transport constitutes the bulk, is a significant component of tourism receipts and expenditure. For the OECD area as a whole, the amounts involved in the international transportation of passengers amounted in 2008[4] to around USD 115 billion, or 20% of the amounts recorded in the "travel" line (Figure 1.6). There are great variations in this ratio from one country to another, and also between receipts and expenditure, but it recorded an overall increase of about one percentage point between 2003 and 2007, on both the receipts and the expenditure side.

The slight deficit for the OECD as a whole reflects, in fact, a very clear divide between countries with large deficits and others with large surpluses:

- Japan, the United Kingdom, Canada, the United States and Italy, in decreasing order, have significant deficits.
- By contrast, the Netherlands, Spain, Ireland, Turkey, France, Portugal and Australia generate strong surpluses. It is a particular feature of the Netherlands and Turkey, moreover, that their expenditures are a miniscule proportion of their receipts.

Table 1.7. **Travel balance: Receipts and expenditure, 1990-08**

Percentage of GDP at current prices

	1990	1995	2000	2003	2007	2008
Australia	0.0	0.8	0.7	0.9	0.9	0.9
Austria	3.4	1.1	1.9	1.9	2.2	2.5
Belgium	..	–1.3	–1.3	–1.3	–1.4	–1.3
Canada	–0.8	–0.4	–0.2	–0.3	–0.6	–0.8
Czech Republic	..	2.2	3.0	1.8	1.6	1.4
Denmark	–0.3	–0.3	–0.6	–0.7	–0.8	–0.9
Finland	–1.1	–0.5	–0.4	–0.3	–0.5	–0.5
France	0.6	0.7	1.0	0.7	0.7	0.5
Germany	–1.4	–1.7	–1.8	–1.7	–1.4	–1.4
Greece	1.6	2.1	3.7	4.3	3.9	3.8
Hungary	1.0	3.1	4.3	1.7	1.3	1.3
Iceland	–2.1	–1.4	–2.8	–1.9	–3.8	–3.1
Ireland	0.6	0.3	0.1	–0.6	–1.0	–1.5
Italy	0.5	1.2	1.1	0.7	0.7	0.7
Japan	..	–0.6	–0.6	–0.5	–0.4	–0.4
Korea	0.1	–0.2	–0.1	–0.8	–1.4	–0.9
Luxembourg	..	2.4	1.9	2.0	1.0	1.1
Mexico	0.0	1.0	0.4	0.4	0.4	0.4
Netherlands	–1.1	–1.2	–1.3	–1.1	–0.7	–1.0
New Zealand	0.2	1.7	1.6	3.1	–0.4	1.6
Norway	–1.8	–1.3	–1.5	–1.9	–2.5	–2.5
Poland	–0.1	1.4	1.4	0.5	0.7	0.4
Portugal	3.6	2.4	2.7	2.7	2.8	2.7
Slovak Republic	..	1.5	0.7	0.9	0.7	0.5
Spain	2.8	3.5	4.1	3.5	2.6	2.6
Sweden	–1.4	–0.8	–1.6	–1.0	–0.4	–0.6
Switzerland	0.6	0.6	0.5	0.5	0.4	0.7
Turkey	1.3	1.8	2.2	3.7	2.3	2.5
United Kingdom	–0.3	–0.4	–1.1	–1.4	–1.2	–1.2
United States	0.2	0.4	0.3	0.2	0.3	0.3
OECD average	**0**	**0**	**0**	**0**	**0**	**0.1**
Brazil	0.0	–0.3	–0.3	0.0	–0.2	–0.3
Chile	..	0.3	0.3	0.0	–0.1	0.2
China	0.3	0.7	0.3	0.1	0.2	0.1
Egypt	..	2.3	3.3	3.9	5.1	6.0[1]
Estonia	..	7.1	5.4	3.6	1.7	1.8
India	0.4	0.4	0.2	0.1	0.0	0.2
Indonesia	1.0	1.4	1.1	0.4	0.1	0.3
Israel	–0.1	0.9	1.1	–0.4	–0.1	0.1
Romania	..	–0.3	–0.2	–0.1	0.0	–0.1
Russian Federation	..	–2.3	–2.1	–1.9	–0.9	–0.9
Slovenia	..	..	..	2.0	2.4	3.3
South Africa	0.6	0.2	0.4	1.6	1.6	1.2

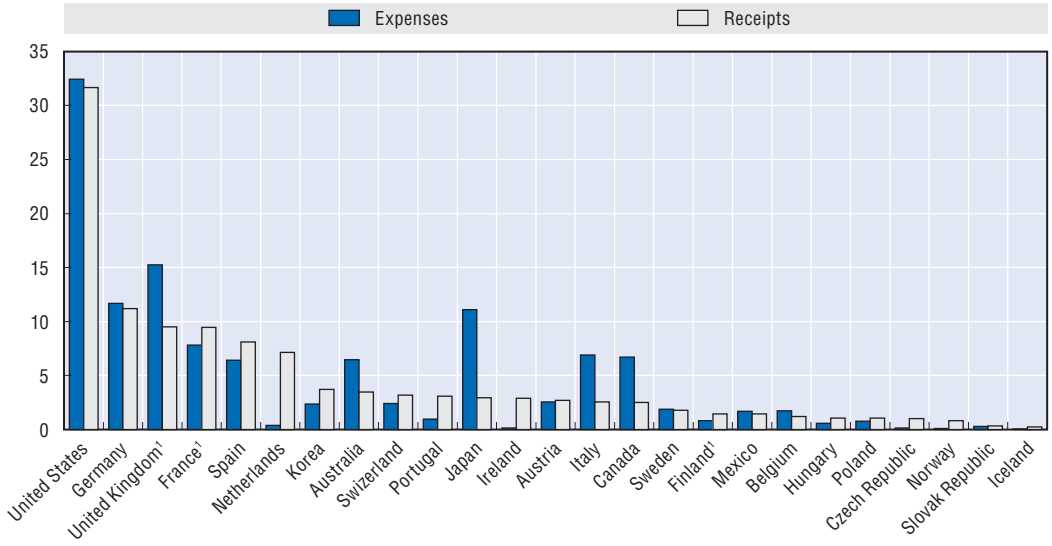
1. Estimate.

Sources: Balance of Payments (travel item), IMF, National Accounts, OECD data processing.

StatLink http://dx.doi.org/10.1787/764482624277

Figure 1.6. **International passenger transport receipts and expenditure, 2008**

Billion USD



1. 2007 data.

Sources: Balance of Payments (passenger transport item), IMF, OECD data processing.

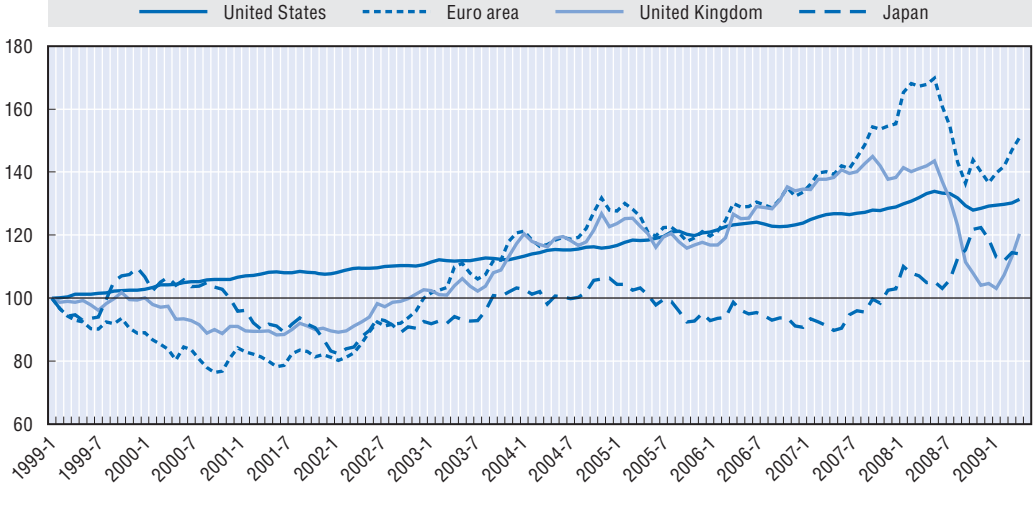
StatLink http://dx.doi.org/10.1787/764174644121

Tourism flows are impacted by exchange rate movements

Prices are one of the essential elements in a country's tourism competitiveness. When it comes to international tourism, however, prices must be viewed in light of shifting exchange rates. In fact, exchange rate movements can fluctuate much more widely than relative prices quoted in national currencies. Over the last 10 years, there have been particularly sharp exchange rate movements among OECD countries. This point can be illustrated by considering the relative shifts in the four world benchmark currencies – the US dollar, the

Figure 1.7. **Consumer price indexes in US dollars**

01/1999 = 100



Source: OECD databases.

StatLink http://dx.doi.org/10.1787/764211327143

euro, the pound sterling and the yen (Figure 1.7). These four currencies in fact cover 16 OECD countries, as the euro embraces 13 countries that are members of the Organisation.[5]

This analysis takes as its starting point the beginning of 1999, when the euro was introduced. In the absence of an appropriate generalised Tourism Price Index, Consumer Price Indexes transformed in US dollars have been used to calculate a competitiveness indicator. Since the starting point, the euro area has seen broad swings. This interval can be divided into two sub-periods: during the first, between 1999 and 2003, the euro area experienced price competitiveness gains *vis-à-vis* the dollar zone, but in the second, between 2003 and 2008, it lost ground. The period of gains began in 1999 and peaked in June 2001 (a differential of –28%). That gain remained steady for just under a year, until the spring of 2002, and then declined for a year until it was wiped out in June 2003. Since the end of 2003, competitiveness losses in the euro area have persisted, accelerating as of spring 2005 and culminating at a differential of +28% in April 2008, when the euro traded at USD 1.57. Thereafter, in barely more than six months to November 2008, the differential virtually vanished, shrinking by 23 percentage points. It rebounded by approximately 10 points in the first half of 2009.

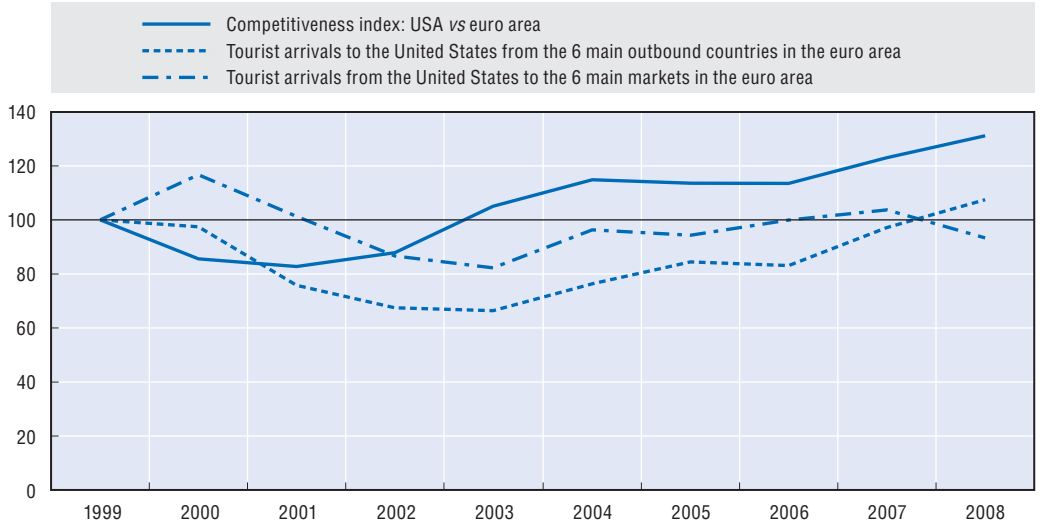
Figure 1.8 provides annual data for tourism between the United States and the euro area, it demonstrates a certain linkage between shifting competitiveness and tourism flows. However, the events of 11 September 2001 also had a major impact on these profiles.

From 1999 to 2003, tourist arrivals in the United States from the six largest euro area markets fell by 33%, and it took five years for them to reach and then exceed their 1999 levels. The dollar's fall against the euro certainly facilitated this shift. On the other hand, visits by US residents to euro area countries were particularly strong in 2000, sparked by the millennium festivities. These visits then dropped sharply until 2003, and although resumed an upward trend in the following years, are still far short of the 2000 record.

The pound sterling's swings against the dollar have roughly paralleled those of the euro, but with lesser amplitude. Thus, from 2000 until 2003 the United Kingdom saw its price competitiveness *vis-à-vis* the United States improve, while it declined against the euro area.

Figure 1.8. **Competitiveness indicators and tourism: USA and euro area**

Year 1999 = 100



Sources: OECD databases, Office of Travel and Tourism Industries (United States).

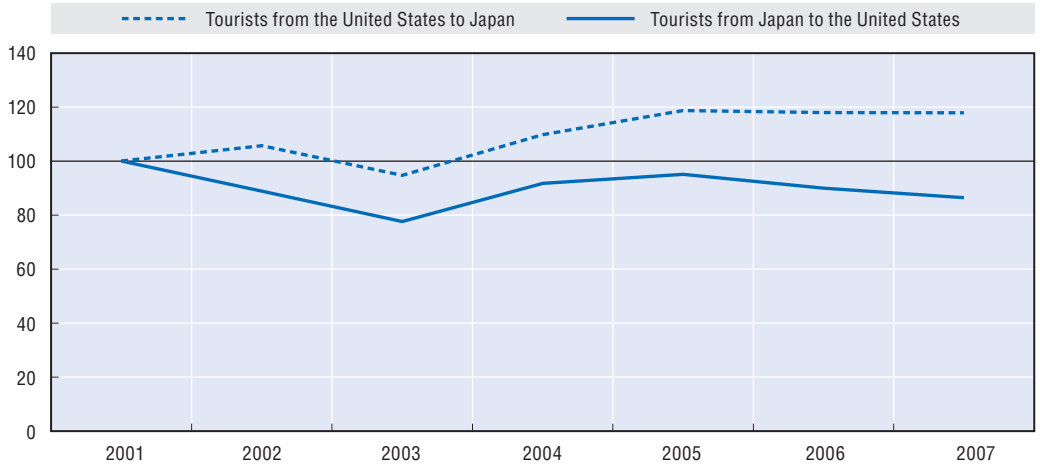
StatLink http://dx.doi.org/10.1787/764284425733

From 2004 on, the UK situation became more synchronised with that of the euro area, but in the autumn of 2007 the pound diverged from the euro, which has since risen sharply against the dollar. At the present time, the United Kingdom has greatly enhanced its price attractiveness for countries in the euro area.

There have been very wide movements of the Japanese yen against the dollar over the last 10 years. The change in Japanese prices expressed in dollars since 1999 has been consistently less than that in US prices, which may be taken as a benchmark. The gap peaked in 2007 at –30%, but has since tended to narrow – it was only –10% at the end of 2008. Japan's price-competitiveness gains have no doubt been a factor in the sharp growth in foreign tourist arrivals recorded between 2004 and 2007. Over that entire period, the number of US tourists visiting Japan rose significantly, while Japanese tourist visits to the USA tended downward (Figure 1.9). The fact remains that the number of Japanese tourists visiting the United States is still four times the number of US tourists visiting Japan (3.5 million *versus* 850 000).

Figure 1.9. **Changes in tourism flows between Japan and the United States**

Year 2001 = 100



Source: Japan National Tourist Organization.

StatLink http://dx.doi.org/10.1787/764337346158

Share of air travel is growing

The distribution of non-resident visitor arrivals among modes of transport varies greatly among OECD countries, notably for geographic reasons. On average, however, road and air are by far the most utilised modes. Rail and water transportation (including inland waterways) lag far behind, except for a few countries (Table 1.8).

Recent years have seen much stiffer competition in air travel, with heavy incursions by low-cost airlines. A cheaper and more diversified supply has met a growing demand for medium and long range travels. Air travel has thus gained market share from other modes, in particular road transport. This is true for many European countries, for Canada and for Mexico. The growing share of air travel is especially marked for Portugal, Italy, Norway, Ireland, France and the United Kingdom. This growth has come mainly at the expense of road travel and, in Norway, Ireland and the United Kingdom, of transport by sea, which for these three countries remains an important mode of travel.

Table 1.8. **International tourist arrivals by means of transport used, 2003-07**

Percentages

	Air		Rail		Road		Sea	
	2003	2007	2003	2007	2003	2007	2003	2007
Australia	99.7	99.5	0.0	0.0	0.0	0.0	0.3	0.5
Canada	36.5	43.6	0.6	0.6	59.3	51.2	3.6	4.6
Finland	34.8	35.7	1.5	1.9	35.3	32.8	28.4	29.5
France	19.8[1]	25.0	6.0[1]	5.9	63.8[1]	59.5	10.4[1]	9.6
Greece	70.5	64.0	0.6	0.5	19.1	23.2	9.8	12.3
Hungary	4.8	5.3	4.3	3.6	90.2	90.5	0.7	0.7
Iceland	88.8	86.6	0.0	0.0	0.0	0.0	11.2	13.4
Ireland	71.2	78.8[2]	0.0	0.0	10.5	9.2[2]	18.3	13.0[2]
Italy	19.1	33.1	4.1	2.7	72.1	61.9	4.7	2.3
Japan	94.8	92.7	0.0	0.0	0.0	0.0	5.2	7.3
Korea	91.8	83.1[2]	0.0	0.0	0.0	0.0	8.2	16.9[2]
Mexico	41.2	49.8	0.0	0.0	58.8	50.2	0.0	0.0
New Zealand	99.0	99.0	0.0	0.0	0.0	0.0	1.0	1.0
Norway	35.8	44.1	2.4	2.3	40.4	34.8	21.4	18.8
Poland	2.3	4.4	3.6	2.8	91.0	92.3	3.1	0.6
Portugal	18.7	31.4	0.3	..	79.8	68.6	1.2	..
Slovak Republic	0.1	0.1	0.5	0.4	99.4	99.5	0.0	0.0
Spain	72.6	74.9	0.6	0.4	23.8	22.1	3.0	2.6
Turkey	71.9	72.0	0.4	0.3	20.6	20.2	7.1	7.5
United Kingdom	71.4	76.5	11.0	9.9	..	..	17.7	13.6
United States	56.0	54.2	0.0	0.0	43.1	44.9	0.9	0.9
Total OECD	**45.5**	**46.9**	**2.1**	**2.2**	**48.4**	**46.9**	**4.1**	**4.0**

1. 2004 data.
2. 2006 data.

Source: World Tourism Organization.

StatLink http://dx.doi.org/10.1787/764538588770

In some countries, however, air travel has been losing market share. In Greece, for example, road and sea transport are gaining share, while in Korea and Japan sea transport seems to be making progress.

Leisure and vacation travel dominates

The purposes of a tourism trip are conventionally classified under broad categories which distinguish personal from business and professional purposes. Within personal purposes, different categories are identified such as purposes of holidays, leisure and recreation, visits to friends and relatives. Other categories include religious journeys such as pilgrimages, travel for medical treatment, etc.

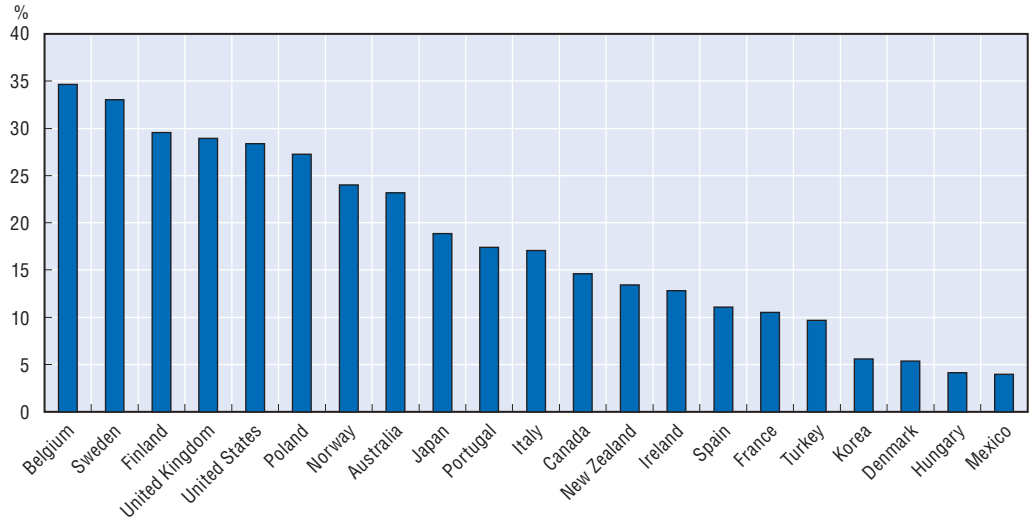
For international trips to OECD countries,[6] leisure is by far the most important purpose (> 50% of arrivals). The residual category comes next, at around 30%, while business travellers represent just over 15% of the total.

This distribution is roughly the same, on average, for OECD and non-OECD countries. The business-leisure split has been stable over time. The rise in international business travel induced by economic globalisation has been accompanied by a similar increase in other types of travel, particularly for leisure.

The differences arise primarily between countries (Figure 1.10), for example, business trips represent around a third of arrivals in Belgium and Sweden, but only 4% in Mexico and Hungary.

Figure 1.10. **Business travel shares, 2007**[1]

Percentage



1. Measured in terms of arrivals.

Source: World Tourism Organization.

StatLink http://dx.doi.org/10.1787/764347400282

Tendency towards shorter stays

In developed countries, the shrinking duration of tourist trips in collective accommodation establishments is closely linked to changing lifestyles and developments in the means of transport. There are clear differences, however, among countries as to the predominance of short or long stays[7] (Table 1.9).

For non-residents, there is a clear distinction between what might be called "stay" countries and "pass-through" countries. The first category refers to countries where the length of stay exceeds three days, and these include more than half of the 26 OECD countries for which data are available. A comparison of data for 2003 and 2007 shows a declining length of stay in 18 of the 21 countries for which comparative data for the two years are available. The cut in average stay was particularly pronounced in France and in Poland.

For residents, the average length of stay in collective accommodation is less often available than for non-residents. When it is available, it is most often shorter than for non-residents, particularly in the "stay" countries. Only in France does the average stay exceed three days by a significant margin; generally speaking, it has been declining since 2003 for residents as well as for non-residents.

Online reservations continue to rise

The use of Internet for tourism purposes has been constantly increasing in the last years, as shown by a survey carried out by the European Commission (Table 1.10). In terms of use of Internet by travellers, more than 25% of individuals surveyed in Norway, Iceland, Finland, Denmark, and Sweden, as well as in Canada, Luxembourg and the Netherlands have booked travel or accommodation on the Internet.

Table 1.9. **Average length of stay in collective accommodation, 2007**

	Non-residents		Residents	
	2007 *Days*	2007/2003 variation *Days*	2007 *Days*	2007/2003 variation *Days*
Austria	4.3	–0.23	3.2	–0.3
Belgium	2.31	..	2.68	..
Czech Republic	3.09	–0.17	3.22	–0.42
Denmark	5	..	2	..
Finland	2.16	0.04	1.8	–0.02
France	6.1	–1.46	4.8	–0.41
Germany	2.2	–0.1	2.9	–0.3
Greece	5.37	–0.6	2.45	–0.01
Hungary	2.95	–0.46	2.48	–0.07
Iceland	1.8	0	1.6	0.1
Ireland	7.6	..	3.3	..
Italy	3.81	–0.18	3.26	–0.14
Japan	6.5	–2	..	..
Korea	6.8	..	..	..
Luxembourg	2.6	–0.3	3.2	–1.6
Mexico	9.92	–0.4	..	..
Netherlands	2.54	–0.26	3.13	–0.41
Poland	2.9	–1.2	1.95	0.06
Portugal	3.8	–0.8	2.05	–0.2
Slovak Republic	3.1	–0.5	3.04	–0.56
Spain	5.11	0.09	2.7	0.11
Sweden	2.14	–0.14	2.08	–0.15
Switzerland	2.48	..	2.15	..
Turkey	3.82	–0.72	1.85	–0.08
United Kingdom	7.7	–0.5	..	..
United States	1.6	–0.1	..	..

Source: World Tourism Organization.

StatLink http://dx.doi.org/10.1787/764546401043

Table 1.10. **Use of Internet for online tourism reservations**

Percentage of individuals who ordered travel and holiday accommodation on Internet

	2002	2003	2004	2005	2006	2007	2008
Austria	1	3	3	3	7	8	11
Belgium	..	..	..	..	7	8	8
Canada	..	..	..	36	..	..	..
Czech Republic	..	1	1	1	3	4	3
Denmark	8	10	14	18	26	27	30
Finland	2	3	7	10	12	26	31
France	..	..	..	..	8	14	18
Germany	3	5	6	10	21	23	22
Greece	0	0	0	0	1	2	2
Hungary	..	..	..	2	2	3	3
Iceland	..	14	24	31	39	40	38
Ireland	..	3	7	10	18	20	21
Italy	..	..	..	2	3	3	4
Luxembourg	5	9	19	17	21	24	27
Netherlands	5	6	2	15	21	25	26
Norway	..	13	25	33	40	41	45
Poland	..	..	0	1	1	..	2
Portugal	0	..	1	1	2	3	4
Romania	..	..	..	..	0	0	1

Table 1.10. **Use of Internet for online tourism reservations** *(cont.)*
Percentage of individuals who ordered travel and holiday accommodation on Internet

	2002	2003	2004	2005	2006	2007	2008
Slovak Republic	..	..	2	2	3	3	4
Spain	..	2	2	5	9	11	12
Sweden	8	12	..	16	18	28	27
Turkey	..	..	0	0	..	..	..
United Kingdom	11	17	18	24	23	24	27
Estonia	..	..	..	2	1	3	3
Slovenia	..	..	2	..	3	3	5

Source: Eurostat.

StatLink http://dx.doi.org/10.1787/764603555117

Tourism enterprises

The globalisation of tourism and the resulting increase in competition and the changing patterns of the demand (see Chapter 2) are pushing OECD tourism enterprises to adapt, especially in those countries that have traditionally received the greatest tourism inflows. Their efforts have sparked some significant changes in the factors of production, *i.e.* labour and capital.

SMEs play an important role

The tourism industry is dominated by small- and medium-sized enterprises (SMEs).[8] In the hotel, restaurant and travel agencies sectors, SMEs are responsible for at least 60% of employment in nearly all OECD countries for which data on enterprises by size are available. The only exception is the travel agency business in the United Kingdom, where large enterprises account for the majority of jobs (annex). In general, the relative weight of SMEs is somewhat less when measured in terms of turnover rather than employment, but the situation is less clear when it comes to investment.

In the hotel industry, the distribution by firm size varies appreciably among countries, particularly in terms of the relative importance of "family" hotels. In Korea, Greece, Italy, Poland, France and Austria there are many small hotels employing fewer than 10 persons. In these countries, this category represents more than a third of all hotel employment, and more than half in the case of Korea and Greece.

By contrast, larger enterprises dominate the accommodation landscape in another group of countries. Employment is more or less evenly divided between two classes of establishments: those with 50 to 249 persons employed and those with 250 or more. "Intermediate-sized" enterprises (50 to 249 persons engaged) often account for a large portion of employment, as in Ireland, Denmark, Norway, Portugal, Spain and the Czech Republic. In Spain, and to an even greater extent in the United Kingdom, a significant portion of employment depends on larger firms employing more than 250 people.

In many countries, the restaurant industry is largely in the hands of very small firms with fewer than 10 persons employed. The employment share of large firms (those with more than 250 persons engaged) is most often very low, below 15%, the only exceptions being Finland (25%) and, especially, the United Kingdom (nearly 38%).

Travel agencies present a varying picture from country to country. In the United Kingdom, Finland, Belgium, Spain, Sweden and France, the system is mixed, and a strong

nucleus of large firms co-exists with many small-scale enterprises. In other countries for which information is available, SMEs outweigh the small core of large firms. Italy is the clearest example of this configuration where very small enterprises (fewer than ten persons employed) represent more than 50% of total employment. The picture is similar, but somewhat less accentuated, in Norway.

Hotel capacity and other collective accommodation

Hotels play a central role in tourism, even if they are not always the most popular form of accommodation. In effect, they generally attract customers with relatively high purchasing power, in particular business travellers. Hotels are facing stiffer competition on two fronts:

- International competition, in terms of clients' choice of destination.
- Competition from other forms of accommodation.

Generally speaking, hotel capacity has been increasing only slowly in OECD countries over the last decade (Table 1.11). Efforts have focused, instead, on modernising hotels and running them more efficiently. One indication of this can be seen in the consistently very high rate of investment in the hotel sector in many countries. One may point to such developments as Internet reservations or the practice of "yield management", which allows hotel occupancy to be increased during low season. There are also other changes in play, for example, the rise of hotel chains at the expense of more traditional independent hotels. The size standard of these chain hotels exceeds that of independent hotels, and this is clearly one of the factors driving the trend to larger-scale hotels in many countries. According to Eurostat (2008), establishment size measured by the number of bed places has risen steeply since 2000 in European countries with the biggest stock of hotel accommodations: the United Kingdom, Germany, Italy, Spain and France.

Hotel capacity has risen only slowly (at less than 1% per year on average) in many countries where supply is the greatest: the United States, Germany, the United Kingdom, and France. On the other hand, hotel accommodation has expanded much more quickly in other major tourism destinations such as Italy, and above all in Mexico and in Spain. Among the countries with less hotel capacity than the preceding ones, the growth of supply has been particularly strong (at least 4% a year) in Poland, Turkey, Iceland, Australia and the Czech Republic. In all these countries, the customer base has been growing faster than capacity.

Hotel operating conditions vary greatly among countries, as can be appreciated from the great inter-country differences in average occupancy rates over the year, which range from 30% to over 65%. Countries with the highest rates are generally those that offer the most diversified and seasonally independent products (urban tourism, cultural tourism, business tourism, etc.) and enjoy the most diversified demand (residents, non-residents).

Occupancy rates have generally been rising. Hotel capacity in OECD countries, measured as the number of bed places, rose on average from 2003 to 2007 at a rate of 1.2% per year, while the customer base increased by 2.6% per year. Consequently, the average occupancy rate increased by more than two percentage points, from slightly under 52% in 2003 to around 54% in 2007. The picture varies greatly from country to country. Of the 25 OECD countries for which data are available over the entire period, only three saw their occupancy rate drop between 2003 and 2007: the Czech Republic, Greece and New Zealand. In these three countries, the customer base did not keep pace with the expansion in hotel capacity, which rose faster than the OECD average.

Table 1.11. **Hotels and similar establishments, 2003-08**

	Units	2008 Capacity (1 000)	Capacity average annual growth 2007/2003 %	Capacity annual growth 2008/2007 %	Nights spent average annual growth 2007/2003 %	Nights spent annual growth 2008/2007 %	2008 Occupancy rate %	2008 Average length of stay (days)
Australia	Bed places	679[1]	4.0	..	4.7	..	65.2[1]	2.2[1]
Austria	Bed places	580	0.4	1.0	1.7	4.0	38.9	3.40
Belgium	Bed places	125	0.6	0.0	3.1	2.1	36.1	1.86
Canada	Rooms	378[1]	..	..	..	..	..	..
Czech Republic	Bed places	258	2.3	3.9	3.6	1.4	35.7	3.72
Denmark	Bed places	73	1.8	0.0	4.9	–2.2	40.4	3.07
Finland	Bed places	121	–0.2	1.7	4.2	1.8	36.6	1.81
France	Bed places	1 256	0.4	0.2	2.5	–1.0	44.1	1.86
Germany	Bed Places	1 677	0.5	2.0	3.2	1.7	35.7	2.13
Greece	Bed places	716	2.1	2.1	4.6	..	25.0	4.08
Hungary	Bed places	155	–0.8	0.6	4.1	..	29.0[1]	2.58
Iceland	Bed places	19	4.7	5.6	8.8	1.5	27.7	1.81
Ireland	Bed places	169	1.8	7.6	2.5	..	49.4[1]	1.9[1]
Italy	Bed places	2 143[1]	2.1	..	2.6	..	32.5[1]	3.26[1]
Japan	Rooms	1 548	..	..	..	..	..	..
Korea	Rooms	61[1]	..	..	..	..	..	..
Luxembourg	Rooms	14	0.0	–6.7	4.1	–4.4	26.1	1.95
Mexico	Bed places	1 167[1]	4.1	..	7.5	..	54.8[1]	3.68[1]
Netherlands	Bed places	200[1]	2.7	..	5.9	–4.5	46.7[1]	1.76
New Zealand	Rooms	23[1]	3.2	..	2.7	..	53.1[1]	1.84[1]
Norway	Bed places	157	1.7	1.9	4.3	–1.7	31.7[1]	1.64
Poland	Bed places	211	9.1	11.1	14.3	3.8	32.8	1.93
Portugal	Bed places	274	3.5	..	4.1	–1.3	41.3	2.9
Slovak Republic	Bed places	70	5.1	4.5	–0.4	5.9	29.9	2.65
Spain	Bed places	1 685	3.1	2.6	4.5	–1.2	43.6	3.24
Sweden	Bed places	207[1]	2.8	..	4.8	..	33.6[1]	1.64[1]
Switzerland	Bed places	241[1]	–1.8	0.0	..	2.7	43.6[1]	2.33
Turkey	Bed places	531[1]	6.1	..	9.7	..	54.7[1]	2.65[1]
United Kingdom	Bed places	1 245[1]	0.8	..	0.3	..	37.3[1]	2.58[1]
United States	Rooms	4 476[1]	0.3	..	1.2	..	63.1[1]	..
OECD total	**Bed places**	**26 950**[2]	**1.2**	**..**	**2.7**	**..**	**49.5**	**..**
Brazil	Bed places	..	..	..	..	..	..	..
Chile	Bed places	139[1]	4.2	..	7.2	..	36.4[1]	2.1[1]
China	Bed places	2 969[1]	12.0	..	14.3[1]	..	61.0[1]	2.67[1]
Egypt	Bed places	422	8.6	10.9	20.4	15.9	63.3	10.1
Estonia	Bed places	45[1]	12.7	3.4	9.8	0.1	35.4	1.91
India	Bed places	152[1]	–2.9	..	..	..	..	..
Indonesia	Bed places	..	..	..	..	..	..	..
Israel	Bed places	128[1]	0.6	..	7.5	..	51.8[1]	2.61[1]
Russian Federation	Bed places	447[1]	5.3	..	6.8	..	36.0[1]	..
Slovenia	Bed places	36[1]	3.3	3.0	3.2	1.0	44.5	2.88
South Africa	Rooms	61[1]	4.1	..	4.1[1]	..	57.7[1]	7.9[1]

1. 2007 data.
2. To evaluate the total, one room has been accounted for two bed places.

Sources: World Tourism Organization, EUROSTAT, OECD data processing.

StatLink http://dx.doi.org/10.1787/764656146881

Other collective accommodation includes campgrounds, holiday dwellings, youth hostels, B&Bs, etc. They are hard to track statistically, and data are not always available, reliable or consistent.

In many countries, campsites rank first in the number of nights spent (Table 1.12). They also attract a large portion of non-residents – on average, more than a third of all visitors (and well above that in Luxembourg and Austria). However, camping seems a rather sluggish industry: its accommodation capacity is virtually stagnant, and occupancy is in slow retreat. It is true that the changes underway in camping are more qualitative than quantitative. France has the largest number of campsites in Europe, and over the last ten years, campsites have been upgraded significantly in terms of the range of services offered. For example, the number of mobile homes available to tourists has increased and fewer camping sites are being rented empty.

Table 1.12. **Camping sites, 2003-08**

	2008 Capacity thousands of bed places	2007/2003 Capacity average annual growth %	2008/2007 Capacity average annual growth %	2007/2003 Nights spent average annual growth %	2008/2007 Nights spent average annual growth %	Percentage of nights spent by non-residents 2008 %
Austria	203	0.5	3.0	–2.8	2.1	79.9
Belgium	100	–3.5	0.7	–3.9	–4.4	60.2
Czech Republic	29	3.2	–0.4	–3.4	–13.1	20.1
Denmark	271	–1.0	2.2	–0.8	4.1	23.5
Finland	79	–1.6	–4.3	2.2	–4.3	16.7
France	3 689	0.2	–0.5	–0.1	1.1	35.7
Germany	839	1.4	2.4	–1.7	5.0	15.3
Greece	89	–0.8	–1.6	6.8	..	50.3[1]
Hungary	88	–3.8	–4.1	–5.7	..	70.7[1]
Ireland[1]	23	–6.3	–1.7	1.7	–14.3	28.7
Italy	1 332[1]	–0.2	..	0.6	..	41.8[1]
Luxembourg	48	–0.8	–0.3	–9.7	0.5	95.8
Netherlands	736[1]	0.7	..	–2.6	–9.7	16.5
Norway	323	–0.1	–0.2	3.8	2.7	26.9
Poland	24	–19.5	–2.0	–12.6	–0.2	23.6
Portugal	185	2.2	1.1	1.9	–3.0	25.2
Slovak Republic	39	–9.9	2.7	–15.0	–10.0	61.2
Spain	764	–0.7	–0.2	0.7	–2.9	47.2
Sweden	461[1]	0.2	..	–0.2	..	23.4[1]
United Kingdom	1 218[1]	..	..	..	..	6.8[1]

1. 2007 data.
Sources: Eurostat, OECD data processing.

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Tourism jobs: A dynamic component of employment

The bulk of tourism employment is concentrated in accommodation and, especially, in restaurant and food services.[9] In many OECD countries industrial employment is shrinking or growing only slowly, while employment in accommodation and food activities appears to be a particularly dynamic component, even compared with other services (Table 1.13). Between 2000 and 2007, the rate of growth in accommodation and food services employment in the OECD was 2.2%, or 0.6 percentage point above the one for services as a whole.

Table 1.13. **Employment in accommodation and food services, 1995-2008**

Average annual growth rate

	2000/1995 Employment average annual growth %				2007/2000 Employment average annual growth %				2008/2007 Employment average annual growth %				2008 AFS[1] employment *(1 000)*	AFS[1] employment as a percentage of overall employment
	AFS[1]	Services	Industry	Overall economy	AFS[1]	Services	Industry	Overall economy	AFS[1]	Services	Industry	Overall economy		
Australia	3.3	2.0	0.7	1.7	6.4	2.7	2.1	2.3	0.6	1.9	3.4	2.2	708.3	6.6
Austria	..	..	..	..	2.7	1.8	–0.6	1.0	–2.9	3.7	–3.2	1.5	251.1	6.2
Belgium	3.0	2.4	1.6	2.1	1.4	1.2	0.1	0.9	..	..	..	..	150.8[2]	3.4[2]
Canada	2.8	2.2	2.6	2.1	1.9	2.3	1.3	1.9	0.4	1.8	1.3	1.5	1 073.5	6.3
Czech Republic	0.3	0.9	–2.1	–0.7	1.8	0.7	0.6	0.4	–2.7	3.0	2.4	1.8	176.9	3.5
Denmark	0.6	1.6	0.2	1.0	3.0	1.0	–1.4	0.3	1.2	2.8	–0.9	1.7	82.0	2.9
Finland	4.8	2.7	2.4	2.2	1.4	1.7	0.0	0.9	6.0	1.5	0.6	1.6	89.0	3.5
France	3.5	2.9	0.0	2.1	2.4	1.3	–0.7	0.8	..	..	..	..	810.0[2]	3.6
Germany	2.4	1.3	–1.3	0.3	2.4	1.5	–1.0	0.6	2.2	1.8	1.1	1.6	1 458.2	3.8
Greece	4.1	2.7	0.9	1.4	2.2	2.8	1.3	1.4	..	..	..	..	317.9[2]	7.0[2]
Hungary	..	..	..	..	2.2	1.1	–0.3	0.3	0.7	–0.1	–2.7	–1.2	157.2	4.1
Iceland	6.8	2.8	0.5	2.0	–0.5	2.8	0.3	1.8	–2.3	–0.7	1.3	0.7	6.1	3.4
Ireland	9.1	6.6	5.7	5.5	2.8	4.2	2.8	3.3	–2.8	2.3	–6.2	0.3	128.6	6.1
Italy	3.8	2.0	0.0	1.0	5.1	2.1	0.5	1.4	2.2	1.8	–0.7	0.8	1 179.0	5.1
Japan	..	..	..	..	..	..	..	..	–2.3	0.4	–2.3	–0.4	3 340.0	5.2
Korea	3.5	3.0	–2.7	0.7	0.9	2.7	0.3	1.5	–0.4	1.5	–1.0	0.6	2 041.9	8.7
Luxembourg	2.2	5.5	0.6	4.1	2.4	3.8	3.0	3.4	..	..	..	..	15.0	4.5[2]
Mexico	3.6	3.5	7.8	3.2	5.9	2.6	2.0	1.8	5.9	3.2	1.3	2.3	2 800.2	6.4
Netherlands	..	..	..	..	3.2	1.6	0.3	1.1	–5.3	2.2	–4.2	1.5	339.7	4.0
New Zealand	2.4	2.1	–0.3	1.3	2.0	3.1	1.7	2.5	–6.5	1.4	–0.8	0.6	101.0	4.7
Norway	..	..	..	..	–1.2	1.5	0.6	1.1	1.5	3.5	3.1	3.3	68.0	2.7
Poland	..	..	..	..	2.7	1.8	0.6	0.7	..	..	..	..	291.0[2]	1.9[2]
Portugal	5.0	1.3	4.2	2.7	1.6	1.7	–1.3	0.4	10.6	3.2	–3.6	0.6	319.4	6.2
Slovak Republic	1.8	1.1	–1.3	–0.4	6.6	1.7	2.5	1.7	5.5	3.4	3.5	3.2	107.6	4.4
Spain	5.0	4.8	5.0	4.4	5.4	4.9	3.1	4.0	0.1	2.0	–5.5	–0.5	1 452.6	7.2
Sweden	..	..	..	..	3.0	1.8	–0.6	1.3	3.5	1.3	1.2	1.1	148.0	3.2
Switzerland	0.3	1.5	–1.5	0.6	–0.1	1.7	0.0	1.1	3.3	2.3	0.3	1.9	256.6	5.7
Turkey	..	..	..	..	3.5	2.6	1.0	–0.6	0.9	1.6	2.5	2.2	998.0	4.7
United Kingdom	–0.4	2.0	–0.4	1.2	2.0	1.5	–0.7	1.0	–1.1	2.4	–3.5	1.2	1 283.4	4.4
United States	2.2	2.6	1.3	2.4	1.9	1.1	–1.5	0.6	0.3	0.2	–3.7	–0.4	11 457.4	8.3
OECD total	**2.6**	**2.5**	**1.0**	**1.9**	**2.2**	**1.6**	**–0.1**	**1.0**	**0.6**	**1.3**	**–1.3**	**0.6**	**31 608.4**	**6.0**

1. AFS: accommodation and food services.
2. 2007 data.

Sources: OECD, Bureau of Labor Statistics (United States).

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The growth in accommodation and food services employment cannot, however, be attributed solely to the development of tourism. While nearly all hotel activity can be credited to tourism, this is not correct for restaurants, where up to three-quarters of the clientele will normally be local (staying in its usual environment). The sector's dynamism derives in large part from evolving lifestyles – the tendency of people to dine out instead of eating at home is a pronounced feature of developed economies. Yet, it is still true that many restaurants depend for their profitability on the tourist segment of their clientele.

Many countries have experienced a boom in the restaurant industry and associated employment. In the United States, for example, traditional (full-service) restaurants now employ more than 4.5 million people, or some 700 000 more than in 2000, and the

restaurant workforce grew by around 2.5% between 2000 and 2008. This pace has been emulated in other segments of the restaurant business, particularly fast food, which now employs more than 4 million in the United States. On the other hand, employment in the various types of accommodation establishments has been sluggish, remaining at between 1.8 and 1.9 million since 2000.

Box 1.6. **Employment concepts**

In this document, as for employment, the figures represent the "employment in tourism industries", *i.e.* the actual employment in tourism industries whether they are associated or not to tourism spending. In fact, such a concept has been chosen to supply homogeneous data between countries.

It should be kept in mind that another concept "tourism employment", *i.e.* employment directly attributable to tourism (which could be calculated as actual employment multiplied by a tourism ratio), would be more adequate to describe the role of tourism for employment. This is what the OECD recommends (see the OECD employment and tourism module).

Investment in tourism enterprises varies by region

The idea here is to measure a sector's investment effort by its investment rate, which compares gross investment to gross value added at factor cost.[10] Investment fluctuates sharply from one year to another. For this reason, Table 1.14 indicates the average investment rate over the period 2000-06, while the text highlights the most significant movements over that time. There are data available for 20 European countries.

As a general rule, investment rates are much higher in hotels than in restaurants, and even higher in comparison to travel agencies, two sectors that are much less capital-intensive. In particular, the cost of physical premises for hotels far outweighs those in the other two sectors.

The hotel investment rate differs greatly by country. It has been particularly high in countries of southern Europe where tourism is important, and in the new member countries of the European Union, but it has been relatively weak in northern Europe. The countries of western Europe can be divided between high-effort countries (France, Belgium, Austria) and low-effort (Germany, Luxembourg, the Netherlands).

Portugal, the Slovak Republic, and Greece (to a lesser extent) have maintained especially high investment rates throughout the period, and they rose even further in 2005 and 2006 (the last year for which data are available). In Hungary the profile is different: the investment effort was particularly robust in 2003, but declined in the following three years to more moderate levels of around 30%. The Czech Republic shows a similar pattern, with two exceptional years in 2002 and 2003, in the aftermath of the floods in the summer of 2002. Gross investment in each of those years was around three times the amount invested in 2001. Spain, Italy and France have averaged investment rates exceeding 30%. Spain and France have kept their investment rates relatively steady from one year to the next, whereas in Italy the investment rate has varied considerably over the years. In Belgium, the early years of the decade saw investment rates of around 35%, but they have declined since 2003 to around 25%.

Table 1.14. **Investment in hotels, restaurants and travel agencies, 2000-06**

Average annual investment rates

	Hotels %	Restaurants %	Travel agencies %
Austria	23.7	10.8	11.7
Belgium	29.2	26.2	13.3
Czech Republic	36.1	18.9	17.4
Denmark	23.1	11.3	5.1
Finland	14.4	9.1	8.3
France	30.0	18.5	6.6
Germany	8.9	5.3	3.7
Greece	37.0	12.9	14.0
Hungary	45.3	31.2	19.2
Ireland	27.6	16.7	6.2
Italy	33.7	14.5	8.9
Luxembourg	13.5	8.7	..
Netherlands	17.8	7.6	7.6
Norway	16.6	10.6	8.3
Poland	26.3	17.5	18.0
Portugal	53.1	24.6	19.4
Slovak Republic	51.6	26.4	11.9
Spain	30.7	10.1	7.6
Sweden	25.5	15.6	7.5
United Kingdom	21.4	17.7	9.2

Sources: Eurostat, OECD.

StatLink http://dx.doi.org/10.1787/764821673764

In the restaurant sector, the classification of countries by their investment rate is similar to that for hotels, but the levels are much lower: as for hotels, Hungary, the Slovak Republic and Poland rank among the countries with the highest investment rates, at 25% or above. Belgium also joins this group.

When it comes to travel agencies, investment rates are on average still lower than in restaurants, but the country ranking is similar to those for hotels and restaurants.

Notes

1. "OECD countries" refers to the 30 countries that are currently members of the Organisation. Statistics on the OECD zone are always calculated for these 30 countries, even if some were not yet members at the time.
2. The "Travel" item does not include international trade in passenger transportation services, which are covered by another item in the Balance of Payments. The "traveller" in the Balance of Payments is not defined in the same way as the "visitor" in tourism statistics (OECD, 2008).
3. For the world as a whole, there are some statistical discrepancies that must be recognised. The sum of receipts by country exceeds the sum of expenditures by country, and this gap has tended to increase: from 5% in 1996, it now stands at nearly 10%.
4. For many countries, Balance of Payments data isolating passenger transportation from goods transport have only been available since a few years.
5. Eleven countries – Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain – adopted the euro upon its creation on 1 January 1999. Greece adopted it on 1 January 2001, and the Slovak Republic on 1 January 2009.
6. The distribution of trips by purpose is not available for all countries. The comments here apply only to those countries (the majority) for which data are available.

7. In the conventional treatment of tourism statistics, short stays have traditionally been defined as stays of three nights at most, and long stays with at least four nights. This distinction differs from practice in the tourism industry which distinguishes, for example, between weekends, mid-weeks, weeks, etc.
8. An SME is conventionally defined as a firm, regardless of its activity, that employs up to 250 people (salaried and non-salaried staff).
9. Passenger transportation is also an important component of tourism activity. However, for many countries it is still difficult to isolate the passenger share of transportation employment, which contributes to tourism, and the freight share, which does not.
10. The data are taken from annual structural surveys. The results of such surveys become available more slowly than those, for example, from economic surveys.

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ANNEX 1.A1

Structural Business Statistics by Size Class for Hotels, Restaurants and Travel Agencies

Table 1.A1.1. **Hotels: Enterprises by size-class**

		Employment						Turnover					Gross investment					Number of enterprises				
		0-9	10-19	20-49	50-249	250 or more	1 000	0-9	10-19	20-49	50-249	250 or more	0-9	10-19	20-49	50-249	250 or more	0-9	10-19	20-49	50-249	250 or more
		%	%	%	%	%		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Austria	2006	37.4	19.0	18.8	18.8	6.0	101.2	31.8	19.1	20.6	20.9	7.5	23.6	27.5	25.7	21.1	2.1	84.1	9.9	4.5	1.4	0.1
Belgium	2006	28.8	16.6	18.0	26.0	10.6	20.8	37.4	11.8	20.5	21.0	9.3	38.8	19.1	18.6	18.6	4.9	84.3	8.9	4.6	2.0	0.1
Czech Republic	2007	11.5	11.4	26.3	34.4	16.5	33.7	12.5	7.8	20.5	39.0	20.2	25.5	11.0	21.1	30.3	12.1	73.5	9.5	11.7	4.8	0.6
Denmark	2006	10.6	10.5	22.7	41.7	14.5	24.1	22.7	9.9	18.7	36.3	12.4	..	..	..	..	..	68.3	12.2	11.9	7.2	0.4
Finland	2006	19.0	8.2	15.7	24.0	33.2	11.9	16.9	7.3	14.4	25.0	36.3	48.2	5.4	16.1	17.9	12.5	89.5	4.5	3.8	1.9	0.3
France	2006	38.1	16.7	14.7	11.8	18.8	248.4	35.6	14.4	14.4	11.8	23.9	45.7	10.4	11.4	8.0	24.5	90.0	6.7	2.6	0.6	0.1
Germany	2006	27.3	21.4	23.4	16.8	11.1	395.5	22.0	17.4	20.4	20.5	19.7	..	..	..	..	..	75.1	15.2	7.7	1.8	0.2
Greece	2006	53.7	11.8	12.4	14.2	7.8	73.8	42.7	15.1	10.8	20.1	11.4	55.2	13.5	5.3	19.8	6.2	94.2	3.4	1.8	0.5	0.1
Hungary	2006	22.5	11.2	16.9	24.6	24.8	24.9	14.1	7.2	14.8	26.9	36.9	31.8	4.8	10.2	24.1	29.1	87.3	6.5	4.3	1.7	0.2
Ireland	2006	11.0	5.5	14.1	58.3	11.0	50.9	12.3	5.5	13.1	56.9	12.2	14.2	2.8	14.0	63.6	5.3	78.2	5.9	6.4	9.2	0.4
Italy	2006	41.2	21.1	15.7	13.4	8.7	279.4	33.7	21.2	16.0	16.0	13.0	20.2	38.9	6.6	21.6	12.7	85.1	10.3	3.5	0.9	0.1
Korea[1]	2004	62.9	3.3		33.8[2]		139.6	34.8	3.4		61.8[2]		..	..	..	..	..	98.0	0.9		1.1[2]	
Luxembourg	2006	26.9	20.2	20.0	32.9[2]		3.5	28.9	18.6	20.2	32.3[2]		8.3	8.3	33.3	50.0[2]		76.9	13.5	6.9	2.5	0.3
Netherlands	2005	25.9	11.5	15.4	21.4	25.8	64.3	18.3	10.8	15.6	22.8	32.5	..	..	..	..	..	82.0	9.5	5.8	2.4	0.3
New Zealand	2007	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	73.0	14.4	8.4	2.2	2.0
Norway	2006	16.7	12.3	21.0	34.0	16.0	26.5	16.8	11.4	19.1	34.1	18.7	..	..	..	..	..	80.1	9.0	7.0	3.6	0.3
Poland	2005	39.2	8.8	12.5	17.7	21.9	58.9	23.4	8.7	12.8	24.3	30.8	15.3	8.1	19.4	22.3	34.9	93.7	3.1	2.1	0.9	0.2
Portugal	2006	20.6	10.0	17.5	32.9	19.0	53.5	12.6	8.3	16.4	37.9	24.9	31.2	5.4	16.0	27.9	19.5	87.0	5.7	4.4	2.6	0.3
Spain	2006	16.0	8.7	18.1	31.0	26.1	273.2	11.3	7.7	18.8	33.1	29.1	17.1	5.1	17.3	35.9	24.6	79.7	8.2	7.5	4.0	0.5
Sweden	2006	17.6	12.9	24.5	28.9	16.1	36.3	18.3	11.2	23.4	29.1	18.0	40.1	10.9	14.8	19.1	15.1	84.3	6.9	6.1	2.5	0.1
United Kingdom	2006	10.1	10.3	14.1	25.6	39.9	391.2	10.7	9.2	12.0	22.9	45.1	16.6	8.1	8.9	20.4	45.9	62.3	18.8	11.2	6.9	0.8

1. Establishments.
2. This percentage covers several size-classes.

Source: OECD, *Structural Business Statistics by Size-Class*.

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Table 1.A1.2. **Restaurants: Enterprises by size-class**

		Employment						Turnover					Gross investment					Number of enterprises				
		0-9	10-19	20-49	50-249	250 or more	1 000	0-9	10-19	20-49	50-249	250 or more	0-9	10-19	20-49	50-249	250 or more	0-9	10-19	20-49	50-249	250 or more
		%	%	%	%	%		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Austria	2006	60.2	14.1	10.4	9.6	5.7	141.4	53.1	14.1	11.5	12.6	8.6	42.2	17.2	19.5	15.9	5.2	92.9	5.0	1.6	0.5	0.0
Belgium	2006	62.3	17.5	10.0	3.4	6.8	145.1	60.0	14.6	10.7	4.5	10.2	74.9	11.2	8.0	1.5	4.4	93.5	5.0	1.3	0.1	0.0
Czech Republic	2007	67.4	16.6	7.2	5.0	3.8	124.8	63.5	15.2	8.6	7.2	5.4	48.2	20.7	12.5	7.2	11.4	95.8	3.4	0.7	0.2	0.0
Denmark	2006	29.4	18.1	22.8	15.3	14.3	80.5	37.9	16.3	17.3	13.0	15.5	..	..	..	..	..	84.3	9.1	5.2	1.2	0.2
Finland	2006	43.5	10.0	9.7	11.4	25.4	43.1	44.9	10.3	11.1	12.5	21.3	39.7	11.1	16.7	14.3	18.3	94.2	3.5	1.6	0.6	0.1
France	2006	53.6	11.4	11.7	4.6	18.6	667.0	50.0	11.2	13.4	5.0	20.5	75.1	7.2	5.9	3.8	7.9	95.1	3.2	1.4	0.2	0.0
Germany	2006	43.2	18.5	15.9	11.6	10.8	920.1	43.6	15.2	13.7	12.2	15.2	..	..	..	..	..	86.0	9.4	3.7	0.9	0.1
Greece	2006	76.3	10.6	6.5	3.5	3.2	229.9	63.7	15.0	9.7	6.1	5.6	59.6	19.3	7.4	8.4	5.3	97.1	2.1	0.6	0.1	0.0
Hungary	2006	59.3	14.8	11.1	8.0	6.8	102.0	50.8	13.8	12.9	12.5	9.9	46.3	13.0	12.0	14.3	14.4	94.2	4.0	1.4	0.4	0.0
Ireland	2006	29.7	22.7	20.2	17.8	9.6	97.7	35.7	20.8	19.0	16.4	8.0	25.9	19.9	27.1	24.5	2.6	75.0	16.4	6.4	2.1	0.1
Italy	2006	69.3	10.8	4.5	3.1	12.2	836.0	63.2	12.2	5.1	3.9	15.6	76.2	7.9	4.8	1.6	9.4	96.1	3.2	0.6	0.1	0.0
Korea[1]	2004	88.7	6.1		5.2[2]		1 556.0	82.2	8.3		9.4[2]		..	..	..	..	..	85.9	10.7		3.4[2]	
Luxembourg	2006	49.2	19.4	8.6	22.8[2]		11.9	47.1	19.9	9.0	24.0[2]		25.0	33.3	16.7	25.0[2]		90.8	7.1	1.5	0.3	0.2
Netherlands	2005	60.4	13.4	9.8	6.0	10.4	238.0	52.3	14.8	9.2	6.2	17.6	..	..	..	..	..	91.6	6.3	1.7	0.3	0.0
New Zealand	2007	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	65.6	21.8	10.6	1.4	0.6
Norway	2006	30.5	23.4	20.8	14.6	10.7	57.1	30.6	20.5	18.2	16.0	14.7	..	..	..	..	..	79.3	13.7	5.7	1.2	0.1
Poland	2005	73.8	6.1	4.8	4.9	10.5	165.0	64.5	7.7	7.8	6.7	13.3	71.2	7.4	4.8	5.0	11.6	97.6	1.6	0.6	0.2	0.0
Portugal	2006	65.6	11.4	9.1	4.6	9.3	222.5	61.7	12.0	10.4	5.3	10.6	61.1	14.0	13.4	5.9	5.7	96.5	2.5	0.9	0.2	0.0
Spain	2006	62.9	12.3	8.9	6.2	9.7	986.1	62.0	13.2	10.2	6.0	8.5	55.2	15.7	12.3	8.0	8.8	95.1	3.5	1.1	0.3	0.0
Sweden	2006	50.6	14.7	15.1	7.8	11.8	88.1	51.8	13.8	14.1	8.2	12.1	59.9	9.8	10.9	5.6	13.8	93.5	4.1	2.0	0.3	0.0
United Kingdom	2006	27.0	19.7	8.3	7.4	37.6	1 535.4	26.0	15.2	8.0	8.7	42.1	29.6	14.4	6.3	9.4	40.4	75.4	19.8	3.6	1.0	0.2

1. Establishments.
2. This percentage covers several size-classes.

Sources: OECD, *Structural Business Statistics by Size-Class*.

StatLink http://dx.doi.org/10.1787/764845821715

Table 1.A1.3. **Travel agencies: Enterprises by size-class**

		Employment						Turnover					Gross investment					Number of enterprises				
		0-9	10-19	20-49	50-249	250 or more	1	0-9	10-19	20-49	50-249	250 or more	0-9	10-19	20-49	50-249	250 or more	0-9	10-19	20-49	50-249	250 or more
		%	%	%	%	%		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Austria	2006	30.5	13.5	16.2	39.9[2]		10 850	16.7	10.1	15.6	57.6[2]		13.8	17.2	13.8	55.2[2]		87.3	6.9	3.8	1.9	0.1
Belgium	2006	34.6	8..5	12.2	10.1	34.5	7 950	25.4	9.2	13.0	6.6	45.9	45.0	5.0	25.0	15.0	10.0	92.0	4.0	2.7	0.9	0.5
Czech Republic	2007	50.5	13.1	11.1	14.5	10.8	11 231	31.4	11.6	17.2	28.3	11.5	37.1	21.4	25.4	8.8	7.3	97.0	1.9	0.8	0.3	0.0
Denmark	2006	26.9	17.8	0.0	55.3	0.0	6 334	23.5	14.2	0.0	62.3	0.0	..	..	..	..	..	80.4	10.2	4.8	4.3	0.3
Finland	2006	29.9	9.3	10.5	11.8	38.5	4 832	24.4	9.1	14.6	23.6	28.2	83.3	5.6	5.6	5.6	0.0	94.7	2.9	1.4	0.6	0.4
France	2006	25.7	12.1	17.0	17.7	27.6	42 381	29.0	11.6	16.2	19.6	23.7	30.2	10.4	14.6	20.8	24.0	86.2	7.6	4.4	1.4	0.3
Germany	2006	41.9	11.7	13.4	16.0	17.0	63 619	14.4	5.0	9.4	24.3	46.9	..	..	..	..	..	89.5	6.2	2.9	1.2	0.2
Greece	2005	56.4	13.6	20.8	9.2[2]		14 506	39.0	17.6	27.8	15.6[2]		71.4	7.1	10.7[2]			92.5	4.3	2.8	0.4[2]	
Hungary	2006	0.0	31.4	28.5	40.1	0.0	6 322	0.0	27.8	23.2	49.0	0.0	0.0	49.9	20.0	30.1	0.0	0.0	61.3	25.8	12.9	0.0
Italy	2006	57.4	14.0	10.1	11.2	7.3	45 588	33.2	13.5	17.9	21.8	13.6	21.2	9.8	3.3	63.6	2.2	93.8	4.3	1.4	0.5	0.1
Korea[1]	2006	56.3	12.2	11.9	19.6[2]		26 664	44.7	20.2	8.8	26.2[2]		..	..	..	..	..	92.2	5.1	2.0	0.8[2]	
Luxembourg	2006	30.8	69.2[2]				642	56.2	43.8[2]				..	..	..	..	..	86.0	5.4	6.5	2.2	0.0
Netherlands	2005	29.1	9.5	61.4[2]			23 404	15.9	11.1	14.6	16.2	42.2	..	..	..	..	..	88.2	5.1	4.9	1.3	0.6
Norway	2006	39.0	15.9	14.7	19.6	10.8	5 883	48.2	27.2	24.6	0.0	0.0	..	..	..	..	..	92.5	4.8	1.9	0.7	0.1
Poland	2005	69.4	5.0	6.4	10.0	9.2	16 949	45.6	7.6	23.5	17.4	5.8	50.0	2.9	11.8	17.6	17.6	97.7	1.2	0.7	0.4	0.1
Portugal	2006	49.6	21.0	29.5	0.0	0.0	9 580	34.4	22.2	43.4	0.0	0.0	44.7	21.1	34.2	0.0	0.0	88.0	6.6	4.1	1.1	0.2
Slovak Republic	2006	35.0	40.4	13.7	10.9	0.0	2 526	36.1	14.0	33.9	16.0	0.0	26.8	30.4	6.3	36.6	0.0	84.1	13.1	2.0	0.9	0.0
Spain	2006	33.1	9.4	9.5	13.4	34.6	56 782	13.0	5.5	14.9	18.6	48.0	34.5	10.9	12.6	7.6	34.5	92.7	4.2	2.0	0.9	0.2
Sweden	2006	27.4	8.2	10.2	20.3	33.9	12 449	15.5	5.6	7.1	20.1	51.8	54.6	18.9	7.6	8.8	10.1	95.4	2.3	1.2	0.8	0.3
United Kingdom	2006	16.4	6.8	8.3	15.7	52.8	114 549	15.3	7.2	9.6	16.9	51.0	28.5	11.1	6.9	16.2	37.2	83.7	8.3	4.5	2.7	0.8

1. Establishments.
2. This percentage covers several size-classes.

Sources: OECD, *Structural Business Statistics by Size-Class*.

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Chapter 2

Tourism 2020: Policies to Promote Competitive and Sustainable Tourism

Addressing the major and multi-faceted challenges faced by the tourism industry demands an integrated approach to policy development across many government departments. Coherence and consistency are essential in the design and application of policies between all levels of government to ensure that tourism policies are effective. This understanding has led to an increased emphasis on a "whole of government" commitment as outlined in the Riva del Garda Action Statement for Enhancing Competitiveness and Sustainability in Tourism. *It has been shown that the development of a tourism strategy can play a key role in engaging government, industry, destination communities and other stakeholders to identify a vision and direction for tourism development and in setting priorities for implementing a long-term and sustainable vision for the tourism sector. Tourism strategies are increasingly emphasising public-private sector co-operation. This chapter offers a range of pointers to those areas in which public policy interventions can be most effective.*

Introduction

During the High Level Meeting of the OECD Tourism Committee held at Riva del Garda, Italy in October 2008, extensive discussion took place on the role of governments in addressing the challenges faced by the tourism sector in the face of globalisation. The increasing openness of international markets brings both opportunities and dangers to the tourism sector, which most countries acknowledge has an important role to play in social and economic development.

The most important messages emerging from this discussion, in addition to the need to develop the long-term tourism strategies mentioned above, were that:

- tourism is of great significance in the economies of OECD member countries, as it is in those of many non-member economies;
- OECD countries are seeing a slow-down in the rate of growth in tourism to the potential detriment of national economic growth and especially of the growth in employment opportunities;
- remedial action is required to reinforce the tourism sector's strength;
- in order to achieve this, governments must take the lead in setting a suitable policy environment; and
- for policy initiatives to be effective, countries must ensure that initiatives are designed and implemented on the basis of a "whole of government" approach, given that tourism is a cross-cutting sector with implications for many different areas of government policy.

At the conclusion of the Riva del Garda meeting an Action Statement was approved for release by delegates (Annex 2.A1).

Key challenges facing tourism

At the time this report was written, there were several atypical influences (*e.g.* global economic crisis, influenza H1N1), affecting global tourism (see Chapter 1). The global economic crisis has resulted in a fall in international travel during the early months of 2009. The underlying short-term trends in international tourism are therefore atypically weak. On the other hand, there is a consensus that longer-term demand prospects for international travel remain positive, with the long-term average annual rate of growth expected to be of the order of 4%. It should also be acknowledged that historical experience suggests that international travel demand is relatively resilient to external negative influences. Despite short-term crises, international travel has shown itself capable of relatively rapid recovery.

The tourism industry under current conditions is confronted with a number of key challenges that will influence its longer-term development and success, and that also set the agenda for public policy action. These include:

- globalisation and changing markets;

- economy-wide impact of tourism;
- climate change and sustainability;
- the knowledge economy;
- human resources; and
- productivity and competitiveness.

Globalisation and changing markets

The concept of globalisation relates both to the process by which economic markets, technologies and communications become progressively more international over time, and also to a wide variety of social and other issues. For example, the deeper liberalisation of international trade regimes and the reduction in the barriers to all forms of international exchange permitted the very rapid spread of the current global crisis among the world's financial institutions, triggering the worst global recession for 60 years. These same freedoms also facilitate the rapid spread of threats to global health, such as SARS and H1N1 flu, promote the empowerment of the consumer via access to global knowledge through the Internet, and ensure that changes in international commodity prices through rapidly rising demand from emerging markets now take place almost instantly. Tourism has to operate in this new global economy. It has to confront the challenges to competitive advantage that this rapid spread of information and the economic impact of globalisation bring.

Tourism is, of course, both a significant player in the globalisation process (through the rapid expansion of new destinations, new demand, and new markets) and is strongly influenced by globalisation. For tourists, it has brought easier access across borders with reduced barriers to trade and travel from the liberalisation of transport. The impact of strong economic growth in many developing countries, liberal economic policies, dramatic changes in the efficiency and cost of transport, and a growing global middle class (now estimated at more than 2 billion people) with rising living standards, have created a new dynamic in international tourism flows.

Underpinning the growth of tourism has been the growth of international trade and investment that has exceeded world GDP growth throughout most of the past decade. Economic growth in the OECD area in recent years has benefited considerably from the dynamism of large non-member economies, especially in Asia. If the pace of globalisation continues, non-member economies are projected to account for 60% of world real output (in Purchasing Power Parities terms), one-half of nominal world trade (at current market rates) and one-third of nominal cross-border asset and liability holdings by 2025.

Globalisation is the new economic and social reality within which tourism has to operate. The tourism industry by its very nature is both vulnerable to the changing market realities that globalisation brings, but can also be a major beneficiary of globalisation given the right adaptation strategies.

In parallel to these global trends, tourism markets have also been changing and will continue to change. The explosive growth in outbound tourism from new markets, especially China, the Russian Federation and India, is bringing changing patterns of travel flows and demand. These require new marketing and servicing skills and appropriate product development. Simultaneously, in developed countries, changing social values,

lifestyles and demographics are leading to profound social changes which are increasingly reflected in changes in tourism demand.

The effects of these changes can be seen in the growing fragmentation of tourism markets, and in the emergence of new niche markets (*e.g.* retired travellers in developed countries; health tourism in developing countries). In OECD economies, for example, holidays for singles, retired people and money-rich/time-poor short-break travellers are developing into major market segments in addition to the traditional annual family holiday. Other emerging niches include trends for adventure, active and higher involvement experiences, indulgent and luxury travel, a search for unique experiences and demand for authenticity. Customers are increasingly experimental, willing to try new products, foods and attractions, and are unwilling to give a second chance to destinations providing poor products or services.

Globalisation is likely to continue to encourage the growth of business travel with the increasing mobility of business and growth of global enterprises with growing expatriate workforces. Meetings, incentives, convention and exhibition travel will continue to be a high growth segment. Time-poor business travellers will seek to combine business and leisure trips. Tourism policy development needs to be aware of such changes.

Economy-wide impact of tourism

Tourism contributes to activity in virtually every industry across the economy. The process by which the consumer (visitor) comes to the product (the destination), consumes identifiable tourism products and also incurs normal day-to-day living expenses in that destination is unique among traded goods and service markets. The wide ranging nature of the products and services consumed by tourists presents particular issues which are not common to other product markets. In addition, tourism has social effects in areas as diverse as crime, health, congestion, land and other prices, and urban amenities.

Research has shown that tourism creates vital forward and backward linkages with other sectors of the economy (see *Tourism in OECD Countries 2008,* Section 2B). This illustrates the extent to which tourism has a multiplicity of stakeholders and shows that governments have to address both horizontal issues (across agencies responsible for transport, infrastructure, regional development, immigration and customs, education and training and so on) and vertical issues (from the national level through, to the provincial, regional and local levels of government) in the design and execution of tourism-related policies and programmes.

Tourism Satellite Accounts identify many industries as "Tourism Characteristic" or "Tourism Connected". Spending by visitors goes directly to a wide range of enterprises located in the tourism destination which often do not identify themselves with the tourism industry at all, and may have little understanding of the extent to which their sales are generated from tourism demand. Furthermore, the structure of the industry is heavily weighted towards SMEs operating in highly competitive markets. Such firms typically have little capacity for longer-term planning, research or strategic development. They generally produce and sell only one component of the tourism product. The complex web of stakeholders in the tourism industry creates a fragmented structure that governments can find hard to serve through general policy measures.

As a consequence, governments are increasingly recognising that tourism requires a complex set of mutually supporting infrastructure, policy and planning decisions if the

broad-ranging nature of tourism's benefits are to be realised and potential costs managed. While tourism remains an essentially private sector activity, some governments accept that they have a substantial role in addressing market failures which emerge from tourism's fragmented SME-based structure. It also becomes clear that tourism can bring wider economic and social benefits to destinations, and, especially, can help to sustain local and regional communities.

A "whole of government" framework for tourism policy making is therefore to be encouraged in order to extract maximum economic and social benefit from the tourism sector. This has been highlighted by the impact that globalisation has had on tourism demand, transport, information, and vulnerability to external shocks. In turn this has introduced a new imperative for the promotion of dialogue, co-operation and partnerships among the multiplicity of stakeholders, within government, the private sector and local communities.

Climate change and sustainability

Climate change and global warming present a seminal challenge to the world economy and society with huge potential implications for travel and tourism, with or without effective mitigation or adaptation measures by governments. Tourism is estimated to contribute up to 5.3% of global anthropogenic greenhouse gas emissions with transport accounting for about 75% of this. On the positive side, however, the growing awareness of the importance and potential of green jobs – the promotion through government policies of lower-carbon activities and the more efficient use of energy – offers tourism an opportunity to adapt its operating practices and to participate in the expansion of "green collar" jobs which are seen as a major growth opportunity for global employment in the years to come.

Tourism is particularly exposed to the predicted direct effects of climate change such as sea-level rise, changes to ocean currents, accelerated rates of glacial melt and loss of snow cover and permafrost, higher temperatures, changes in precipitation patterns, and the frequency or intensity of extreme weather events. Such effects can lead to a loss of biodiversity, to impacts on the natural and built environment, and on tourism-related infrastructure. Other effects may relate to the health and safety implications of heat stress, the spread of tropical diseases, and the potential loss of key brand icons and images. Particularly vulnerable are coral reefs, ski resorts, and island beach and dive resorts.

The direct impacts of some aspects of climate change can be expected to bring tourism winners and losers. Global warming may make some destinations more attractive to visitors by making what were previously less hospitable climates more attractive. However, the widespread nature of the projected impacts suggests that many destinations could also suffer serious and costly impacts.

Changes in consumer behaviour in response to climate change, the impact of the wider adoption of voluntary or compulsory carbon offset schemes, possible modal shifts in transport use, and demand for environmentally responsible behaviour, also have the potential to present threats or challenges to established tourism destinations and enterprises, with the likelihood of particular implications for longer haul travel. Changes in relative travel and tourism competitiveness as a result of the introduction of new mitigation or adaptation measures in any one destination or economy could lead to rapid shifts in the direction and magnitude of international tourism flows.

Climate change and its implications for tourism imply that the tourism industry has to become even more closely concerned with the broad environmental sustainability of its own actions. The environment that tourists wish to visit plays a key role in determining the viability and attractiveness of tourism destinations. Climate change presents the possibility of a dramatic widening and escalation of environmental threats. This comes at a time of heightened public awareness and demands for stronger measures to protect environments. In the face of these growing pressures tourism remains critical to the economic well-being and often the survival of many local and regional communities, since tourism takes place at the level of the destination which is often synonymous with a local community. Tourism's importance for the economic health of local residents is obvious in such destinations.

The sustainability of a destination depends on the ability of the diverse range of stakeholders, across levels of government, business and local communities, to work together to implement suitable measurement and regulatory instruments for ensuring community- and environment-friendly outcomes.

Increasingly, governments are looking to integrate social, environmental and economic objectives into the planning and development of appropriate tourism and environmental management strategies which address longer-term perspectives. This highlights again the critical importance of a "whole of government" approach to tourism policy, recognising not just wealth and economic growth objectives but also environmental, social and cultural considerations.

The knowledge economy

Globalisation, especially through its effects on information flows and the spread of computer and Internet-led technologies, has helped to usher in the so called "knowledge economy" under which real competitive advantage resides in information, knowledge and human skills. Tourism destinations need to recognise and adapt to these changes. In a knowledge economy, tourism intelligence needs to better organised, co-ordinated, analysed and shared among tourism actors in order to strengthen the efficiency of public actions at all levels. The dissemination of information resources to the tourism industry through the better use of research-based intelligence (on issues such as market trends, for example) is one area where public policy interventions can make a useful contribution.

Internet technologies have empowered consumers providing them with unparalleled access to information about travel and tourism products and the ability to bypass traditional intermediaries, comparison shop and to construct their own product packages. Tourism has been a leading sector adopting information and communications technology to assist visitors; Internet booking and marketing capabilities are advancing well beyond online booking to artificial intelligence.

The Internet has fundamentally changed the international tourism industry and its interactions with consumers. All categories of firms, large and small, from anywhere in the value chain, can now communicate directly with their customers. Also, whereas the consumer used to be outside the value chain, he/she is now at the heart of it. The consumer now has a direct access to the supply-side. Consequently, it is now the consumer who "governs" the tourism value chain. Consumers have a wide range of ways to identify their product choice. They can move from direct to indirect travel distribution channels,

benefit from relative online cost transparency, make informed comparisons and sometimes even name their price for the tourism product they want.

A key challenge now facing public and private actors in tourism is therefore to ensure that the quality of the information provided to the consumer is fully competitive with the consumer's next best option. Actors who position themselves most effectively in the value chain will be those best able to benefit from the flow of information to and from the consumer, thereby enhancing their market position.

Human resources

Labour market issues are of fundamental importance for tourism development. In developed countries, competition for labour from those sectors of the economy showing higher productivity growth, an ability to pay more and offer better career development opportunities is leading to growing labour or skills shortages in tourism. This has increased pressure for access to immigrant labour. Perceptions of poor conditions, career paths and pay rates relative to other industries are likely to continue. An ageing population may present opportunities for re-skilling for industries such as tourism.

The provision of appropriate education and training schemes is a key area for the promotion of innovation and for the achievement of productivity improvements in the tourism industry. In labour markets the tourism industry faces a number of challenges:

- The industry has difficulty in attracting the best employees and in retaining and developing them over the longer term.
- The industry constantly needs new skills to meet changing tourism trends.
- A failure to deal effectively with labour or skills shortages may impede tourism's growth, because low quality can diminish productivity and damage the industry's competitiveness.

Despite the effects of the current economic crisis, the long-term prospects for tourism growth are good and the need to attract, train and retain high quality labour is central to the industry's longer-term growth. Within the education and training system there is a need to upgrade the skills of tourism-sector workers for several reasons; to raise the industry's productivity, to equip tourism-sector workers to respond to the realities of the knowledge economy and to ensure that skills exist in areas such as sustainable tourism practice and in the increasingly important area of green practices within the industry. The introduction of a culture of life-long learning is one area to which attention needs to be paid in order to raise both skill levels within tourism and enhance career development opportunities, thereby making it easier to retain key staff.

Education and skills development is important for all tourism destination countries but in developing countries, education and skills training will present a very large challenge, particularly in those countries experiencing the most rapid tourism growth. Developed countries, facing increased competition from lower wage competitor countries and increasing pressure on service quality standards will also be forced to pursue training and skills development as a means of increasing productivity if they are to maintain competitiveness. In tourism, the predominance of SMEs in tourism service providers presents particular challenges in the context of ensuring that training and skills improvement programmes are available to smaller businesses.

The emergence of new high growth markets involving changes in the cultural characteristics of existing visitor patterns will present particular demands for the development of appropriate language and cultural skills as countries such as China and India take up a growing share of international tourism flows. Attention will also need to be paid to the issue of migrant labour, currently an important source of tourism-sector employees in many destination countries but an issue that also places special demands on the education and training providers.

Productivity and competitiveness

The tourism industries of OECD economies face strong price competition from developing country competitors, especially in the face of the labour-intensive nature of tourism and the typically higher wage costs of OECD member countries. Tourism is also exposed to competition with high growth products and services which take more and more importance in households' discretionary spending: *e.g.* electronic devices, ICT services. In recent years, in OECD economies, many sectors have grown more rapidly than tourism. Tackling productivity is thus becoming increasingly urgent within the tourism industry, notably to moderate price increases in the sector, to allow better labour conditions and to design new attractive products, attract fresh investment and innovate.

Poor labour conditions exacerbate high labour turnover within the industry and weaken its ability to compete in labour markets. In mature tourism destinations, a lack of investment is also leading to an ageing tourism infrastructure. To deal with these issues, both supply- and demand-side policies are required, such as value-based pricing, encouraging entrepreneurship, developing efficient mechanisms for innovation, making better use of IT-based networks and ensuring that service quality remains high by making appropriate use of human resources management practices.

On the other hand, OECD countries may have a number of advantages. For example, OECD members possess a potential knowledge advantage over their developing country competitors from an educated workforce, access to technology, managerial and business skills, stable and experienced political and bureaucratic leadership, well-established banking and financial institutions, marketing skills and experience, and generally effective infrastructure. Also, the growth of large global travel and tourism networks in OECD countries can be influential. These typically benefit from vertical, horizontal and diagonal integration and economies of scale and scope, and are capable of funding very large investments in modern electronic databases and marketing. Such large travel and tourism operators are likely to cater for a growing share of mainstream and mass tourism movements, accommodation and related services.

At the same time, the growth of large operators presents particular threats to SMEs which provide the bulk of tourism industry enterprises and which play an important role in smaller regional destinations. That scope will remain for smaller and niche operators is suggested by the increasing fragmentation of demand referred to above, and the growth in demand for unique and specialised products and services. Solutions for SMEs might include improved networks with other enterprises, government agencies and industry associations and along value chains to increase business efficiency and improve communication.

Essential factors for effective tourism policy development

The economic importance of tourism in many OECD member countries and non-member economies is considerable (see Chapters 1 and 4). Yet many countries find it difficult to focus on the tourism sector. There is a wide variety of ministerial responsibilities for the tourism sector: *e.g.* Economy, Trade, Industry, Regional Development, Culture, Sport, and Transport. Only a few countries have a dedicated Ministry of Tourism. Why should this be?

The primary reasons appear to be historical, in that tourism was relatively late in becoming recognised for its economic and developmental potential and importance, while others sectors such as agriculture and industry have long had dedicated ministerial portfolios to nurture and encourage them. It is also the case that, as pointed out earlier in this chapter, that tourism cuts across many ministerial portfolios, making it difficult to identify one ministerial area of responsibility.

Nonetheless, tourism had made substantial progress in gaining recognition by governments as an economic activity which justifies serious consideration at the level of national policy. Its economic contribution is increasingly recognised as exceeding that of many other important sectors, such as agriculture, which have traditionally commanded much greater political attention from governments at the national, regional and local levels.

Planning tourism for the long-term

As tourism progressively raises its profile in national economic planning, there is a clear need to ensure that attention is paid to its long-term development potential. Such an approach demands comprehensive strategic planning for the industry's future – partly for the reasons given earlier in this chapter, notably the need to maintain market share and competitive advantage by ensuring that the industry achieves productivity growth at least as successfully as other growth sectors. National governments need to take the lead in the industry's strategic planning. This process of developing a long-term strategy requires the adoption of a clear vision for tourism. It should be built on an open discussion with all stakeholders and should bear in mind the need to involve all relevant ministries to achieve a comprehensive cross-government response.

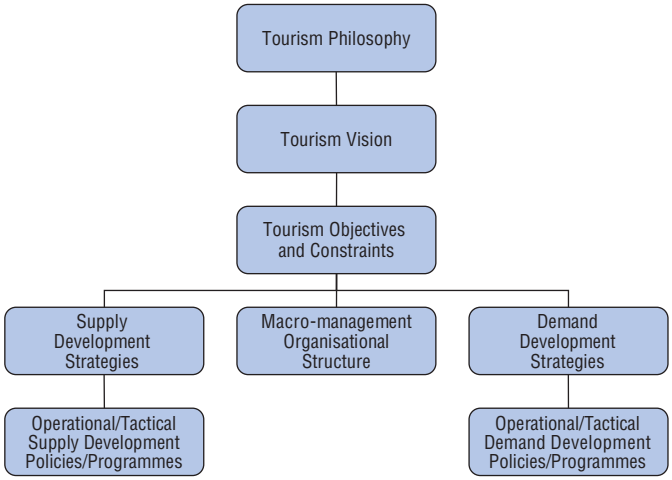
The process of developing a tourism strategy generally involves several steps. These are illustrated in Figure 2.1.

A "whole of government" approach

In a highly fragmented industry like tourism where issues overlap different ministerial responsibilities and levels of government, industry interests are diverse and often uncoordinated. The process of setting out and gaining a degree of consensus on the current situation faced by tourism and tourism destinations, the development of a longer-term vision, and the setting of goals, objectives and measurable outcomes can be highly valuable in bringing key stakeholders together, sharing knowledge, ideas and concerns, and helping to raise awareness generally within and across government and in the wider community.

Traditional tourism industry strategies have tended to focus on the demand side of tourism and the need to market to the visitor in order to draw them to particular destinations. While this remains a valid component in strategic industry planning, an increasing number of strategies have been widened in order to include issues such as

Figure 2.1. **Developing a government strategy for tourism**



Source: Goeldner and Ritchie (2003).

destination management and questions of industry "leadership" and direction. As a result there have emerged new frameworks for policy action leading to policy objectives that include integration and collaboration across different agencies (*i.e.* "whole of government") and different levels of government, as well as partnerships with industry.

Planning strategies for tourism increasingly have to take into account the environmental issues discussed earlier in this chapter, and also demand consultation with industry interests. Thus the planning process involves both many layers of government at national ministerial levels, as well as partnerships with industry and the private sector whose representatives are often best placed to identify those areas where government policy interventions can be of most assistance. Tourism strategies are therefore increasingly reflecting the need for an integrated approach to tourism development across a wide spread of government ministries.

In order for such an approach to succeed, a number of criteria need to be met and some important questions asked. For example, does the strategy have a commitment from all of the relevant agencies and levels of government to its goals and objectives and to the specific programmes and measures proposed? Who is responsible for ensuring the implementation of measures which fall under the purview of non-tourism areas of government? How will the implementation of these measures be ensured and evaluated?

Clearly the most desirable outcome is that the strategies have authority across all relevant government ministries and are co-ordinated across levels of government. In many cases, national, state or provincial tourism strategies have the status of cabinet approved documents. For example, the Slovak government approved the *Tourism Development Strategy of the Slovak Republic until 2013* through a government resolution in 2005. Likewise, the New Zealand *Tourism Strategy 2015* was launched by the Prime Minister thus emphasising its whole of government status. The New Zealand Tourism Strategy includes both targets and annual performance indicators with a process for review by the cabinet.

Collaboration and coherence between levels of government

It is also apparent that in many member countries the process for maintaining consistent and mutually supportive policy frameworks vertically between different levels of government presents particular problems. This is highlighted where central government authority over state or provincial governments is limited or opposing political parties are in power in each. The situation is further complicated by significant differences in the nature of responsibilities and policy focus. A national government may have very little responsibility for land use planning issues which may be critically important at the level of local government. Regional and local tourism bodies may see little relevance for them in high level cross-government policy issues. The importance of this issue is well illustrated in Canada's *Building a National Tourism Strategy* document which is sub-titled "*A Framework for Federal/Provincial/Territorial Collaboration*".

This issue of co-operation and consistency between the levels of government in tourism strategic policy making and implementation of specific programmes and measures would appear to be one of the next significant challenges for governments at all levels in improving the effectiveness of tourism strategies and planning (Box 2.1).

Box 2.1. **Collaboration across levels of government**

"*It is evident that the current way of doing business is no longer feasible to meet the challenges facing the tourism sector or to seize emerging opportunities. A new era of collaboration, involving all tourism stakeholders, is necessary to enable* Canada *to increase its market share and raise its domestic and international profile*." **Building a National Tourism Strategy: A Framework for Federal/Provincial/Territorial Collaboration**, Industry Canada.

"*This goal is about working closely together to manage destinations such as Milford Sound, the Catlins and Stewart Island in a sustainable way, co-ordinating local government involvement in tourism and helping to grow the capacity and sustainability of the industry. It reflects moves by most other regions to establish a multi-stakeholder group to drive and govern tourism development and manage its effects*." **Southland Tourism Strategy 2005-15**, Southland Tourism Strategy Advisory Group, **New Zealand**.

In December 2008, the national tourism organisation of **Denmark** (VisitDenmark) adopted a joint strategy for the development of Danish tourism towards 2015. The strategy was developed in close co-operation with and on behalf of all stakeholders in Danish tourism including public-sector tourism actors on a national, regional and local level as well as the tourism sector, and is supported by the Danish government. Following the strategy, a more clear distribution of roles on a national, regional and local level should take place, as well as a better co-ordination across levels of government.

Industry engagement

The importance of engaging the tourism industry in the strategic planning process is clear. There is a growing commitment in many countries to the concept of the strategy as a partnership between the industry and government. For example, the *New Zealand Tourism Strategy 2010* was framed as a tourism industry/government partnership and overseen and released by a Strategy Group comprising prominent private sector and tourism industry representatives. In May 2008, the Australian government announced the development of a *National Long-Term Tourism Strategy*. This strategy will provide a long-term vision for the

Australian tourism industry and will focus on supply side issues. A Steering Committee with membership drawn from inside and outside the industry has been established to provide input to the development of the Strategy.

Outcomes, evaluation and performance measurement

Best practice tourism strategies have become more sophisticated in setting measurable goals and objectives and in identifying indicators of performance (Box 2.2). Critical to achieving this is an intensive process of involving stakeholders in the development of the indicators and gaining their commitment to agreed performance measures. This involves identifying performance indicators which reflect the capacity of the stakeholders to influence outcomes and which can be adequately measured, as well as setting agreed and achievable time frames for implementation.

Box 2.2. **Setting measurable targets**

"A monitoring framework should be established for systematic monitoring and reporting of progress. This will require the key stakeholder group responsible for implementation of the strategy (the proposed Tourism Advisory Group) to decide or be advised on the key indicators to monitor. It should be noted that growth in tourism over the next decade should not be attributed solely to this strategy, as a range of other factors, such as entrepreneurial activity, will have an effect. It is important to monitor results at the Goal level to answer the questions, 'are we achieving the outcomes we want?'... and 'are we doing the things we said we would?'" **Southland Tourism Strategy 2005-15**, Southland Tourism Strategy Advisory Group, New Zealand, p. 42.

"In addition Tourism Ireland has adopted a Balanced Scorecard approach to organisational performance measurement. A range of Key Performance Indicators (KPIs) have been identified by senior management and adopted by the company's Board as a means of assessing performance. The KPIs were chosen to reflect the activity most likely to contribute to achieving our volume and revenue targets and include measures of human resources capability, financial activity, consumer and trade objectives, and stakeholder satisfaction. The Board of Tourism Ireland will receive regular reports on the organisation's Balanced Scorecard over the lifetime of this Corporate Plan." **Tourism Ireland Corporate Plan 2005-07**, Tourism Ireland, p. 16.

Policy options in support of competitive and sustainable tourism development

The Riva del Garda Action Statement set out in Annex 2.A1 indicates those areas in which governments can take action in order to bolster the resilience of tourism sectors and ensure that tourism continues to realise its full economic and employment-creating potential. This section seeks to highlight those areas in which governments can make the most effective contribution, and to consider also the longer-term strategies for tourism that will be appropriate as the sector continues to expand.

The main areas in which action is required in order to address these challenges include human resources, innovation, SMEs, accessibility of the destination, environment and climate-related issues, marketing and branding, economic development, culture and local development, safety and security, and measurement and evaluation. All such issues help to preserve and increase the industry's competitive position.

Defining competitiveness in tourism

A key policy issue for OECD countries and non-member economies is to understand how they can strengthen the position of their tourism economies: the challenge is to remain competitive within a sustainable development context. In OECD member countries, the relative maturity of tourism industries means that it is necessary to refresh and develop the tourism product in order to maintain a competitive position.

Thus a central objective of government policy interventions in the tourism sector is to maintain and enhance the competitiveness of the tourism industry. But what is meant by competitiveness in this context?

Competitiveness in tourism relates to several different issues, such as the position of the country concerned as a tourism destination *vis-à-vis* its competitors, price and value-for-money issues for the visitor, productivity and profitability within the industry, and the extent to which a given tourism sector is able to innovate and refresh its products and services in order to present high quality to the visitor – quality at least as high as its closest competitors.

Sustainability goes hand in hand with competitiveness because tourism growth needs to balance economic development with social, cultural and environmental goals to ensure a long-term future for the sector. Sustainability is therefore to be considered as an important driver for competitiveness, especially in the context of concerns about climate change and environmental conservation.

The rising importance of green practices also has implications for the sustainability, and therefore for the competitiveness of the tourism sector. The OECD has addressed this issue on a broad front (in *Green Growth: Overcoming the Crisis and Beyond*), an approach that was formally adopted in the Declaration on Green Growth issued in June 2009 by a meeting of the OECD Council at Ministerial level. These sources propose a broad strategy for the promotion of low-carbon growth across both OECD member countries and non-member economies, and declare an intention to promote this policy at the December 2009 Copenhagen Conference of the UN Framework Convention on Climate Change.

The various policy approaches mentioned – removing subsidies on energy, removing trade barriers to environmental goods and services, addressing market failures, reforming policies with environmental objectives and actively promoting green collar jobs – have important implications for tourism, but also offer great potential. Tourism planners need to be aware of these priorities and ensure that the tourism industry both plays its full part in their realisation and also positions itself to derive maximum benefit from policy changes and green initiatives.

Since tourism affects and is influenced by many other sectors across an economy, competitiveness is an all-embracing notion for policy makers at national, regional and local levels. Perhaps most important, improving competitiveness through policy interventions, including those related to the green agenda, requires programmes and resources to be better integrated across tourism and non-tourism policies. Tourism policies on their own may not address the wider obstacles and constraints facing the sector, since improving the sector's competitiveness does not sit within one ministry or policy directorate: it requires cross-cutting policies and co-ordination across the public and private sectors to generate successful policy outcomes for the tourism sector.

Human resources development

Tourism is a labour-intensive activity in which much of the tourist's experience of a given destination depends on interactions with local residents and with those working in the tourism industry. Education and training must focus on developing customer-service skills for front-line staff to deliver high quality tourism services to the visitor. Most OECD members' economies identify increasing difficulties in meeting demand for particular industry skills. Tourism strategies should include long-term planning for the tourism labour market and the provision of education and training programmes to meet skills shortages and to raise the quality and productivity of the industry's workforce.

OECD's regular publication, *Education at a Glance,* has pointed out that the main emphasis in many OECD countries is on maximising tertiary education opportunities for young people. However, such major commitments to funding the expansion of tertiary education are not necessarily improving craft- and skills-based training which dominates the needs of the tourism sector.

Basic craft skills in many countries also need investment and development alongside the focus on higher education. In some countries, such as Switzerland, private hotel school programmes assist in meeting training and management needs, but in many countries the craft level has been overlooked to the detriment of the needs of the tourism labour force.

This highlights a significant weakness in many educational policies which can be diametrically opposed to the tourism industry's need for entry level staff who can be recruited, trained and retained by employers. Internationally, the tourism sector continues to find it hard to recruit and retain staff because of its relatively poor rewards and remuneration levels.

Also, pressure on public budgets for education and training is leading many governments to look at alternative delivery models for the tourism sector to meet skill needs. The shift towards partial or full private sector delivery of training and manpower development is one option now gaining policy acceptance, to align the industry's needs with private sector training. Examples of programmes supporting human resources in tourism are outlined in Box 2.3.

Boosting innovation and the knowledge economy

With increased global competition and the relative decline in tourism growth rates in several OECD countries, innovation is now considered a major driving force for structural change and growth in the tourism industry. As highlighted in the OECD's publication on *Innovation and Growth in Tourism,* to remain competitive with new tourism destinations, traditional (OECD) tourism countries should be at the cutting edge of the development of new products and ideas in tourism.

The key policy message of *Innovation and Growth in Tourism* is that, without a pro-active tourism policy, even the best tourism destinations will lose momentum in terms of competitiveness and growth. Well-targeted tourism policies can promote innovation creation mechanisms (*e.g.* human resources, knowledge, R&D, information technology), the development of new business models, and a dynamic culture of enterprise. Public interventions need to recognise where innovation may occur in tourism services and help to avoid the fragmentation of the industry. This is especially relevant for SMEs.

The OECD report illustrates the need for governments to push the diffusion of best practice in tourism innovation (*e.g.* in the areas of environment, education, ICT), notably in

Box 2.3. **Programmes to support workforce education, training and development in tourism**

Human resources development

Key initiatives which are helping to enhance the status and position of the tourism sector as a career option include the **United Kingdom**'s *People 1st* Programme and **Canada**'s *Tourism Human Resources Council* which emphasise stakeholder engagement as well as industry needs.

There is also recognition that long-term continuity in state policies and investment in tourism training and development are needed to build the capacity of the workforce as a policy intervention. **Ireland** has made a sustained intervention through the funding of its national training body CERT which was merged to create Fáilte Ireland. It remains one of the most comprehensive approaches to education and training, co-ordinating all education and training needs for the industry as well as labour-market planning. For example, Fáilte Ireland expected to train 10 000 staff in the sector in 2007 to improve skills and industry capability to complement the higher level skills at the Institutes of Technology and Universities. Fáilte Ireland has also funded a Human Resource Development Strategy, Management Development Programme and a regionally focused (*i.e.* county-based) capability-building programme for SMEs illustrating the cross-cutting nature of its approach.

Labour and skills shortages in tourism

Several OECD countries are using migration policies to address skills shortages in tourism since, in many OECD countries**,** the financial rewards in the hotel and catering sectors are uncompetitive and jobs cannot be filled with nationals whose wage expectations are high. This leads to reliance on foreign labour.

For example, the **Scottish** government's *Fresh Talent Policy* – a managed migration policy to attract returning Scots and overseas skilled labour – has been very beneficial in addressing skills shortages in tourism and hospitality, notably in larger cities with high labour turnover rates. Here, eastern European labour has been used to fill significant skill gaps.

In **Canada**, the *Temporary Foreign Worker Programme* saw changes to help streamline the time required to employ a foreign worker while also extending the length of time lower-skilled workers could stay in the country. A new scheme has also been launched to help employers facing labour shortages, with high demand occupations such as tourism selected for the faster processing of applications.

micro and small tourism enterprises and the important role to be played by public authorities. The report finds that competition is the main driver of innovation in the tourism sector, and that technological innovation in particular has transformed tourism business models. Examples of programmes supporting innovation in tourism are shown in Box 2.4.

In addition to information and communication technologies, there are many other forms of innovation which are transforming tourism. For example, the trend towards the so-called "experience economy" addresses changing market demands in tourism and opens up the possibility of innovation in product development and service delivery. Co-operative efforts between tourism SMEs are helping to introduce innovative practices by imitation, while in large companies innovation is becoming a routine route towards staying ahead of the competition. The public sector can assist in these processes by means of diffusing best practice (in areas such as good environmental practice, education and ICT for example).

Box 2.4. **Programmes to support innovation in tourism**

The **Nordic region** is actively promoting innovation in tourism and other services to overcome major barriers to tourism (*e.g.* seasonality, peripherality in relation to major tourism markets and small domestic tourism markets). Most policies are a result of national innovation programmes; they are not necessarily targeted at tourism only. In **Norway**, Innovation Norway has funded the ARENA Programme to create regional clusters of tourism. For example, the *Innovative Mountain Project* that has the objective of building mountain tourism into an all-year activity with attractive products by focusing on network development, entrepreneurship, and measures to remove barriers to innovation. By its intervention, the public sector as a lead partner pools expertise and resources and encourage co-operation and collaboration with academic/university/education and private sector partners to enhance innovation and opportunities for business development.

Scotland also has a dedicated tourism innovation programme led by its main economic development agency – Scottish Enterprise – addressing many of these perceived policy weaknesses with specific innovation programmes and objectives to promote product development within the sector. It has secured major achievements in new product development, dovetailing with the private sector which drives elements of the innovation programme in conjunction with VisitScotland. Innovation is explicit as a policy objective in the tourism strategy – *A Tourism Framework for Change to 2015*. Outputs and achievements are regularly evaluated using international measurement tools. Innovation policies are promoted actively due to perceived low levels of innovation in the national economy.

Similarly, **Switzerland**'s Innotour Programme is seen as another example of good practice in the promotion of tourism innovation.

Allied to innovation is the promotion of better knowledge within the tourism industry. Knowledge sharing is the key to achieving more resource-efficient and collaborative approaches to research and development in tourism. Many policies and programmes are fostering improved knowledge sharing and networking.

Several countries (*e.g.* in Scandinavia) recognise the benefits which accrue from knowledge sharing and expertise. Where key partners (public sector, education and private sector) coalesce, there should be multiple benefits for all parties. This is evident in the *Turismo 2020* Spanish Tourism Plan, which brings together the public sector-private sector and education to share knowledge and research.

However, it is not necessarily an absence of knowledge that is the problem. In some cases there is also information overload. The ability to access the information, know what is relevant, how to process and apply it to the business setting is essential. Even where major investments have been made in knowledge sharing the outputs are often not in a format which industry or the public sector can easily assimilate. There is a need for a screening of market intelligence which is relevant for the tourism sector to identify, collect, review, analyse and then create it in a format which can be absorbed by the tourism sector.

Most models of knowledge sharing which exist are repositories of surveys, material or reviews. The key is to make such resources accessible to the industry. This is one reason why Sweden intends to develop a network for tourism research as one component of improving competitiveness. One notable policy example here is the Tourism Intelligence Network in Quebec (Box 2.5).

Box 2.5. **The Quebec Tourism Intelligence Network**

The Tourism Intelligence Network was developed in May 2004 as a partnership between the Quebec tourism industry and Tourism Quebec to support intelligence gathering in collaboration with the Université du Québec à Montréal. The organisation's purpose is to: "*provide the Quebec tourism industry with a holistic knowledge base to improve industry operations and competitiveness, and to help reduce internal competitiveness between organisations by providing a public knowledge base and disseminating it to the complete industry.*" The Tourism Intelligence Network is a structured industry tool for gathering and analysing information. It regularly monitors changes in tourism around the world and produces brief analyses with value-added information of interest to Quebec decision makers working in small- to medium-sized businesses.

Helping SMEs to access global markets

SMEs fulfil a critical role in the visitor experience in most countries, yet they face major challenges in accessing global markets. Tourism SMEs now have greater opportunities to reach international markets, especially through wider use of Information and Communications Technologies (ICT) and lower transport costs. Global Value Chains (GVCs) and networks encourage SMEs to make permanent improvements in know-how, innovation and product quality. Since the consumer is now at the centre of the chain, SMEs can fulfil consumers' expectations directly.

The challenges are also numerous, however. SMEs need to do more in training and skills development. They need to cope with new products and process standards. Policy measures are needed to facilitate this process and to help ensure that SMEs do not miss out in their ability to compete with larger suppliers. Box 2.6 outlines examples of policy initiatives that have sought to assist SMEs with reaching global markets.

Box 2.6. **Programmes to support SME access to global markets**

Greece, with a large tourism economy, has a SME policy with specific measures to strengthen the tourism sector (*i.e.* a product and innovation focus as well as a competitiveness agenda emphasising the benefits of clustering). Greece has notably produced a guide – *Financial Support for Tourism and Commerce in Greece: Making Best Use of European Money* – to assist SMEs which outlines the EU Policies in this area and the structural funds available to SMEs.

Canada has several innovative programmes designed to support SME growth in tourism. In 2008, the Canadian Tourism Commission produced a *Marketing Toolkit* for SMEs which helps tourism businesses to understand what is needed to turn a product into a world-class experience.

In Sweden, NUTEK (Swedish Agency for Economic and Regional Growth) has a distinct tourism dimension to its policies to promote internationalisation as well as seeking to improve the conditions associated with new business start-ups.

Accessibility of the destination

Accessibility for tourists to and from destinations and origins is a key requirement for the continued growth of the sector. For example, the development of airports in China,

with public and private sector investment and partnerships to increase airport capacity, illustrates the inter-linkages between transport and the tourism industry. Examples of policies that support improved accessibility are shown in Box 2.7.

Box 2.7. **Programmes to support improved accessibility of the destination**

In **Scotland**, the former GBP 6 million Air Route Development Fund to support low-cost airline route development was one key factor in assisting with the diversification of inbound markets away from dependence on a declining US market towards growing outbound EU markets. This illustrates how accessibility can be improved through point to point low-cost route development as opposed to a former dependence upon hub and spoke route development which adds to travel time and cost of travel.

Turkey's tourism strategy *Tourism 2023* views improved accessibility as critical to achieving its mobility plans for tourists with a defined series of development zones to achieve its growth to 63 million arrivals by 2023.

The exception to the apparent neglect of transport and tourism policy synergies can be seen in aviation policies which seek to facilitate the expansion of trade in goods and services including the development of tourism. For example, in 2003 the **United Kingdom** announced the largest airport expansion programme since the 1970s. This was aimed at addressing issues of competitiveness so that expansion in other European hubs did not outpace and restrict the UK's competitive position due to expansion in Amsterdam, Paris and Frankfurt. This was further developed in a 2007 review of the policy as well as the opening of Heathrow's Terminal 5 and proposals for a new runway.

In **Canada**, a *Blue Skies Policy* in 2006 on international air transport shifted the country's policy position to an open skies approach; since 2006 **Canada** has negotiated twenty new or expanded agreements, in addition to an open agreement with the European Union applying to its 27 member states.

Addressing environmental and climate change issues

The sustainability of tourism destinations is more than a convenient concept. It is central to the longer-term development of the tourism sector and to the understanding of the motivation of tourists to visit a given destination. Many tourism strategies refer to sustainability in tourism, and outline strategies to ensure that sustainability criteria are respected (Box 2.8). Additionally, it is in this area that a greater commitment on the part of the tourism industry to green principles needs to be included.

Energy consumption, the importance of transport industries to tourism and global concerns about climate change all present tourism policy makers with opportunities to take proactive measures in support of the tourism sector.

The volatility of fuel prices for an industry that has developed historically on the basis of cheap energy raises many policy issues for governments, especially in countries dependent on long-haul markets where energy cost reductions in new aircraft technology are unlikely to mitigate fuel price increases. The International Energy Agency forecasts that 20% of the growth in energy demand to 2030 will be due to increasing demand for transport, a proportion of which will derive from tourists. Tourism remains overly dependent upon oil as an energy source, reinforcing the need for the tourism sector to consider alternative energy sources to maintain its supply, particularly green energy

Box 2.8. **Sustainability**

"Increasing energy costs present a specific challenge for the transport and tourism sectors and are converging with concerns over greenhouse gas emissions, creating a potentially challenging policy environment." **Statement of Strategy 2008-10**, **Ireland** Department of Arts, Sport and Tourism, p. 11.

"New Zealand needs a national environmental management plan to show that it is committed as a country to responding to environmental issues in a clear and co-ordinated way. This needs to encompass government's 'all of New Zealand' approach to climate change which includes the New Zealand emissions trading scheme. In order to make the most of the opportunities offered by the 100% Pure New Zealand brand, the concept needs to be supported by the infrastructure we provide, our agricultural and manufacturing industries, the service industry, and our way of life. Tourism cannot deliver this on its own." **New Zealand Tourism Strategy 2015**, New Zealand Ministry of Tourism, p. 46.

sources such as solar panels and wind power. OECD countries such as New Zealand, Australia and the many non-member economies which are dependent on long-haul origin markets may need to re-think their tourism policies and strategies.

The relationship between climate change and tourism has become one of the key areas of policy debate. While some positive impacts may arise for certain destinations, climate change is arguably one of the greatest threats to tourism (*e.g.* altered seasonality, heat stress for tourists from warmer temperatures, a wider geographical distribution of infectious disease vectors, the threat to small island states from sea level rises and the increasing frequency of extreme weather events and flooding).

Policy attention has been directed at the options available to reduce the negative effects of climate change. The two major options available in relation to tourism are: adaptation (*i.e.* accepting the inevitability of climate change and the identification of steps to restrict its negative effects); and mitigation (*i.e.* measures to curtail the production of greenhouse gases to reduce the speed of climate change). Many OECD countries have reviewed the implications of climate change for the tourism sector. For example, in 2006 the Ministry of Tourism of France produced a study on *Adaptation to Climate Change and the Long-Term Development of Tourism*. The OECD's report *Climate Change in the Alps: Adapting Winter Tourism and Natural Hazards Management* highlighted a number of programmes of adaptation in the Alps to mitigate potential impacts. (See also *Aspects of Tourism: Tourism, Recreation and Climate Change,* ed. C.M. Hall and J.E.S. Ingham, Channel View Publications, 2005.)

The expansion of cheap and efficient transport systems has been at the centre of the rapid growth of international tourism for decades. Aviation is variously estimated as being responsible for 4%-9% of greenhouse gas emissions. These emissions increased by 86% in the period 1990-2004. Data show that transport causes around 75% of the CO_2 emissions generated by tourism (Table 2.1), with aviation responsible for around 40% of these. The International Air Transport Association (IATA) has announced a programme of active reductions in air transport's emissions with three specific targets:

- an increase in carbon efficiency through a 1.5% annual average increase in fuel efficiency to 2020;
- a programme to stabilise emissions with carbon-neutral growth from 2020; and
- an absolute reduction in aviation's carbon emissions of 50% by 2050 compared with actual emissions in 2005.

Table 2.1. **Estimated greenhouse gas emissions from global tourism, 2005**

	CO_2		Contribution to radiative forcing (w/m^2)	
	Million tons	Share in tourism (%)	Excluding cirrus	Including maximum cirrus impact
Air transport	515	40	0.0395	0.0979
Car	420	32	0.0176	0.01973
Other transport	45	3	0.0021	0.0021
Accommodation	274	21	0.0116	0.01116
Other activities	48	4	0.0020	0.0020
Total tourism	**1 302**	**100**	**0.0734**	**0.1318**
Total world	**26 400**	**–**	**1.6**	**1.7**
Share of tourism in total world (%)	4.9	–	4.6	7.8

Source: Excerpt from *Climate Change and Tourism, Responding to Global Challenges* (UNWTO, UNEP, 2008).

StatLink http://dx.doi.org/10.1787/764887304105

More generally, in the case of transport emissions, these depend upon the mode of transport used with long-haul travel the greatest contributor to highly emission-intensive trips. One policy change by the European Union in July 2008 is likely to address emissions but will have considerable cost implications for tourist travel that are likely to affect demand for some tourism destinations (Box 2.9).

Box 2.9. **The impact of new policy measures to combat climate change: The European aviation industry and emissions trading schemes**

In July 2008, the European Parliament voted to phase in aviation emissions into the EU's Emission Trading Scheme (ETS) from 2012. It is estimated that the ETS may cost the sector up to GBP 2.8 billion a year, as airlines will have to pay for the gases they emit via a carbon permits system. Each airline will be given a notional ceiling for emissions and once they exceed that cap, they will have to buy carbon credits. All airlines flying into and out of the EU, including non-European carriers, would be included, and would have to pay for 15% of their emissions permits initially. The cost of the aviation industry entering the ETS is expected to be borne by the consumer. The result is that the price competitiveness of European travel will be affected as airline ticket prices may rise between EUR 5 and EUR 40 by 2020 depending on the length of the flight. This is clearly a piece of green legislation that will directly affect tourism's price competitiveness.

Concerns over transport's contribution to carbon emissions and global warming pose a direct challenge to international tourism. Countries wholly- or substantially-dependent for their tourist arrivals on air transport in particular may have to re-think their market positioning and may be faced with some difficult decisions regarding the achievement of their tourism growth objectives. There is little doubt that the pressure on tourism to address the issue of its carbon emissions profile will increase as the global responses to climate change are developed further. The adoption of greener practices by the tourism industry offers one way in which these threats to the industry's future can be countered.

Focusing on marketing and branding

The tourism strategies of OECD member economies address a wide range of proposals for support for the development of new and emerging market opportunities whether

geographic (*e.g.* China or India) or perceived niche markets. Measures incorporated in the strategies range through marketing support, encouragement of networks, web-based marketing, to infrastructure, education and training initiatives such as language training and service quality advice, and the removal of obstacles to further growth. This includes the necessity to pay attention to domestic tourism, a very important component of tourism that is sometimes overlooked in favour of international markets.

Allied to the development of new national and international tourism markets are the issues of active marketing and destination branding. Most member economy tourism strategies include a substantial focus on destination marketing and the development of a national or regional brand. Indeed, for most countries, the largest single item of public budgetary support for tourism is the marketing budget given to national tourism offices or their equivalents for international marketing purposes. Thus tourism strategies at all levels of government typically focus heavily on marketing issues and have focused on, for example, niche markets specifically.

Tourism strategies typically discuss destination branding and the need to remain competitive against other destinations and industries – especially when discussing the development of a national brand (Box 2.10).

Box 2.10. **Marketing and branding**

"*On a more specific level, the plan is to implement a number of cross-cutting initiatives together with a targeted programme of action within five individual areas. The cross-cutting initiatives are especially intended to ensure a more effective and co-ordinated marketing, and they include a general initiative called 'the Branding Denmark Initiative' (Danmarks Initiativet) aimed at helping boost awareness of Denmark and improving coherence in marketing messages.*" **Action Plan for the Global Marketing of Denmark**, Ministry for Economic and Business Affairs, p. 5.

"*Branding: the Shannon Region in the western seaboard: The Shannon Region is a multi-purpose tourism location, in the centre of Ireland's Atlantic seaboard, situated between major attractions such as Kerry and Connemara… The western seaboard has a distinct brand and identity, capable of appealing to international audiences. Collaboration by tourism interests along the western seaboard helps to create a critical mass, with strengthened access to major markets.*" **Tourism Strategy for the Shannon Region 2008-2013**, Shannon Development, p. 6.

Promoting economic development

The importance of tourism for economic development is widely acknowledged. Because the tourist comes to the supplier, the industry can play a key role in poverty alleviation, bringing jobs for unskilled or semi-skilled workers in hotels, resorts and the cultural sites, as well as encouraging job creation in supply industries. Policies are needed to ensure that the benefits are shared and spread to poor communities, and that measures are taken to minimise the adverse impact of tourism on the environment.

Opening up markets to trade in services and investment could substantially contribute to the development of tourism (see *Tourism in OECD Countries 2008*, Section 2B). Any market opening needs to be properly designed and implemented, however, taking account of the social and environmental impact and incorporating the current emphasis on green jobs and greener business practices, if sustainable tourism and growth are to be achieved.

Governments are seeking to address these issues by establishing a variety of policy responses. Information and data on the impact of reforms is limited, but there is initial evidence that reforms are bringing about significant gains for the tourism industry. More liberal air transport policies, in particular open skies agreements, are enhancing service capacity and bringing fares down, increasing access to destinations. Innovative policies are also helping to enhance physical infrastructure, which often lags behind tourism growth. In particular, partnerships between governments and developers are engaging the private sector in helping to finance infrastructure development and operate the resulting services.

Valorising culture and local attributes

The OECD publication *The Impact of Culture on Tourism* highlights the fact that culture and tourism have a mutually beneficial relationship which can strengthen the attractiveness and competitiveness of places, regions and countries. Tourism provides an important means of valorising culture and creating income which can support and strengthen cultural heritage. Creating a strong relationship between tourism and culture can therefore help places to become more attractive as well as increase their competitiveness as locations to live, to visit, to work and to invest in.

Governments can play a role of supporting cultural heritage and thereby strengthening a destination's tourism appeal. Here a long-term view is particularly important because changing the image of a place or increasing its attractiveness is not something that happens overnight. In most cases, a period of 20 to 25 years is required to realise the full benefits of sustained interventions in the field of culture and tourism. Policies in this sphere that are beneficial for residents will also be attractive to visitors, and *vice versa* (Box 2.11).

Such initiatives are closely linked to local development. Tourism policy represents an instrument for local development. OECD countries have well-developed policies to support tourism at a territorial level. Such policies have been highly beneficial to the development of different types of tourism resources and destinations in coastal areas (*e.g.* Emilia-Romagna, Italy), mountain areas (*e.g.* Valais in Switzerland), urban regions (*e.g.* the Ile-de-France), or in regions with exceptional natural resources (*e.g.* Quebec in Canada and Arizona in the USA) as well in support of rural tourism and tourism in remote rural areas (*e.g.* Greenland) or in areas that have restructured their industrial economies (*e.g.* Nord Pas-de-Calais, France). Sub-national tourism policies and their integration into local plans can also be used to address economic and social inequalities between regions.

Many public organisations are involved in the planning, development, management and marketing of tourism at the local level but few have been specifically designed to work in this field. In addition, co-operation between the various stakeholders is not always satisfactory. Territories often concentrate on competitive development whereas they could develop complementary tourism products. An important challenge is therefore to set up the governance mechanisms to improve tourism's competitiveness and quality at the local level and to ensure the coherence and consistency of policy development and implementation. This will ensure sustainable and balanced tourism development and reinforce the tourism industry's performance and a destination's competitiveness at all levels (Box 2.12).

Box 2.11. **Programmes to support culture and tourism**

Located in western **Austria**, the Vorarlberg Region lies on Lake Constance, with borders to Germany, Switzerland and Liechtenstein. Tourism and leisure are extremely important for the region's economy, accounting for 15% of GDP. The region's cultural tourism strategy aims to position Vorarlberg in international markets and develop a regional brand. Culture plays an important part in differentiating the regional product and in underpinning the regional brand. Targets for 2010 include: *i)* to make Vorarlberg the most attractive cultural tourism destination in the region; *ii)* to ensure that Vorarlberg has the most dynamic and renowned cultural scene in the region; and *iii)* to develop co-operation between the cultural and tourism sectors.

The **Japanese Cultural Tourism Programme** states that: "*to encourage more tourists to come to Japan on both first-time and repeat visits, it is important to provide interesting, easy-to-follow information and experiences to stimulate deep interest in Japanese history and traditional culture.*" In order to achieve this, it is important to link culture and tourism: "*Until now, there have been virtually no systems in place to enable tourists to deeply experience the history and culture of a given location.*" The Japanese Cultural Tourism Commission has therefore held workshops with a view to "*facilitating a deeper understanding on the part of Japanese people of their own history and culture, and at the same time to identify and utilise cultural tourist resources from the perspective of foreign tourists, and to provide a cultural tourism experience for large numbers of tourists that answers to their interests*".

The State of Michoacán in **Mexico** is using its rich cultural and natural heritage, including archaeological sites, Hispanic architecture, cathedrals and villages, as well as local celebrations, festivals and customs to diversify the cultural offer for tourists. The development of tourism in the region has been undertaken as a joint effort between the government and civil society. For example the "Adopt a Work of Art" Programme is run by a local association which has restored numerous sites and monuments. In the three "pueblos mágicos" (Pátzcuaro, Tlalpujahua and Cuitzeo) there have been large investments in renovating the urban fabric and creating new marketplaces. The private sector has also invested in finding new uses for historic buildings as hotels, restaurants and shops.

Box 2.12. **Programmes to support local and regional economic development in tourism**

In the **United Kingdom**, national policy is set by the Department for Culture, Media and Sport which funds the National Tourism Organisation – VisitBritain. But the majority of funding for tourism spending is routed in England through its 9 Regional Development Agencies (RDAs) from funds combined from five government departments. This then leads to each RDA setting its own local and regional objectives for tourism with varying emphases and directions. This is in addition to the estimated GBP 120 million which local authorities spend on tourism, from another central government department and local rates, and subject to local policies prevailing in the area. This highlights an increased need for co-ordination as centralised policy making and implementation by NTOs and other bodies which have been decentralised, with a focus on local economic development.

In 2006 the national tourism organisation of **Denmark**, VisitDenmark, initiated the *All-Year Tourism* Project with the aim of developing strong tourism destinations and attracting more off-season tourists. The project aimed at supporting innovation, co-operation and growth in Danish tourism, nationally and regionally, through working with product development (accommodation facilities, attractions, general tourism offers and experiences and tourism service infrastructure) and branding. Seven destinations throughout the country have been chosen as "all-year destinations". In January 2009 the seven destinations completed their implementation plans for 2009-15. The project will continue throughout 2009-10 with a focus on strategic organisational development, target group oriented product, development and strategic marketing.

Increasing safety and security

The safety and security of travellers is critical for the growth of global tourism (as for the global economy in general). In recent years, many international events have shown that tourism can be a target of terrorism and geopolitical uncertainties worldwide. Security has become a key issue for traveller choice. Ensuring that visitors are able to travel and engage in tourism safely and securely is now recognised as a critical determinant of a destination's competitiveness. To address this issue, governments are developing new policies, for example in the realm of travel documents and entry/exit procedures to help ensure the safety and security of travellers and of host countries (Box 2.13).

Policies on safety and security have become integral to the development of tourism. There is a need for a closer dialogue at international level to harmonise the different approaches and share new practices in this area, for example when measuring the economic impact of safety and security measures on travel and tourism. The key challenge for policy makers is to balance safety and security measures with the freedom to travel.

Box 2.13. **Issues related to safety, security, travel and tourism**

As tourism depends upon the free flow of people across borders to operate in a relatively unconstrained manner, the measures now in place within many destinations that have experienced terrorist attacks or feel that they may be targets have led to difficult policy decisions on how to handle incoming visitors. A variety of *policy positions* exist from highly controlled entry and exit policies such as in the **United States** to more liberal policies where minimal visa restrictions exist such as intra-regional travel across the European Union for EU citizens. Aside from *visa* issues, the heightened security measures now in force at many airports have been strengthened, adding additional time and cost to travel.

New technology, such as the development of smart passports with chip technology, is easing entry and exit procedures at borders. Following the **USA**'s 2006 policy for countries taking part in its Visa Waiver Programme to present machine readable passports with a chip, this technology has been examined more closely to address new security concerns. **Germany** has already implemented contactless passports since 2005.

Where potential crises may occur, there is a growing trend towards *contingency planning and establishing emergency response systems* among tourism organisations to ensure the visitor population is reassured, adequately informed and advised on how the crisis or event is being handled. One notable policy activity here is VisitBritain's *Tourism Industry Emergency Response Group* (TIER) which was developed after the experiences of Foot and Mouth in the **UK** and was used to good effect in the London bombings of 2005 to assist in the recovery strategy. These groups also have a key strategic role to play in being prepared for other eventualities such as a flu pandemic which saw this TIER structure replicated in **Scotland** and used during an outbreak of avian influenza in 2006 as well as briefing the media to create the right image for the destination and message for visitors.

Behind these strategic groups is a commitment to scenario planning, a feature now used in many countries to integrate the thinking of tourism and non-tourism policy makers in an attempt to understand how best to respond to crises and emergencies which may directly be caused by tourism or affect tourists. This is a major step change in policy making, in that action plans and contingency plans are routinely exercised to ensure they are fit for purpose. Many governments have invested resources in building capabilities in this area.

Improving measurement and evaluation

Efficient national tourism organisations and sound market-oriented policies at national, regional and local levels make a significant contribution to the provision and quality of services supplied to tourists. Effective tourism policies fill gaps in the market, for example in the field of promotion, networking of enterprises, innovation, information and analysis, or education and training. They also help to strengthen cohesion between tourism policies and others (*e.g.* transport or environment) and to increase the competitiveness of the sector.

Evaluation is critical to understand whether policies and programmes are appropriate and efficient in achieving their intended objectives. Evaluation involves quantitative and qualitative data. Quantitative tools tend to be used most frequently (often simple arrivals or expenditure based measures), but the impact of tourism on communities and individuals cannot always be reduced to quantitative measures, hence the need also to use qualitative tools to understand how policy interventions may have shaped tourism outcomes.

The measurement and evaluation of policy outcomes in tourism is still in its infancy because measurement tools and performance measures are still under development. While much attention has been focused on the Tourism Satellite Account (TSA), the TSA remains essentially a static accounting method measuring the contribution of tourism to an economy. The TSA is not suitable for measuring the impact that changes in tourism demand will have on key parameters (*e.g.* gross value added, employment) and hence for dealing with many of the policy issues that governments face in regard to tourism, even at the level of economic impacts alone.

Other methodological developments in tourism research such as Computable General Equilibrium (CGE) models, for example Scotland's Moffat Model or the Sustainable Tourism Cooperative Research Centre's Tourism CGE Model in Australia, seek to understand the impact of such changes and how they will affect both tourism itself and the wider economy of the destination. Such models are now widely used in a number of OECD countries although their application in a tourism policy context, in place of more limited tools such as input-output analysis, is in its very early stages of development.

Widely-used techniques for tourism policy analysis include: cost-benefit analysis, input-output based measures and goal assessment as well as public participation and feedback on policies, illustrated by the public consultation process often associated with new policies and strategies.

At global level, the World Economic Forum (WEF) report on travel and tourism competitiveness provides initial research on countries' performance, strengths and weaknesses. This report covers 130 countries and aims to measure the factors and policies that make it attractive to develop the travel and tourism sector in different countries. This approach focuses on:

a) the regulatory framework governing tourism (policy rules and regulations, environmental sustainability, safety and security, health and hygiene, etc.);

b) the business environment and infrastructure (air transport infrastructure, ground transport infrastructure, tourism infrastructure, ICT infrastructure, and price competitiveness, etc.); and

c) human, cultural and natural resources.

The WEF study raises awareness of competitiveness in tourism and provides a new agenda to illustrate the potential contribution that competitiveness studies may make to tourism policy making.

Clearly, a new research agenda is needed to establish greater clarity and a wider range of tools to understand the notion of competitiveness and how it can be applied more effectively to tourism destinations. The analytical capacity of tourism measurement needs to be enhanced (see Chapter 3) to move beyond simple statistical measures of visitors and their impacts. Examples of programmes to support measurement and evaluation in tourism are discussed in Box 2.14.

Box 2.14. **Programmes to support measurement and evaluation in tourism**

At the local level, the **Australian** Tourism Impact Model is one example of a model to help local government understand the impact of tourism on their locality, using cost-benefit analysis. Tourism Research Australia has also developed a tool called the Total Economic Inbound Economic Value of Tourism which is used to estimate effects of changes in tourism demand using TSA based data and relationships.

Researchers at Nottingham University in the **United Kingdom** and the Sustainable Tourism Cooperative Research Centre (STCRC) in **Australia** are working with specially constructed tourism Computable General Equilibrium (CGE) Models which can be used to estimate impacts of changes in tourism demand on the tourism sector and across the economy. These are much more powerful analytical tools which incorporate inter-industry feedback effects and resource constraints in the economy as well as exchange rate and public sector funding responses. As their use becomes more widespread they are likely to add considerably to understanding of the impacts of tourisms on the economy and the effects of policy changes.

The **New Zealand** *Tourism Strategy to 2015* explicitly states a series of simple measurable targets which can be evaluated at the end of the period. The New Zealand Ministry of Tourism also launched a *Tourism Planning Toolkit* which allows local authorities and businesses to evaluate performance measures in tourism as a means of developing appropriate policies for local areas.

Austria has a range of well developed measurement tools for contributing to policy analysis in tourism, notably: a TSA, a Tourism Monitor (T-MONA) to gather travel behaviour and demographic data through a web-based management information system, and a Destination Management Monitor Austria (DMMA) which reviews the international competitiveness of Austria's destinations and holiday regions. It also undertakes benchmarking exercises of the hotel sector using qualitative and quantitative measures.

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ANNEX 2.A1

Riva Del Garda Action Statement for Enhancing Competitiveness and Sustainability in Tourism

Background

At the invitation of the Italian government, the High Level Meeting of the OECD Tourism Committee took place in Riva del Garda on 9-10 October 2008. The meeting brought together high-level government officials from 27 OECD countries and 12 non-members, as well as private sector representatives and international organisations.

The Tourism Committee assists OECD and non-OECD governments to maximise the economic, social and environmental benefits of tourism through medium- and long-term strategic development, soundly-developed tourism policy and greater coherence between tourism and other policies. Since its creation in 1948, the Tourism Committee has been instrumental in identifying and reducing obstacles to travel and tourism in the OECD area, in developing the Tourism Satellite Account and in promoting a culture of evaluation of tourism policies, programmes and instruments.

Tourism represents a very significant share of the services economy. In the OECD area, it accounts for 30% of service exports and up to 11% of GDP and 12% of employment at country level. OECD countries represent about 60% of the global tourism market; however, emerging and developing countries are quickly catching up, registering higher tourism growth rates in recent years. The continuing growth of tourism at global level masks important fluctuations at national, regional and local levels. Tourism, through its horizontal and cross-sectoral characters, has the potential to contribute to the economic and social development of a wide range of territories in developed as well as in developing countries.

Globalisation is strengthening competition and driving structural changes in the tourism industry. The internationalisation of demand (new consumers/tourists), increased competition between firms, places and destinations, rapid developments in information and communication technologies, and improved transport facilities are some important elements which affect the role of governments in tourism policy making.

Further challenges to OECD tourism industries exist in the form of highly volatile energy prices, climate change impacts and the financial crisis with its credit crunch which affects households' budgets.

Against this background, OECD countries must innovate and rejuvenate their tourism supply to attract the new emerging demand and to maintain the competitiveness of their tourism services.

Tourism policy should assist firms and destinations in the development of sustainable tourism, notably by providing a business-friendly environment, attractive public goods and market-oriented programmes. Successful participation of firms and destinations in the global tourism market requires policy programmes and instruments which address a wide range of challenges, such as overcoming the disadvantages of the small size of tourism enterprises by co-operation and participation in global value chains, upgrading the standards and quality of tourism services, improving the attractiveness of the tourism labour market, reducing unnecessary obstacles to tourism development, developing coherent policy measures in support of sustainable tourism, notably for the use of natural and cultural resources, and strengthening institutional governance mechanisms that will allow tourism-related policies to maximise the economic and social potential of tourism.

The High Level OECD Tourism Committee found that governments and international institutions can play a greater role in assisting destinations and the tourism industry in improving their competitiveness in the world tourism market and therefore recommends this **ACTION STATEMENT.**

Recommendations

Governments and other stakeholders can assist destinations and the tourism industry in improving their competitiveness in the world tourism market through policies, practices and targeted programmes including:

1. Policies and an institutional framework that contribute to a business environment conducive to growth

These policies should include stable macroeconomic and well-designed structural policies in areas that impinge on sustainable tourism. These include but are not limited to employment and education, small- and medium-sized enterprises (SMEs) and entrepreneurship, sustainable development, transport and infrastructure, local development, culture and creative industries, trade and investment and safety and security. To take full advantage of the potential of tourism development, a strong public sector management and a multi-actor system of governance should support tourism, notably by:

- establishing a comprehensive policy framework;
- promoting a coherent policy framework through a "whole of government" approach;
- encouraging a culture of co-operation among tourism actors; and
- implementing evaluation and performance assessment of government policies and programmes affecting tourism development.

2. Targeted programmes

Participants considered that in designing targeted programmes, governments in OECD member and non-member economies should consider market failure arguments and subsidiarity when formally evaluating government programmes. Appropriate programmes may include:

Stimulating innovation mechanisms, productivity-based growth and quality by:

- promoting the sharing of innovative practices in terms of organisation, entrepreneurship or process (*e.g.* new distribution channels) development for a better use of existing capacities, higher labour productivity and a rejuvenation of the tourism supply (*e.g.* new products);
- encouraging SMEs to align their offer with the consumer's expectation by promoting high quality standards in comfort and services through tourism accreditations; and
- facilitating co-operation, the creation of networks and building of clusters in the field of tourism to achieve economies of scale and scope.

Improving and promoting the attractiveness of employment in tourism, by:

- influencing improvements in the tourism labour market to create attractive working places;
- increasing the entrepreneurial/management capacity of tourism SMEs through appropriate support and training programmes;
- promoting training and skills development through education and vocational training, on-the-job training and transfer of knowledge from research institutions to practitioners; and
- encouraging partnerships among enterprises to offer better career perspectives.

Enhancing and promoting the uniqueness of the destination, by:

- developing long-term programmes that promote the authenticity of tourism experiences, through the preservation and enhancement of natural and cultural resources and local cultures;
- supporting destinations in the rejuvenation of the tourism offers through appropriate financial, regulatory, technical measures and by a positive business environment to attract investment in tourism; and
- positioning the destination in international markets through new techniques of branding and well-targeted promotional efforts to create attention and attract visitors.

Making tourism development more energy efficient and sustainable, through:

- stimulating investments in energy efficient travel and tourism facilities and services in order to minimise costs and increase profitability of tourism-related enterprises and industries;
- reducing waste and pollution by better management of tourism-related resources such as climate, water, landscapes and biodiversity; and
- mitigating the impacts of greenhouse gases by using technological progress and market driven mechanism in the field of tourism related infrastructure, facilities, operations and processes.

Reducing obstacles to the development of tourism, by:

- pursuing the reforms of air transport services as a way to improve efficiency and reducing costs, while maintaining quality of services and extending regional and international connections;
- supporting, especially in less developed regions, investments in infrastructure (airports, harbours, electricity and water and sewage) and related services (communication, technology) to meet the needs of increasing tourist arrivals; and
- suppressing unnecessary regulatory and administrative impediments to travel and tourism mobility and simplifying and harmonising them.

Building up tourism knowledge, by:

- developing and promoting a system of information and statistical tools (*e.g.* TSA) which cover the wide range of economic, social and environmental tourism-related questions, meet the demand of tourism stakeholders and support business and policy decision making; and
- raising government and other stakeholder awareness of the nature of tourism's contribution to economies and society and by ensuring an effective dissemination of research and information to governments and industry stakeholders, *e.g.* through ICT networks and regular publications.

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Chapter 3

Tourism Satellite Accounts: Data for Business and Policy Development

The Tourism Satellite Account: Recommended Methodological Framework *(TSA) is the main internationally recognised standard to measure tourism in the economy. An increasing number of countries, notably within the OECD area, are implementing the TSA. The benefits of the TSA are wide-ranging: quality benchmark, assessment of tourism contribution in the economy, extensions,* e.g. *indirect impacts, employment, quarterly and regional data. To a large extent, however, TSA data remain underused. Some key issues limit the usage of the TSA, such as the lack of knowledge about the account, the timeliness, the lack of spatial dimension or the insufficient international comparability. This chapter recommends increasing international efforts in the following areas:* i) *implementation of internationally recommended standards;* ii) *involvement of more stakeholders in the production and dissemination of TSA data and extensions;* iii) *adjustment and better communication of TSA products to users; and* iv) *building the capacity of TSA users. The OECD, one of the main developers of the TSA, is fully committed to support these efforts.*

Introduction

The *Tourism Satellite Account: Recommended Methodological Framework* (TSA) is the main internationally recognised standard to measure tourism in the economy. The TSA has been instrumental in changing the way tourism is being perceived. The TSA reconciles the demand (visitor consumption) and the supply sides of tourism (production by tourism-related industries), and provides a consolidated as well as a detailed picture for the complex set of industries related to tourism. An increasing number of countries, particularly within the OECD area, are implementing the TSA in one way or another. However, to a large extent, TSA data are still underused due mainly to a lack of knowledge about these manifold data and their potential uses.

This chapter presents a global insight on the implementation and use of TSA in OECD countries, as well as in a few non-member economies. It analyses the relevance and utility of TSA data, gathers examples of TSA uses, contributes to a wider dissemination of TSA-based economic and social analyses at international, national and regional levels, and promotes a better use of TSA data for business and policy analysis. It aims to promote the development of a "common perspective" on the best ways to use the TSA. The TSA project must be regarded as a process potentially yielding several different products for dissemination. These products have to be adapted to various types of users in the private and public sectors. The OECD, one of the main developers and users of the TSA, is fully committed to support these efforts (Box 3.1).

This chapter is based mainly on the responses of member countries to the OECD questionnaire *Best Practices in TSA Usage in OECD Member Countries* and other relevant documentation (*e.g.* publication, websites).

Box 3.1. **The OECD Tourism Committee and the TSA project**

Since the early 1980s, the OECD Tourism Committee has worked to advance the recognition of the scope, nature and roles that tourism performs in national economies. With the aim of improving the measurement of tourism services in the economy and of proposing an international standard in this area, the Tourism Committee has developed several methodologies: a *Manual on Tourism Economic Accounts* (1991), a pilot for a Tourism Satellite Account for OECD countries (2000) and, in co-operation with several other international agencies, the *Tourism Satellite Account: Recommended Methodological Framework* (TSA). The TSA is now the main internationally recognised standard to measure tourism in the economy. The TSA has been slightly updated in 2008 without changing its general philosophy and patterns.

TSA policy and business users

Potentially the TSA can be used by a wide range of public and private stakeholders: National Tourism Administrations (NTA), National Tourism Organisations (NTO), National

Statistical Offices (NSO), central banks, business and tourism associations, regional and local public authorities, academic and research institutions, international organisations, etc.

Tourism policy users

The TSA can guide policy decision makers in their strategic choices, helping them to understand the size and importance of the tourism sector as a whole, which in turn can help secure resources and funding for new tourism policy initiatives. Indicators from the TSA are more and more used as targets in national tourism policies and long-term strategies. This allows policy makers to closely assess the progress made in the implementation of the national tourism strategy (and to develop a culture of evaluation). In a growing number of countries, the TSA data support tourism policy papers and official statements referring to the economic size of tourism. A main interest appears to be the contribution of tourism to Gross Domestic Product (GDP), tax generated for the government and total employment generated by tourism industry. There is also a growing interest in the use of TSA as a platform for dynamic modelling. Other efforts should also be made to facilitate a better understanding of regional, environmental and sustainability issues. There is definitely a large demand for information on these aspects though it is not evident that it should be met within the boundaries of a TSA project.

> Tourism is of less importance to the Swedish economy than it is in many other countries. The share of GDP for the travel and tourism industry between 1995 and 2004 fluctuated between 2.55% and 2.81%. This shows that the travel and tourism industry's share remains constant in comparison to the overall economy. However, changes in the overall economy have a greater impact on the travel and tourism industry's share than the increases or decreases within the travel and tourism industry itself. The travel and tourism industry's share of GDP was larger in 2004 than, for example, agriculture, forestry and fishing, and almost as large as for electricity, gas, heating and water (Sweden).

> The TSA contributes vital information. The real value of the high-level TSA outputs is in firmly, and officially, establishing the role and contribution of tourism. The flow-through analysis in a wide range of areas (*e.g.* policy, central and local government planning for tourism, business development) flow from this core understanding. The TSA is vital rather than useful. The real power of the results is most evident when they are mentioned in secondary documents from which a range of decisions are made (*e.g.* government papers, minister speeches, planning documents, analysts' reports, business case reports, etc) (New Zealand).

> Indicators from the TSA (*i.e.* inbound tourism demand, domestic leisure tourism demand, total tourism demand in Finland, total value added as a share of GDP at basic prices, % (including employers' expenses), total output of tourism industries, number of tourism specific companies, imputed employment effects of tourism, and hours worked in tourism industries) are all used as indicators when the targets have been set in the National Tourism Strategy. These indicators are also followed closely in connection with the implementation of the National Tourism Strategy (Finland).

Business users

Businesses and tourism associations are also important potential users of the TSA. They can use the TSA to obtain knowledge on tourism industry developments. Coupled with the credible estimates of tourism economic contribution, the TSA has helped over

time to bolster the industry's sense of self-awareness, identity and importance. However, it is clear that business users still do not utilise the full potential of the TSA: the TSA can definitely bring its users a lot more beyond a global appreciation of tourism. It is claimed (but not yet fully demonstrated) that the TSA could provide the industry with useful guidance for business action in tourism and support business development and investment decisions. This aim could certainly be fulfilled through the detailed data provided by the TSA respectively for the accommodation, catering, travel agencies and transportation sectors, all characteristic industries which are isolated in the TSA.

The TSA supports private sector policy analysis for establishing strategies, addressing the tourism infrastructure and labour market. The TSA is mainly used by business associations for advocacy, media interactions and for speaking on behalf of their sector. In New Zealand, for example, TSA information is used by a large business to help new employees understand the context in which they are working and the scope of tourism in the country. Thus, the TSA underpins and supports much of the sector or regional consideration of tourism.

The TSA could be even more useful for business through its potential extensions that could be implemented by the business itself. In fact, the TSA can be seen as a point of departure from which more detailed data could be derived, for example, the MICE (meetings, incentives, conventions and exhibitions) industry.

Potential benefits for producers and users

Providing a quality benchmark for the development of a system of tourism statistics

The quality statement is essential though it might appear insufficiently publicised to final users. Together with the international comparability argument, quality is another important reason to protect and promote the TSA. This is an important action which could be undertaken by the international community and promoted by many OECD countries. It is clear that, for example, a better protection of the "TSA brand" could contribute to an expansion of its usage.

A preliminary effort should be to define the content of the "TSA brand" to avoid the risk of confusing different "TSA" products. The "TSA brand" should first and foremost appear as a quality label indicating that a set of adequate methods have been implemented to produce the data.

In their response to the questionnaire, many countries answered that they use the TSA as a quality benchmark of the raw data used in the collection process (Austria, Canada, the Czech Republic, Korea, Mexico, New Zealand, Spain, Sweden and Switzerland). The answers provided the following elements:

NSI underline the importance of the TSA to identify a number of data gaps and to force several sources to be confronted in a new way. The TSA exercise is thus leading to a long-term work programme, which ultimately should allow better TSAs to be compiled and improve tourism statistics in general (TSA used as a quality benchmark).

Tourism data are checked against national accounts estimates so there is mutual quality assessment of the estimates (Sweden). When the tourism data are in conflict with *e.g.* national accounts data, the tourism data are adjusted (Denmark). Spain confirms that "the TSA data must be totally coherent with the national accounts figures. On the contrary, it could have a negative effect in the credibility of both national accounts and TSA". Feedback from TSA analysts directly informs the

development processes for key input surveys (*e.g.* international and domestic travel surveys) (New Zealand).

The analysis of the data from different sources prior to the compilation of the TSA provides a better understanding and knowledge of these statistical sources that are useful to improve their quality and reliability (Spain).

Identifying the tourism sector and industry analysis

Traditional tourism statistics, which are based mainly on arrivals, overnight stays and Balance of Payments, do not grasp the whole economic impact of tourism. This information is not sufficient for effective public policies and efficient business operations. The TSA has considerably expanded the tourism information database and provides credible data concerning the scale and significance of tourism in the economy. It has contributed to an increased awareness of the role that tourism is playing, whether directly, indirectly or through induced effects in the economy in terms of generation of value added, employment, personal income, government income, etc.

TSA is an appropriate measurement tool to assess tourism's impact on overall economy. TSA has become a useful tool in order to provide extensive analyses that point out the small but essential role that tourism plays for the economy. TSA has crucially provided robust estimates for tourism, which prior to TSA did not exist in any credible sense (Ireland).

The TSA provides a coherent framework within which to integrate, reconcile, organise and analyse the variety of economic statistics relevant to tourism, both on the supply (*i.e.* industry) side and on the demand (*i.e.* tourist) side. This is important because tourism is not an explicitly identified industry within the statistical system as it cross-cuts several industries. The TSA serves to pull tourism's various components together and, as such, it explicitly defines the tourism industry within the statistical system. The TSA has played an extremely important role in terms of identifying the "tourism sector" through its list of "tourism industries".

The TSA establishes tourism as an industry. In official statistics, industries are defined from the supply side, and since tourism is defined from the demand side it has so far not really been possible to compare tourism to other industries in a reliable manner. The fact that the tourism data is reconciled with other statistical sources increases the reliability and credibility of the results (Denmark).

The TSA also allows to analyse all the aspects of demand for goods and services which might be associated with tourism within the economy and to describe how this supply interacts with other economic activities. The TSA identifies important linkages of tourism to non-tourism commodities and non-tourism industries (including retail stores and car manufacturing industries) that form the basis for new alliances between tourism marketing organisations and "non-traditional partners". It permits a comparison with other industries in terms of output, employment, etc. (Box 3.2).

Assessing the contribution of tourism to the economy

The national accounts are a comprehensive set of economic data which are fully consistent and complete within the boundary of the economic activities they cover. GDP is perhaps the most recognisable and important economic statistic from the core national accounts. Satellite accounts allow an expansion of the national accounts for selected areas

Box 3.2. **Tourism contribution to tourism and non-tourism industries (Canada)**

Travel agency services are the most reliant on tourism insofar as 92.2% of the industry's economic activity comes from tourism. Other industries most affected are air transportation and accommodation. For air transportation, tourism accounted for 78.7% of the industry's GDP. It accounted for 66.4% of the economic activity of the accommodation industry. These shares may appear low; however, the air transportation industry includes freight services while the accommodation industry includes meals and alcohol served to local residents (non-tourists), which reduce the share due to tourism. The food and beverage industry with a 17.3% share of tourism GDP is the least reliant on tourism among the major tourism industries.

Various industries not identified as "tourism industries" produce goods and services that are purchased by tourists (*i.e.* groceries, souvenirs and other retail goods). In 2002, tourists spent USD 10 billion buying such goods and services (more than what was spent on accommodation). This was up 15.6% from 2000. In 2002, these "other industries" accounted for 23.2% of tourism GDP, up from 22.5% in 2000. Tourism generated 120 800 jobs in these industries.

Source: Canadian Tourism Satellite Account, 2002 (2007).

of interest while maintaining the concepts and structures of the core accounts. Satellite accounts present specific details on a particular topic (both in monetary and physical terms) in an account which is separate from, but linked to, the core accounts. Therefore, a TSA highlights tourism within the national accounting framework. The strength of the TSA is that it allows comparison with the other main indicators of the economy.

The key TSA aggregates are obviously those related to the contribution of tourism to the GDP and employment. Also important, from the supply point of view, are the data on the Gross Value Added of the tourism industries and, concerning the demand side variables, the different categories of tourism consumption (Spain).

Tourism in the national economy

One of the key TSA aggregates currently used is obviously the one related to the contribution of tourism to the GDP (Tourism GDP in aggregate and by industry and share of tourism in GDP). Only direct GDP, as opposed to indirect GDP, is measured. Indirect GDP refers to the downstream effects of economic activity. Although these indirect effects are important, they are beyond the scope of the TSA which focuses on the GDP generated by the production of goods or services consumed directly by tourists. Indirect effects, however, can be calculated in economic impact models based on the TSA (Box 3.3).

Domestic tourism

The TSA is seen as an important tool to improve the measurement of domestic tourism in national economies and to weigh it in comparison to *e.g.* inbound tourism (Box 3.4). The TSA fills an important statistical gap as traditional tourism statistics are more oriented towards the measurement of international tourism flows. In OECD countries, domestic tourism often represents more than 50% of the tourism flows, and it might be a strong support for capital formation in the field.

Box 3.3. **Tourism GDP in the national economy (Australia)**

Tourism accounted for USD 37.6 billion of total GDP in 2005-06. This is an increase of 5.5% from 2004-05. In contrast, total GDP grew by 7.7% in current prices. The TSA presents growth rates in current prices terms so these estimates reflect the effects of price change as well as the underlying volume of tourism activity. In the absence of information on the changing volume of tourism activity over time, estimates of the tourism industry's share of GDP are presented. In 2005-06 the tourism industry share of GDP was 3.9% which is the lowest share of GDP recorded. The highest tourism share of GDP in 2000-01 (4.7%) was largely due to price increases in tourism services resulting from the introduction of the GST and the increased number of visitors associated with the conduct of the Olympic Games.

Tourism contributed 10.5% of total exports of goods and services in 2005-06, lower than in 2004-05 when tourism accounted for 11.7% of exports. The fall in share is largely due to strong growth in total exports of 17.2%. Domestic visitors generated 75.8% of tourism industry GDP in 2005-06 while international visitors generated 24.2%.

Source: Tourism Satellite Account, 2005-06 (Australia, 2007).

Box 3.4. **The crucial importance of "domestic tourism" (Ireland)**

A major finding resulting from the project is the crucial importance of "domestic tourism" in the overall tourism marketplace. This arises because the TSA methodological approach puts a clear focus on the importance of "same-day visits". Traditionally, statistical offices concerned with tourism concentrated their efforts on the calculation of "export tourism" for balance of payments purposes and as a result there was relatively less focus on the components of domestic tourism. Most importantly, the collection of data on "same-day visits" was generally ignored. What arises from the research for this project is that the tourism marketplace is more accurately comprised of four elements, namely: Inbound Tourism; Domestic Tourism; Same-Day Visits; and Outbound Tourism.

In order to conform to the TSA, it was necessary to estimate "same-day visits" for the Republic of Ireland. There has been no previous attempt to estimate "same-day visits" for Ireland. This first estimate which is believed to be conservative suggests that this component is a very sizeable element (27.7% of total) of tourism demand and as such it is imperative that data collection methods be developed to monitor this vital component.

Source: First Steps Tourism Satellite Account Project, The Republic of Ireland (2004).

Employment

Understanding and measuring tourism-related employment and human resource issues are key challenges for policy makers and entrepreneurs keen to support the sustainable growth of the tourism industry and to enhance its competitiveness. Current perceptions of the structure, economic/social importance and employment trends of the sector often rely on empirical studies rather than on solid and reliable data. TSA data on employment provide valid, good quality and useful information for socio-economic and tourism policy makers in areas such as labour force and tourism planning, as well as for individual businesses or regions for benchmarking purposes. Examples of uses include: improving productivity and competitiveness through education and training, improving the efficiency of labour markets by reducing skill and occupational mismatches between

supply and demand for labour, reducing the costs of high labour turnover, minimising unemployment, stimulating flexible labour practices, evaluating labour costs and improving job prospects by evaluating labour structures and labour conditions.

The Ministry of Tourism had commissioned a major research project on Tourism Yield "Tourism Sector Performance and Business Benchmark". As part of this project, a detailed analysis was undertaken using TSA figures to assess tourism industry performance and labour productivity (New Zealand).

In the TSA, Table 7 does not meet all the needs of users as far as employment is concerned. It measures only jobs that are directly associated (jobs generated by, or attributable to, tourism) with tourism (Box 3.5). On the other hand, it does not include indirect employment, such as jobs generated in agriculture to support production in the food and beverage services industry. This is why some countries are implementing TSA extensions in this area, for example, as proposed by the OECD in its employment module.

Box 3.5. **Tourism employment in the national economy (Canada)**

Tourism contributed 3.9% of all jobs in Canada in 2002, accounting for 611 100 jobs. This was up marginally (+0.1%) from 2000. Tourism provided the most jobs to the accommodation industry (160 500) with the food and beverage services industry a close second (144 700). About 20% of tourism jobs were in non-tourism industries. Tourism accounted for 120 800 jobs in these industries, mostly in manufacturing, wholesale trade, and local public transportation. Between 2000 and 2002, tourism employment in transportation fell 8.9% to 77 900 jobs as a result of job losses in the airline industry.

Source: Canadian Tourism Satellite Account (2002).

TSA extensions

The country survey shows that the TSA is not limited to the production of the TSA tables. Many countries are implementing what can be called "extensions". These extensions cover different aspects.

Quarterly TSA data

The TSA has been defined on an annual basis. However, a few countries such as Canada and the United States are developing quarterly TSA figures, which are of great analytical utility, due to the strong seasonality of the activity (Box 3.6).

Box 3.6. **Quarterly TSA data (United States)**

Data produced are tourism spending (also called direct tourism output) by types of goods and services as well as indirect tourism-related spending by types of goods and services. Both series are seasonally adjusted and provided at both current and constant prices. Characteristic products are divided into seven sub products, *i.e.* only slightly less details than in the TSA. Tourism-related employment data are also published and divided into equivalent industry groups. The data are available on a preliminary basis three months after the observed quarter.

Source: Bureau of Economic Analysis, US Department of Commerce.

The Quarterly National Tourism Indicators (NTI) are used to monitor supply, demand, employment and GDP for tourism in Canada on a timely basis. The NTI provide seasonally adjusted, current and constant price estimates, both actual levels and percentage changes. A brief analysis of the quarterly results is included as well as occasional articles. This product provides quarterly updates for the Canadian TSA (Canada).

Employment

Extensions on employment offer opportunities for insights into the relationship between labour markets and other economic processes and produce data on elements such as productivity and indirect employment effects, but also detailed information on wages and salaries, number of jobs and hours worked by occupation, income by gender or other variables. Such extensions reinforce the consistency of the total framework and provide possibilities for connections with other extensions of the TSA. It provides a resource for training and planning for tourism and for tourism analysts and employment and training planners. In 2001, the OECD produced an internationally recognised standard *OECD Employment Module* which has been used and implemented by a few OECD countries (Box 3.7).

Box 3.7. **Tourism labour force in the economy (Poland)**

The data concerning the use of labour factor in tourism activities is presented in TSA and in a separate but related to TSA employment module. This module consists of eight tables containing data enabling detailed analysis of the use of labour in tourism characteristic activities (except tourism durable goods manufacturing industries). The average number of people employed in tourism characteristic activities (TCA) is slightly above 847 000, where 272 000 are owners, co-owners and unpaid family members (self-employed persons) and 555 000 are employees. In the aggregate, people employed in characteristic activities accounted for 7% of total labour force in the economy.

Source: Tourism Satellite Account for Poland (2000).

Environment and sustainability

The impacts of tourism on environment have become a major issue in recent years. The use of the TSA in this area seems to be rather promising since environment accounts also based on the principles of the System of National Accounts have been developed in a number of countries.

In Canada, there is an ongoing project to link environmental accounting with the TSA. Linkages could be established for tourism industries starting with the priorities of water, energy use and greenhouse gas emissions. The aim is "to help understand and manage the relationship between the environment and tourism and to help lessen risks to the environment. This will allow the comparison of the environmental impact of tourism with other industries".

Additional work has been carried out in a few countries particularly at the academic level. In 2007, the Cardiff University in Wales published an article demonstrating how selected environmental consequences of tourism consumption relating to carbon

emissions and waste can be quantified using TSA and an environmental module associated with an input-output framework.

Government revenues attributable to tourism

Another example of TSA use also comes from Canada. For the years 2000 to 2007, Canada had estimated government revenues attributable to tourism and has now decided to make it a biennial exercise. Government revenues are broken down into three levels of government (federal, provincial/territorial and municipal). The use of the TSA appears essential since it provides tourism shares by detailed commodities and industries. In fact, the level of disaggregation used by the Canadian TSA is somewhat more detailed than the one the TSA requires.

Spain also conducts work in the same direction; its TSA provides an estimate of the net taxes on products and of other net taxes on production attributable to tourism.

Indirect and induced impacts of tourism

This issue has long been a subject of debate and continues to be an important misunderstanding about what the TSA can provide. The TSA uses a narrow approach of tourism demand (direct impact of tourism only). The 2008 TSA adds precisions to define the concept of direct impact. The question is: what can be defined as the value added created by suppliers directly in contact with visitors? For services, the answer is rather natural since the producers are in direct contact with the visitors. For goods, it is not that straightforward as goods are generally sold to visitors through retailers – it has now been decided to include only the margins of retail trade into the direct impacts. The TSA approach is aligned with national account principles with a view to allow comparisons between the "tourism industry" and other industries.

However, many stakeholders have also underlined the need to calculate indirect and induced impacts of tourism on the economy in order to understand the global reach of tourism. Indirect impacts can be defined as the impacts generated by the intermediate consumption of the producers who are directly in contact with the visitors. Induced impacts can be defined as the impacts generated by the production factors (mainly manpower through its demand for goods and services) implemented by these producers who are in contact with the visitors. There are very few practical examples showing the evaluation of induced effects.

There are a number of "TSA-adapted methodologies" that include indirect effects. Some countries have integrated this dimension in their "TSA" with clear explanations about the method. This may create confusion as these methods can only be considered as extensions of the TSA. Some countries, however, have developed clearly separate TSA extensions, such as economic models using input-output multipliers (*e.g.* Austria) (Box 3.8).

Forecasting

As already mentioned, Austria uses the TSA to make forecasts for the current year and the following year. Several organisations also developed tourism forecasting models based on historical data and patterns, counter-factual analysis and annual TSA data.

The forecasting field of research will certainly gain in popularity in the near future as new TSA data become available. The types of models to be developed include Computable General Equilibrium Models, a few examples of which have already been implemented.

Box 3.8. **Direct and indirect economic impacts (Australia)**

The estimates of tourism gross value added, tourism GDP and tourism employment in the TSA relate to the direct impact of tourism only. A direct impact occurs where there is a direct relationship (physical and economic) between the visitor and producer of a good or service.

Indirect tourism demand is a broader notion that includes the downstream effects of tourism demand. For example, when a visitor buys a meal, indirect tourism demand is generated for the food manufacturer, the transporter, the electricity company, etc. that provide the necessary inputs required to make the meal. To fully measure the indirect effects, changes in incomes which may create further changes in tourism demand should also be taken into account. A full analysis of indirect effects is best done using economic modelling. Tourism Research Australia (formerly Bureau of Tourism Research) has undertaken this work and the latest results are reported in the *Tourism Research Report (Volume 5, No. 2, 2004) Indirect Economic Contribution of Tourism to Australia, 2001-02*.

Source: Tourism Satellite Account, 2005-06 (Australia, 2007).

Regional data

The local dimension is fundamental for the analysis of tourism and the design of national and regional policies. Tourism is unequally localised in the national territory. Tourism requires quality and credible statistics at different territorial levels in order to facilitate public (*e.g.* regional policy making) and private decision making. In the same way that national accounts relate to the national economy, regional accounting is a technique for statistical synthesis that aims to describe the regional economy, both globally and quantitatively. This type of data is also of special interest for entrepreneurs. As a consequence, the construction of the TSA at regional level (*e.g.* in Austria, Canada, Denmark, Finland, Spain) is rapidly becoming a key priority (Boxes 3.9 and 3.10). Regional extension of the TSA adds value to results obtained at national level, especially in countries in which there are marked regional differences with regard to tourism.

Box 3.9. **Regional TSA in Finland**

Tourism can be regarded as a regionally important industry in Finland. In absolute terms, the revenue and employment effects of tourism and registered overnight stays are centred mostly on the same areas as the population and production. In 2002, the region of Uusimaa alone accounted for around 49% of the output of tourism characteristic industries. In relative terms the results are different. Value added generated by tourism can be considered as the best indicator describing the volume and significance of the tourism industry for the economy of the region. This value added can be compared with the gross domestic product of the economy of the whole region. Thus, Uusimaa, Lapland, Kainuu, Åland and Etelä-Savo rose over the average for the whole country (2.3%). The figure includes tourism expenses paid by employers. When evaluating the results, common factors can also be found for the successful regions. International visitors as the share of visitor numbers in the whole region can be regarded as the most important of these. In relative terms the numbers of international visitors staying overnight at accommodation establishments included in the statistics were clearly highest in the regions of Uusimaa, Lapland and Åland.

Source: Regional Tourism Satellite Account in Finland.

Depending on the country, the calculation of regional TSA might be either in the hands of national or regional organisations. The cost of producing regional TSA can be decisive, for example, in Austria "the implementation of TSA for a regional organisation is very expensive in relation to the results able to be used for dissemination".

Nevertheless, establishing a regional TSA is seen as a difficult exercise, even more difficult than at national level.

Box 3.10. **The principle for making the regional TSA (Denmark)**

1. Industrial branches should be consistent with the national account

The selection of TSA industrial sectors should be based on recognised national economic sector accounts. In the case of the Danish National Accounts, the industrial sector is classified into 132 standard sectors. However, they are built from about 800 detailed industrial branches.

2. Tourism industries should be comparable with other industries

Once the tourism industry is identified, it should be able to compare itself with other conventional industries. For example, it should be able to compare labour productivity between the tourism industry and the agricultural industry.

3. Regional data should be balanced between the supply and demand at commodity level

The RTSA will be built based on both regional production account and national make and use tables. The national make and use tables are distributed to regional make and use tables by using the regional production accounts or by using the regional disposable income as the distribution keys. The principle of making the RTSA is to make tourism supply and demand balanced at the commodity level. This is called the "top-down method", as it is based on the national statistical data. As the RTSA is a special account and a large amount of tourism information does not exist in the national accounts, the tourism survey data are therefore used to supplement the national accounts data. This is called the "bottom-up method". The tourism demand estimation should also be consistent with the national accounts.

Source: Documentation on Regional Tourism Satellite Accounts in Denmark (2004).

Limitations on TSA use

It may appear as a paradox that so many countries do produce TSA when responses of OECD countries to the questionnaire evoked many weaknesses of the TSA approach. Actually, the TSA might have been somewhat "oversold" as a "magic word" to answer all questions about tourism. A major issue to be certainly tackled concerns the communication of the results (see below). Many users are lost by the complexity of the tool and just do not know what they could learn from the TSA. The lack of knowledge about the TSA approach has been widely mentioned. A second type of concerns derives from the statistical and analytical limits attributed to the TSA.

Lack of knowledge about the TSA

A very frequent issue is that most of the stakeholders and "normal" users cannot understand the TSA data due to its complexity:

The complexity of the TSA complicates its analysis and relations to other macroeconomic indicators for normal users. One of the main drawbacks in using TSA

data is derived from the lack of expertise of most of the users in the complex area of national accounts (Spain).

Many possible users are a bit mystified by the TSA. The input-output concept is a new one to many tourism users. The benefits were probably not really apparent (Ireland).

The main difficulty lies with users not knowing the strengths and limitations of the results (New Zealand).

The TSA results in their original layout are practically unreadable for most of the stakeholders due to its detailed and complex nature (Poland).

The complexity of the TSA, its terminology, concepts and definitions, sources and methods creates challenges in terms of communicating clear messages to a general audience. A way to overcome this difficulty is to include sections on concepts and definitions, sources and methods in all TSA publications (Canada).

Timeliness

Timeliness is a crucial topic for users. By now, the last year of reference available for the full TSA is slightly different from one country to another. By the fall of 2009, a few countries had TSA for 2008 while others only have 2002 or even earlier figures available. In fact, except in a very few countries, the production of the TSA data can be considered as much too slow in relation to users' needs. Ideally, the main TSA data should be made available for dissemination during the year following the year of reference. There might be a trade-off, however, between the timeliness of the data and the level of details to be provided. For example, for national accounts, preliminary evaluations provide less detailed data than later evaluations founded on more detailed but slower to collect data. A similar approach might be chosen for the TSA, with the identification of a first set of data to be produced earlier. In fact, a few countries such as Austria and Australia are already using these techniques and their experience could be shared with other countries.

Data at micro and business levels

Several countries underline that the main limitation is in terms of the level of detail at which analysis can be undertaken. The TSA, by construction, focuses on aggregates so it is not possible to analyse behaviour at the micro-level (establishments, tourists or destinations). Actually, this opinion is certainly excessive since the TSA recommends a full set of data which goes far beyond the only aggregates; a wider dissemination of the full set of data might help to modify this opinion.

It is hard to use the TSA in a business context. The TSA does not include and/or identify clearly activities such as time share, ecotourism, tourist guides, packages, MICE or cruise ship sectors. TSA results are not distributed by nationality, which is important for marketing organisations. Countries underlined the need to create challenges in terms of TSA usage in a business context.

Other limits pertain to the variables associated with the TSA: "the TSA focuses on monetary aggregates, so that it has limited usefulness for analysis of non-monetary and qualitative phenomena or variables related to tourism." There are, for example, insufficient connections established with marketing, sustainability, investment and employment strategies. There are no statistics divided by gender.

More information should be given to users on the fact that: *a)* the TSA is only one element of the whole system of tourism statistics; and *b)* the TSA should be considered as

an open system to which extensions can be added to better cover issues not addressed directly by the TSA.

Divergences with other economic estimates

Divergences between TSA estimates and other economic estimates of tourism are an urgent concern. It is sometimes just a communication issue when the definitions of data and/or methodology are not explained explicitly enough. This is the case of the "direct economic contribution" of tourism *versus* the "direct + indirect economic contribution". The two measures should not be confused. The TSA measures only the direct effects of tourism, although users and stakeholders often want to know in addition the indirect and induced effects. It is desirable that experts discuss among themselves to agree on a common definition for measuring the "direct + indirect" contribution.

This might also be the case when the national TSA is applied on a regional basis because the regional estimates do not always agree with those of provincial/territorial tourism ministries/agencies. These sub-national data are not always coherent with those produced at national level. Given the number of stakeholders involved, the need for coordination in such a project must not be underestimated.

Several countries also mentioned the confusion between the results compiled according to the TSA and those compiled in a "simulated TSA". One country also mentioned that the TSA estimated employment contribution was considerably lower than estimates used by the tourism industry; which might be the consequence of taking into account the indirect component of employment.

Lack of spatial dimension

Tourism has a strong spatial dimension. For many users the lack of regional tables is probably the biggest drawback. Nevertheless, regional TSA is being developed in a number of countries. A few points can be mentioned in this context:

- The appropriate spatial level to elaborate a TSA cannot be stated universally without studying the territory of reference. A tourism destination cannot always be defined by administrative boundaries.
- The production of TSA requires a strong statistical background which might not always exist at the regional/local level. Partnerships with the National Statistical Office should be promoted.
- The model of organisation to develop a regional TSA varies from one country to another. For example, in Canada, Statistics Canada produces TSA for all the provinces, while in Spain, Andalucía produces TSA mainly of its own.

International comparability

International comparability (alignment with the TSA methodology) is an important issue to consider from a tourism policy development perspective. The TSA has been built in order to make international comparability possible. The responses to the OECD questionnaire show that this goal still has to be strengthened. At international level, discrepancies have been underlined when TSAs of different producers ("competitors") are not similarly in line with the TSA. Among the main divergences are the definition of "usual environment", the taking account of "same-day visitors", the ways to calculate "Tourism GDP", etc. This is definitely another important concern for many users (Box 3.11).

Box 3.11. **International comparability of TSA results (Germany)**

Although there is a big agreement that the TSA Framework is a great progress as for quantifying the economic relevance of tourism on the basis of a uniform international binding accounting system, there is skepticism about the particular factual praxis in empirical compilation of national TSA in different countries according to the international accepted recommended methodological framework and the European implementation manual. There is the belief that the different initial tourism specific data situation in miscellaneous countries will lead to a bigger degree of freedom in quantifying such expenses (*e.g.* estimation of tourism expenses during day trips).

Source: The TSA Project in Germany: Results and Reactions (2004).

A higher degree of international co-operation in the production of the TSA is needed to increase the level of comparability of the TSA from one country to another.

Main difficulties in compiling the TSA

To a large extent, the limitations on TSA use are linked to the difficulties encountered by countries in compiling the TSA. Definitely, the production of a full TSA appears to be a heavy burden for many countries:

- Timeliness: Data sources are not immediately available; results are thus only produced years later.
- Divergence with other economic estimates: TSA estimates are prepared from a wide range of statistical sources. Some are closely related to the appropriate national accounting basis, but others are not completely satisfactory in various respects, including coverage, concepts and timing.
- Reliability of TSA data: The split of package tours into the various tourism products remains an area of weakness in the TSA estimates. Furthermore, there are frequent changes in the definitions used to calculate the TSA. This fact makes it difficult to compare the TSA results over the years and requires further re-work and analyses.
- Long-term development: Some countries also mentioned the lack of resources to maintain and develop TSA in the long-term and to produce good analyses or the difficulties in the organisation of the TSA project. The task of compiling the TSA in itself necessitates very skilled workforce; it is therefore important to avoid constant changes of persons in charge of the project.

Communicating the TSA results

A general movement towards implementation

Many countries in the world are presently implementing the TSA methodology even if on an exploratory basis. A wide variety of cases can be found, however, regarding the production of accounts or the dissemination of TSA data. The TSA tables are used as references but most countries do not strictly present their data according to these tables for their dissemination. Most countries concentrate their efforts on tables which illustrate the balance between demand and supply within the country: Table 1 (inbound tourism expenditures), Table 2 (domestic tourism expenditures), Table 4 (internal tourism consumption), Table 5 (production accounts of tourism industries), and Table 6 (total

domestic supply and internal tourism consumption). Many countries are also working on Table 7 (employment in the tourism industries) but the other tables have been set aside.

The country responses to the OECD questionnaire highlight different stages of development:

- In a few countries, the TSA has been produced on a full basis for a number of years and it has become a tool for tourism policy analysis. These countries are now engaged in developing TSA extensions, notably to measure indirect and regional impacts.
- In a majority of countries, the implementation of the TSA is a work in progress, mainly in the hands of statisticians.
- A few other countries are still in the preliminary stage regarding the opportunity and feasibility to develop a TSA.

Table 3.1. **Tourism GDP in OECD countries and beyond**

	Year	Gross domestic product (GDP) billion USD	Direct tourism GDP billion USD	Share of direct tourism GDP in GDP (%)	Tourism gross value added (GVA) billion USD	Share of tourism GVA in GDP (%)	Total[1] tourism GDP billion USD	Share of total tourism GDP in GDP (%)
Australia	2006-07	873.8	32.5	3.7	..	..	..	..
Austria	2008	412.9	22.3	5.5	..	..	34.7	8.4
Canada	2007	1 269.6	25.4	2.0	..	..	..	..
Czech Republic	2007	174.0	5.0	2.9	..	..	..	..
Denmark	2006	273.9	5.2	1.9	5.2	1.9	10.7	3.9
Finland	2007	215.0	5.0	2.3	5.0	..	..	..
France	2008	2 856.5	105.7	3.7	..	..	..	..
Germany	2000	1 900.2	60.8	3.2	..	..	..	..
Hungary	2006	113.0	6.0	5.3	..	..	..	..
Iceland	2006	16.3	0.8	5.1	..	..	..	..
Ireland	2000	96.6	2.8	2.9				
Italy	2007	2 114.5	101.5	4.8				
Japan	2006	4 362.6	100.3	2.3	..	..	244.3	5.6
Korea	2008	929.1	..	..	16.3 (2004)	2.3 (2004)	61.3	6.6
Mexico	2007	1 022.7	..	..	81.8	8.0	..	..
Netherlands	2007	778.3	19.4	2.5	23.4	3.0	..	..
New Zealand	2007	130.4	6.7	5.1	..	..	12.0	9.2
Norway	2008	451.8	14.3	3.2	..	..	..	..
Poland	2005	303.9	6.3	2.1	..	..	..	..
Slovak Republic	2005	47.9	1.3	2.8	..	..	..	..
Spain	2005	1 130.2	..	..	..	..	120.9	10.7
Sweden	2008	479.0	13.9	2.9	..	..	..	..
Switzerland	2008	500.3	14.5	2.9	..	..	..	..
United Kingdom	2007	2 802.3	..	..	75.7	2.7	..	..
United States	2007	13 741.6	357.3	2.6	..	..	..	..
Chile	2008	169.5	..	..	5.3	3.1	..	..
Estonia	2004	12.0	0.6	4.8	..	..	1.0	8.0
Israel	2008	199.1	4.0	2.0	..	..	..	..

1. Direct and indirect Tourism GDP.
Source: National data, OECD processing.

StatLink http://dx.doi.org/10.1787/765005558465

A majority of OECD countries have the TSA

Most OECD countries are implementing the TSA. The main calculated indicator is the tourism consumption (see Chapter 1) but many countries also calculate aggregates such as the Tourism Gross Value Added (TGVA) and/or the Tourism Gross Domestic Product (TGDP). The TSA recommends limiting indicators to direct effects only. A few countries, however, also calculate the Total Tourism Gross Domestic Product which includes direct and indirect impacts.

Communicating the TSA results

The TSA results are often available only in the national language. They are generally communicated widely in summary form to policy and business decision makers, the general public and media (Box 3.12), however, the full TSA data are rarely available to users. Moreover, the content of the documentation varies a lot from one country to another and there is rather little harmonisation between countries in the presentation of the tables as very few countries use the layout proposed by the TSA. The results are generally downloadable for free on the Internet by the public. Some countries mention that academic and research institutions are the ones that request information most. The responses showed the following elements:

> The importance of good communication networks between the compiling agency and the main stakeholders and data providers should not be underestimated. It is important that the stakeholders understand what the TSA is and the output that the TSA will deliver, and that the education of users more generally is a joint effort. Effective liaison with the suppliers of the main data sources is also crucial, especially when confronting supply and demand estimates (Australia).
>
> It is important that stakeholders know in advance the publication dates of forthcoming releases. It is important to find mechanisms to involve key stakeholders in the process of developing a TSA and, in the case of regional TSAs, to involve regional tourism authorities in the process of developing the estimates. Lastly, it is important to communicate and clearly explain the estimates, and differences between the TSA estimates and source data (especially those differences that arise from the reconciliation of supply-and demand-side data) (Canada).
>
> The TSA might be launched with a conference and a question and answer session, presenting concrete examples of what a TSA is, why it is useful and elaborating on the potential it offers for dynamic modelling (Ireland).
>
> Prior consultation with main users can provide advice regarding the relevant variables to be included in the publications in order to make the interpretation of the results easy for them (Spain).
>
> The biggest mistake is perhaps over-selling the TSA. From a statistical perspective the benefits are obvious, however, from a user's perspective some sort of a dynamic model was expected rather than a static set of tables (Ireland).

Organisation of the TSA Project

The TSA Project is implemented through different processes of organisation. It is generally recommended to establish a multi-stakeholder team which associates at least the national statistical office, the tourism authorities and the central bank. It is however also desirable to associate other users, such as businesses and research institutes. In some

Box 3.12. **TSA dissemination processes**

Countries can combine several forms of TSA dissemination. Three types of dissemination can be identified:

- Dissemination of a full set of TSA tables with technical commentaries. This type maximises the possibility of further TSA work by other parties. A third of respondent countries are using this type of dissemination.
- Dissemination of partial TSA data (*e.g.* visitor consumption and one or two added value aggregates) with technical commentaries and short analyses limited to the TSA data eventually completed with aggregated national accounts data (GDP).
- Dissemination of partial TSA data with analyses taking account of other tourism data. This type can be considered as "user-oriented". It should not be the only way to disseminate TSA data but appears as an important complement to other types of dissemination.

countries, the central bank is not associated in the process. In general, the national statistical office and the tourism authorities work together. But sometimes, the implementation of the TSA is solely in the hands of the national statistical office, eventually with some financial support by the tourism authorities. For the TSA production stage, the participation of other institutions, such as business and research institutions, has also been mentioned in a few countries (*i.e.* Austria).

Policy conclusions

Promoting a modular approach for TSA development

The TSA must be regarded as a comprehensive statistical and policy long-term project, an important aspect of which is modularity. The development and expansion of the TSA should proceed step by step and additional modules can be added to respond to user needs. Modularity also implies that a greater division of labour can be envisioned between the various stakeholders, including the business and academic sectors. A primary condition of work sharing is that the TSA data are made available for all at the most detailed level possible. In this regard, the Canadian experience is illustrative:

> The development and expansion of the TSA in Canada proceeded step by step as additional modules were added to respond to user needs. This modular approach to building the TSA and its extensions in response to user needs has worked very well. It has proven flexible in terms of providing a means to respond rapidly to emerging needs; it has proven manageable insofar as the modules are separated, which prevents the core account from being completely overwhelmed and encumbered by the add-ons (or add-ins). As a result, workloads can be spread out throughout the year, and dissemination of results occurs in smaller digestible packets throughout the year as opposed to one detailed publication, which keeps tourism in the news more often (Canada).

Further enhancing the implementation of internationally recommended standards

For many users, international comparability is a key element for communicating the results of the TSA. A lot of work has been done in OECD countries to develop TSA data (*e.g.* estimates of tourism consumption and value-added aggregates) and to comply with

common methodological concepts. This international dynamic must continue and be amplified. Further efforts using the TSA 2008 update have to be carried out to strengthen international comparability. At international level, it is essential that the close co-ordination among a wide range of inter-governmental organisations continues to be strengthened to help the harmonisation process. Together with the international comparability argument, quality is another important reason to protect and promote the TSA brand. This could be an important action to be undertaken by the international community, including the Tourism Committee (Box 3.13), as emphasised by many OECD countries. This could contribute to the expansion of the TSA usage.

Box 3.13. **Further OECD work on TSA**

As of today, it remains difficult to obtain detailed information on what is being done at country level. One obstacle is the lack of harmonisation in data dissemination: the data are rarely presented in the same way. Along with other international efforts, the OECD will promote a greater harmonisation in the area of TSA data dissemination. This will accompany on-going efforts to further develop the analysis based on TSA documentation and consultations with other stakeholders. The OECD will also continue to examine the TSA data available and to identify good examples of TSA usage, including those from selected non-member economies. The biennial publication on OECD tourism trends and policies will also be used as a regular vehicle to disseminate TSA data.

In co-ordination with other international organisations, the OECD will continue efforts in the long-term on TSA data collection, dissemination and analysis. It will undertake *ad hoc* surveys on selected TSA initiatives and will support a more extensive use of TSA data by policy makers and businesses (*e.g.* through its publication on tourism trends and policies). *Ad hoc* TSA workshops for policy makers and business decision makers are intended to be organised. Lastly, the OECD is committed to work closely with other international organisations to promote and to "protect" the TSA brand.

Involving more stakeholders in the production and dissemination of TSA data and extensions

For many users, the core TSA data are not sufficient for their needs. Countries should exert additional efforts to produce some extensions, if they have the capacity and the means to do so. It is also advised to mobilise new stakeholders as contributors and to develop flexible organisation patterns, to avoid having only one single organisation encompassing all the aspects of the TSA production including its extensions. Such a situation can lead to bottlenecks as skilled workforce in the area is difficult to mobilise. More work sharing between organisations could certainly support further TSA developments (*e.g.* extensions and analyses), with work being achieved also by the business and academic sectors. A pre-condition to work sharing is the full availability of data to potential contributors. It is necessary that the primary TSA producers disseminate their data and meta-data as completely as possible.

Adapting and communicating TSA products to users

The TSA can provide a variety of products elaborated by a variety of producers. The range of TSA products is potentially large from the provision of TSA data with technical

descriptions to tourism economic and social analyses based on TSA data. Other products might be envisioned for different types of users. What is necessary is to create the conditions at national level so that TSA data can be used extensively for all kinds of studies on tourism. Since timeliness is a crucial factor for the business sector, special efforts should be made to implement updating techniques.

As earlier mentioned, it is important that stakeholders know in advance the publication dates of forthcoming releases and find mechanisms to involve key stakeholders in the process of developing a TSA and in the case of regional TSAs, to involve regional tourism authorities in the process of developing the estimates. The TSA might be launched with a conference and a question and answer session, presenting concrete examples to explain its utility and elaborating on its potential for dynamic modelling. Prior consultation with main users can provide inputs regarding relevant variables to be included in the publications.

Building TSA user capacity

Many respondent countries have mentioned that it might be useful to "educate" the TSA users, particularly on national accounting principles. Without neglecting the provision of technical documents, it is necessary to prepare complementary TSA material adapted to the different types of users, depending on how far they are from the TSA production:

- A first category of users produces new data using the TSA data as inputs. These users need detailed information both on the concepts and the evaluation techniques. For this category, besides technical documentation, a direct relationship with the TSA producers can be recommended.
- A second category of users carries out analyses using TSA data. These users do not need to know about all the details of TSA production. For this category, a technical documentation seems adequate.
- A third category is composed of "final" users including policy and business decision makers. For this category a lighter and policy-oriented TSA documentation has to be prepared.

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ANNEX 3.A1

Tourism Satellite Accounts (TSA) by Country

Table 3.A1.1. **TSA information by country**

	Title of the TSA	Production frequency/ most recent available accounts	Compliance with TSA international methodology	Development process and organisation(s) involved
Australia	Australian National Accounts: Tourism Satellite Account	Annual/financial year 2007-08	Compliant with the TSA.	The TSA is prepared by ABS (Australian Bureau of Statistics). Work on the TSA has been funded by the Department of Resources, Energy and Tourism (RET).
Austria	TSA for Austria	Since 1999 annual (except 2006-07)	TSA-Tables 3, 8, 9 and 10 are not available so far.	Discussions on expert level; internal co-ordination with tourism experts and the Austrian Institute for Economic Research (WIFO).
Belgium	Exploratory work being conducted			
Canada	Canadian TSA	Since 1994, Biennial/2002. Partial quarterly estimates/2009	The CTSA closely conforms to the TSA, however, several differences can be found in terminology, classification, coverage and valuation.	The TSA is developed by Statistics Canada. Work has been funded by the Canadian Tourism Commission.
Czech Republic	TSA in the Czech Republic	Since 2003, annual/2007	The TSA is a principal guideline, but in particular cases where there is no clear explanation, a Czech solution was introduced.	The TSA was created by the Statistical Office using own sources except inbound tourism survey which is financed by the Ministry of Regional Development and by the national tourism administration.
Denmark	Documentation on Regional TSA in Denmark	Annual/2006	The Danish TSA is in line with the RMF methodology. Tables 1, 2, 4-7 of the TSA are currently being compiled.	The TSA was developed and is being compiled by VisitDenmark and Statistics Denmark.
Finland	Statistics Finland, Tourism account	Since 1995, annual/2007	Compliant with the TSA.	A steering group was set up composed of representatives from the Ministry of Trade and Industry, the Tourist Board, the Hotel and Restaurant Association and Statistics Finland.
France	Comptes du Tourisme	Since 1983, annual/2007	Not compliant with the TSA.	On-going work to adjust the account to the international standard. Work is being developed by the Ministry of Economy, Industry and Employment and INSEE.
Germany	TSA for Germany			TSA developed by the Institute of Economic Structures Research (GWS mbH) using data from the Federal Statistical Office.
Greece	TSA under development			
Hungary	TSA of Hungary	Since 2004, annual/2006	In full compliance with the TSA from Table 1 to Table 8.	The TSA implementation project was based on an inter-institutional co-operation. The TSA is elaborated by the Hungarian Statistical Office.
Iceland	TSA	Annual/2006 updates to 2007 and 2008		The TSA is being developed by Statistics Iceland.
Ireland	Ireland TSA – First Steps Project	Irregular/2000	First Steps Project was compiled as far as possible in compliance with TSA.	A Tourism Research Advisory Co-ordination Group (TRACG) was established to discuss and develop tourism statistics. TRACG is composed of the Central Statistics Office of Ireland, the Department of Arts, Sport and Tourism and related agencies, university and industry representatives.
Japan	TSA consolidated table	Since 2003, annual/fiscal year 2006-07	Six out of the ten TSA tables have been created.	In 2005, the Ministry of Land, Infrastructure, Transport and Tourism established the Tourism Statistics Development Commission to develop and improve the TSA.

Table 3.A1.1. **TSA information by country** *(cont.)*

	Title of the TSA	Production frequency/ most recent available accounts	Compliance with TSA international methodology	Development process and organisation(s) involved
Korea	Korean TSA (K-TSA)	Irregular/2004	International methodology like the TSA was applied.	The Ministry of Culture, Sports and Tourism and the Korea Culture and Tourism Institute developed the K-TSA. Organisations involved: National Statistical Office, Bank of Korea, Korea Tourism Organisation, Korea Tourism Association, etc.
Luxembourg	TSA under development – Feasibility study under way			
Mexico	Mexico's System of National Accounts	Since 1993, annual/2006	Compliant with the TSA.	Ministry of Tourism, National Institute of Statistics, Central Bank, Ministry of Foreign Affairs, Ministry of Interior and local governments.
Netherlands	Tourism in a macro economic perspective	Since 2001, annual/2006	Compliant with the TSA.	Statistics Netherlands developed the Dutch TSA.
New Zealand	Tourism Satellite Account 2006	Since 1997, annual/financial year 2006-07	Compliant with the TSA.	The TSA is prepared by the National Statistical Office. Funding comes from the Ministry of Tourism.
Norway	Tourism Satellite Account	Since 1996, annual/2006, partial updates to 2007, 2008	Compliant with international methodology.	Statistics Norway developed and publishes the TSA.
Poland	TSA for Poland	Since 2000, annual	Compliant with the TSA.	There was a working team for enhancement of TSA in 2006. Participants were from Department of Tourism, National Bank, Central Statistical Office, Warsaw School of Economics and Institute of Tourism.
Portugal	Portuguese TSA (PTSA)	Since 2000, annual/2007	Tables 1,2,4,5 and 6 are compliant with TSA. The PTSA is compiled according to the Manual of Eurostat on TSAs which is in accordance with the International Recommendations on Tourism Statistics.	The PTSA is compiled at Statistics Portugal and is financed by the tourism agency, Tourism Portugal which is the main domestic user.
Slovak Republic	TSA under development			
Spain	TSA of Spain	Since 2000, annual/2007	The Spanish TSA follows the basic criteria of the TSA. Some specific criteria have been adopted.	For the compilation of the pilot TSA a working group was created to discuss methodological and statistical issues. It was composed of representatives of the National Statistics Office, Central Bank and the National Tourism Authority.
Sweden	TSA for Sweden	Since 1995, annual/2007	Compliant with the TSA.	For the construction of the first TSA in the 1990s, a reference group of people from partner organisations, tourism organisations and administrations were established in order to discuss the different sources of information.
Switzerland	TSA Switzerland	Irregular/2005	Compliant with the TSA.	Compiled by the Statistical Office under the supervision of the State Secretariat for Economic Affairs.
Turkey	TSA under development to be achieved in 2011			
United Kingdom	UK TSA – First Steps Project	Irregular/2000	Compliant with the TSA.	Cardiff Business School commissioned by Department for Culture, Media and Sport.
United States	US travel and TSA	Annual and quarterly data/2008	Compliant with the TSA.	Compiled by Bureau of Economic Analysis, funding by Office of Travel and Tourism Industries.
Chile	Cuenta Satelite de Turismo	Annual/2006	Compliant with the TSA.	Partnership between Instituto Nacional de Estadisticas, Consetur, Sernatur.
China	Jinagsou Provincial TSA	Irregular	Compliant with the TSA.	Provincial partners (Statistical Bureau, Tourism Bureau, University). Guidance by National Tourism Bureau. Financial support by Ministry of Finance.
India	TSA for India	Irregular/2002-03	Broadly compliant with the TSA.	TSA developed by National Council of Applied Economic Research on behalf of the Ministry of Tourism under the overall guidance of a pluralist committee.
Israel	Israel TSA	Irregular/1995	Compliant with the TSA.	Compilation by the national statistical office in close co-operation with the Ministry of Tourism
Romania	TSA under development – Feasibility study			
South Africa	Experimental TSA for South Africa	Released in May 2009/ 2005	Compliant with the TSA.	Inter-institutional steering committee and working group

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Chapter 4

Country Profiles: Tourism Policies and Trends

The evidence presented in the 42 policy and statistical country profiles of this chapter shows clearly that much progress has been made since 2008 by governments in their acceptance of the tourism sector's economic importance. Much remains to be done of course, but the dissemination of information about the practices, successes and results of other countries is clearly having an effect in raising tourism's profile at policy level. Four key concepts of "quality", "competitiveness", "sustainability" and "evaluation" are common themes in the policy priorities of most of the countries covered in this review. In the short run, governments are conscious of the need for effective crisis management in the face of the recent economic downturn – a fact that itself demonstrates that tourism's importance to most national economies is now fully acknowledged. In the longer run, governments can be expected to build on this appreciation and to continue to explore innovative ways of developing their tourism sectors further.

Introduction

The following chapter presents summary details of the tourism sector in 42 countries – 30 of which are OECD members. Twelve non-members are included in this chapter. These are Brazil, Chile, China, Egypt, Estonia, India, Indonesia, Israel, Romania, the Russian Federation, Slovenia and South Africa. Each country section is set out under five main headings:

- Tourism in the economy.
- Tourism organisation.
- Tourism budget.
- Tourism-related policies and programmes.
- Statistical profile.

For further information, a synopsis table in the annex to this chapter indicates the main websites for national tourism administrations, national tourism organisations and other important tourism-related organisations.

This chapter focuses mainly on international tourism (inbound and outbound). It also includes some partial data on domestic tourism based on Tourism Satellite Account sources or on national surveys. The measurement of domestic tourism, in terms of the number of tourist trips taken each year, is not generally provided by most countries on a consistent basis and does not readily lend itself to aggregations and international comparisons.

This publication makes reference to commonly used variables, which are defined according to international standards (Box 4.1).

Box 4.1. **Basic methodological references**

The main methodological references used for the indicators mentioned in this publication are:

- United Nations Department of Economic and Social Affairs (UNDESA) and United Nations World Tourism Organization (UNWTO) (2008), *International Recommendations on Tourism Statistics 2008*.
- EUROSTAT (Statistical Office of the European Communities), Organisation for Economic Co-operation and Development (OECD), United Nations Statistics Division (UNSD) and UNWTO (2001), *Tourism Satellite Accounts: Recommended Methodological Framework* (TSA-RMF 2008).
- International Monetary Fund: Sixth Edition of the IMF's *Balance of Payments and International Investment Position Manual* (last updated December 2008).

This note provides the reader with a methodological summary of the main definitions. For more detailed information please refer to the above-mentioned methodological tools.

International recommendations for tourism statistics 2008

Tourism can be regarded as a social, cultural and economic phenomenon related to the movement of people outside their usual place of residence. Tourism refers to the activity of visitors.

Box 4.1. **Basic methodological references** *(cont.)*

A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed in the country or place visited.

A tourist is a visitor if his/her trip includes an overnight stay; otherwise, a visitor is classified as a *same-day visitor* (or excursionist).

Three basic forms of tourism can be distinguished:

- *Domestic tourism* comprises the activities of a resident visitor within the country of reference.
- *Inbound tourism* comprises the activities of a non-resident visitor within the country of reference.
- *Outbound tourism* comprises the activities of a resident visitor outside the country of reference.

Measuring the flows of visitors: both arrivals and nights are used to assess the flows of visitors. A distinction is made between arrivals at borders and in accommodation and nights spent in accommodation. As far as overnight tourism is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors.

Comment: If same-day visitors are set aside, tourism flows in a particular area can be best measured by the number of nights spent by tourists. This indicator takes into account the duration of the stay. It is thus a more appropriate variable in assessing the level of demand for tourism services and in contributing to the evaluation of tourism expenses.

2008 Tourism Satellite Account: Recommended Methodological Framework (TSA)

The TSA is a conceptual framework aimed at measuring the weight of tourism from a macroeconomic perspective. It focuses on the description and measurement of tourism in its different components (inbound, domestic and outbound). It also highlights the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from tourism industries. With this instrument, it is possible to estimate tourism GDP, to establish the direct contribution of tourism to the economy and to develop further analyses using the links between the Tourism Satellite Account, the System of National Accounts and the Balance of Payments.

Total tourism consumption

The TSA Framework makes a distinction between tourism expenditure and tourism consumption. Tourism expenditure refers to monetary transactions whereas tourism consumption also includes other transactions: services associated with vacation accommodation on own account, tourism social transfers in kind and other imputed consumption. Nevertheless, the latter transactions have to be separately evaluated. Therefore, the data might refer either to consumption or to expenditure depending on the country.

Three forms of consumption are distinguished:

- *Domestic tourism consumption:* the tourism consumption of a resident visitor within the economy of reference.
- *Inbound tourism consumption:* the tourism consumption of a non-resident visitor within the economy of reference.
- *Internal domestic consumption:* the sum of domestic tourism consumption and inbound tourism consumption. This aggregate is compared to the amount of final consumption in the economy. The ratio is not perfectly correct since tourism consumption includes a part of intermediate consumption (a part of tourism consumption by business visitors is an input for businesses).

Tourism GDP: The GDP of an economy is defined as the sum of the gross value added generated by all industries. Tourism GDP corresponds to the part of GDP generated by all industries in response to internal tourism consumption. A further distinction must be made between direct tourism GDP and indirect

Box 4.1. **Basic methodological references** *(cont.)*

tourism GDP. To say it simply, direct tourism GDP is generated by industries directly in contact with visitors while indirect tourism GDP is generated by industries supplying inputs to industries directly in contact with the visitors. The TSA Framework limits its recommendations to the evaluation of direct tourism GDP. The evaluation of indirect tourism GDP would require the use of input-output techniques.

The TSA Framework also mentions other aggregates, particularly the gross value added of tourism industries. This covers tourism industries regardless of whether their output is provided to visitors or not.

2008 IMF: Balance of Payments and International Investment Position Manual

The following four items of the Balance of Payments are used to assess the monetary flows of visitors:

- *International travel receipts* cover goods and services for own use or to give away acquired from an economy by non-residents during travels to that economy. These travellers are considered as visitors or not, depending on their main travel purpose. For instance, border workers are not considered as visitors. Nevertheless, travel receipts can be considered as a "proxy" for tourism inbound expenditures.
- *International travel expenditure* cover goods and services for own use or to give away acquired from other economies by residents during travels to other economies.
- *International passenger transport receipts/International passenger transport expenditure:* passenger services include fares and other expenditure related to the carriage of passengers, taxes levied on passenger services, fares that are a part of package tours, cruise fare, rentals, charters, etc.
  - Passenger services provided within a territory by residents to non-residents and provided/purchased separately from international transport are excluded from passenger transport; these services are included in travel.
  - These data are not always available. For a few countries, the passenger transport item is not isolated from the bulk transport item which includes transport of goods.

Other issues

Full-time equivalent tourism employment: this data takes into account both employees and self-employed workers, it is used as a measure of the volume of labour input depending on each individual's working time. Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.

Data expressed in dollar terms: for some tables, national currency data had to be converted to dollar data. Average current exchange rates were also utilised for the appropriate time periods.

Symbols and abbreviations used

.. Not available or not applicable.

OECD Member Countries

Australia

Tourism in the economy

In 2007-08, tourism generated about AUD 40.6 billion (approximately 3.6% of Australia's total GDP), an increase of 4.4% on the previous year. However, since the Australian economy as a whole grew at a faster rate, tourism's share of GDP fell 0.1% between 2006-07 and 2007-08. In 2007-08, tourism industry employment was estimated to be 497 800 people; approximately 4.7% of total employment.

Domestic tourism represents approximately three quarters of all tourism consumption. Overall domestic overnight tourism expenditure grew by 2.5% in 2008. While the number of domestic overnight stays decreased by 3.9% and the number of domestic visitor nights by 5.8%. In 2008, there were 5.6 million foreign visitor arrivals, a decrease of 1.0% on 2007. International visitors to Australia spent AUD 27 billion, up 9.0% (or by AUD 2.2 billion). Key foreign markets for Australia in 2008 were: New Zealand (1.1 million arrivals, down by 2.2% on 2007), the UK (672 000 arrivals, down 2.5%), Japan (457 000 arrivals, down 20.2%), the US (455 000 arrivals, down 1.1%), and China (357 000 arrivals, down 0.3%).

Tourism organisation

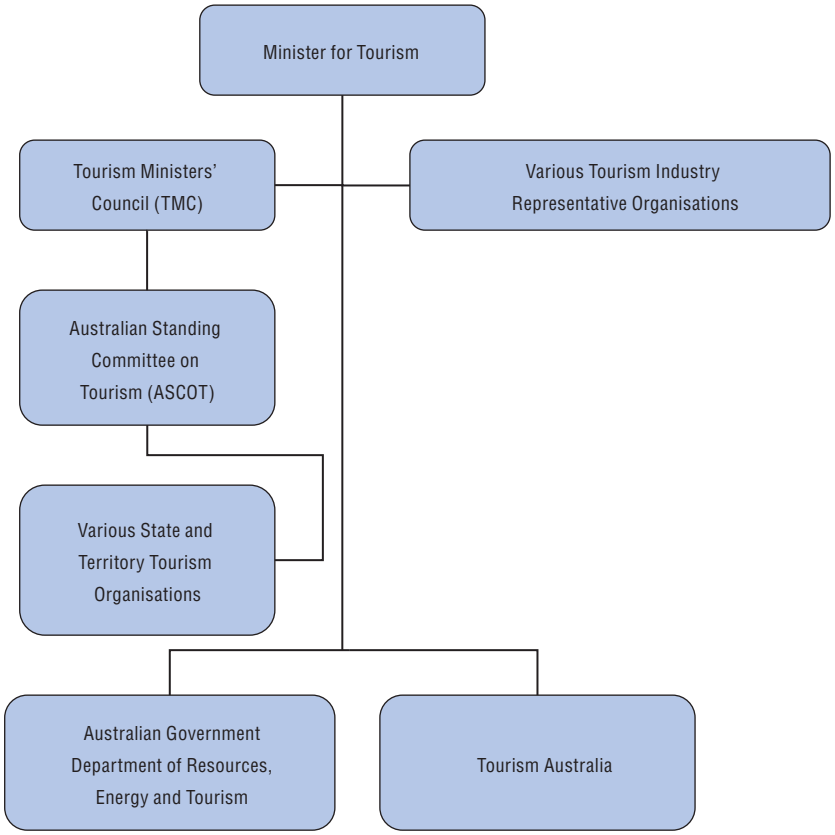
The Australian Government Department of Resources, Energy and Tourism seek to maximise tourism's net economic contribution to the Australian economy, and to foster an industry that promotes the principles of environmental responsibility and sustainable development. It is the primary source of tourism policy advice to the Australian government, covering a wide range of areas including bilateral and multilateral tourism relations, visas and passenger processing, transport and security, taxation, education and training, labour and skills issues affecting the tourism industry, sustainable tourism, indigenous tourism development, industry quality, and tourism industry development. The Australian government is also in the process of developing the National Long-Term Tourism Strategy which aims to maximise the net economic benefit of the tourism industry to the Australian economy.

In 2004, the Australian government brought together four separate tourism entities to form Tourism Australia (TA): the Australian Tourist Commission (international marketing); See Australia (domestic tourism marketing); Bureau of Tourism Research (research and statistics); and the Tourism Forecasting Council (market forecasting) (Figure 4.1). TA is responsible for international tourism marketing and market development, domestic tourism development, events and business tourism development and key research and forecasting functions.

All state and territory governments in Australia incorporate tourism into relevant areas of portfolio responsibility. This includes both international and domestic tourism promotion and tourism industry development.

The Tourism Ministers' Council (TMC) facilitates consultation and policy co-ordination among tourism ministers from the Australian government, each state and territory government and the New Zealand government. Papua New Guinea and Norfolk Island have observer status. The TMC operates in conjunction with the Australian Standing Committee on Tourism (ASCOT), whose main objective is to improve co-operation and co-ordination of government policies and activities as they affect tourism. ASCOT is the forum for senior officials to discuss issues at an operational level. Decisions taken by ASCOT are then passed to the TMC for consideration.

Figure 4.1. **Australia: Organisational chart of tourism bodies**



Source: OECD, adapted from Department of Resources, Energy and Tourism, 2009.

Tourism budget

Tourism Australia (TA) is the Australian government agency responsible for international and domestic tourism marketing, as well as the delivery of research and forecasts for the tourism sector. TA's role is to increase the economic benefits from tourism underpinned by a sustainable tourism industry. In carrying out its functions TA develops, evaluates and regularly monitors its projects and programmes against a set of key performance indicators (KPIs) that are both financial and operational. Strategic KPIs are reported against in the TA corporate plan and annual report.

Apart from TA, the Australian government funds a number of programmes and initiatives. Some examples include:

- From 2004-08, the Australian government allocated AUD 3.5 million to the Australian Tourism Development Programme (ATDP) to increase the diversity of tourism products and services. To date, more than 180 tourism projects have received support across Australia.
- As part of the 2006-07 Budget, the Australian government provided AUD 3.9 million to strengthen Australia's administration of the China Approved Destination Status (ADS) Scheme.
- On 11 June 2008, the Minister for Tourism announced that the Australian government would provide AUD 4 million in funding to assist Tropical North Queensland (TNQ) following a reduction in airline capacity to the region. The Minister indicated that AUD 2 million would be made available for marketing activities and AUD 2 million to strengthen the supply side of the industry.

Tourism-related policies and programmes

Tourism contributes significantly to the economic development and well-being of regional Australia. It provides local communities with a sustainable economic base that is capable of complementing and supplementing the traditional industries of agriculture and mining. Intra-regional co-operation (such as the Australian National Landscapes Programme [Box 4.2]) provides multiple benefits for participating regions by introducing economies of scale and enabling the promotion of an enhanced range of tourism products. However, as regional areas often compete against neighbouring districts for visitor expenditure, co-operative activity may not occur without leadership being provided by government or industry associations.

Box 4.2. **The Australian National Landscapes Programme**

The Australian government's National Landscapes Programme has been developed to identify and promote Australia's exceptional natural and cultural experiences to the international "Experience Seekers" market. The programme provides a framework for regional and cross-jurisdictional collaboration, ensuring that the visitor experience promised by the destination brand is delivered to the target market.

By encouraging greater collaboration between the parties that govern, preserve and promote these regions, the government aims to achieve positive conservation, social and economic outcomes. The programme encourages long-term regional planning, including appropriate infrastructure, commercial opportunities and partnerships, enhancing the role of tourism and protected areas in that economy. The tourism master planning framework forms the basis of the supply side planning for National Landscapes destinations.

Tourism industry segments such as hospitality are currently experiencing relatively tight labour supply conditions, although signs of easing may start to emerge in some areas due to the recent global economic crisis. It is important that tourism industry employers implement recruitment, training and retention strategies to ensure that they have skilled staff to enable them to service their customers and grow their businesses in the long-term.

In May 2008, the Australian government Minister for Tourism announced the development of a National Long-Term Tourism Strategy (Box 4.3) which will strengthen the tourism industry's supply-side capacity, with greater attention being paid to labour and skills. The development of the strategy will be completed in 2009.

Box 4.3. **The Australian Government National Long-Term Tourism Strategy**

The Australian government is developing a National Long-Term Tourism Strategy. The Strategy will provide a long-term vision for the tourism industry and a platform for consistent long-term policy engagement with successive governments. The overarching policy goal is to maximise the net economic benefit of tourism to the Australian economy. The Strategy will focus on addressing supply-side issues such as investment and infrastructure, research, labour and skills, and quality, to boost the industry's resilience and productivity. Stakeholders, including industry, state and regional governments and tourism bodies, were consulted in the development of the Strategy which will be completed in 2009.

Evaluation of the Australian Tourism Development Programme (ATDP)

The ATDP is a highly competitive, merit-based grants programme which assists in the development of tourism throughout Australia by providing funding to industry initiatives that increase Australia's competitiveness as a tourism destination and increase visitation and yield throughout the country. The programme evaluation of the ATDP provides government policy makers with a valuable tool for determining the design of future tourism programmes. The evaluation comprised consultations with local government and tourism-related organisations, surveys of successful funding recipients, interviews with unsuccessful applicants and a desktop review of highly rated, but unsuccessful applications that could not be funded due to budget limitations within the programme.

The ATDP has been redesigned to have an increased focus on innovation and quality and to ensure that funding contributes to strategic outcomes for the tourism industry and supports a broad national perspective. Additionally, the Australian government is leading the development of a National Tourism Accreditation Framework which seeks to bring together several industry/government accreditation programmes under one umbrella.

Response to challenges: Aviation and climate change

Due to Australia's relative geographic isolation and distance from major origin markets, Australia's tourism industry is highly reliant on the provision of efficient and competitive air links. Over 99% of Australia's inbound tourists arrive by air. Domestic travel also depends on efficient and effective aviation networks to deliver tourists and essential services to destinations scattered far and wide across Australia. Aviation has an important role to play in supporting the government's vision for tourism sector growth in Australia. The Australian government is developing a *National Aviation Policy Statement* (White Paper) to establish the strategic direction for the aviation industry over the next 20 years.

The Australian government, in partnership with the Australian tourism industry and state and territory governments, developed the *Tourism and Climate Change: Framework for Action* (the Framework). The Framework was endorsed by the Tourism Ministers' Council (TMC). The objective of the Framework is to provide tourism operators across Australia with information and tools to understand and respond to the challenges of climate change more effectively, while remaining internationally competitive. The Australian government is planning to introduce its Carbon Pollution Reduction Scheme (CPRS) on 1 July 2010. The CPRS White Paper was released on 15 December 2008.

Statistical profile

Table 4.1. **Australia: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	74 301	69 924	73 564	73 380	70 491
Number of nights spent	Thousands	296 877	275 859	285 661	288 603	271 778

Source: Tourism Research Australia, *National Visitor Survey*, 2009.

StatLink http://dx.doi.org/10.1787/765021470132

Table 4.2. **Australia: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	5 215	5 499	5 532	5 644	5 586
Top 5 markets						
New Zealand	Thousands	1 033	1 099	1 076	1 138	1 113
United Kingdom	Thousands	676	709	734	689	672
Japan	Thousands	710	685	650	572	457
United States	Thousands	433	446	456	460	455
China	Thousands	251	285	309	357	357
International travel receipts	Million AUD	20 653	21 579	23 468	24 731	26 950

Sources: Australian Bureau of Statistics (ABS), *Overseas Arrivals and Departures*, 2009 and Tourism Research Australia, *International Visitor Survey*, 2009.

StatLink http://dx.doi.org/10.1787/765048763684

Table 4.3. **Australia: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Short-term resident departures	Thousands	4 369	4 756	4 940	5 462	5 808
International travel expenditure	Million AUD	18 380	20 319	22 692	29 533	33 586

Sources: Australian Bureau of Statistics (ABS), *Overseas Arrivals and Departures*, 2009 and Tourism Research Australia, *National Visitor Survey*, 2009.

StatLink http://dx.doi.org/10.1787/765066730678

Table 4.4. **Australia: Enterprises in tourism**

	Units	2004[1]	2005[1]	2006[1]	2007[1]
Travel agency and tour operator services	Thousands	6	6	6	6
Road transport and motor vehicle hiring	Thousands	93	92	93	93
Air and water transport	Thousands	6	6	6	6
Accommodation	Thousands	15	15	15	15
Cafes and restaurants	Thousands	51	52	53	54
Clubs, pubs, taverns and bars	Thousands	10	10	10	10
Rail transport	Thousands	0.1	0.1	0.1	0.1
Manufacturing	Thousands	110	108	106	106
Retail trade	Thousands	193	195	196	197
Casinos and other gambling services	Thousands	2	2	2	2
Libraries, museums and arts	Thousands	18	18	17	18
Other entertainment services	Thousands	22	22	23	24
Education	Thousands	15	15	15	16
Total characteristic and connected industries	Thousands	539	540	540	546
All other industries	Thousands	30	34	37	40
Total tourism related	Thousands	569	573	578	586
All Industries Australia	Thousands	1 912	1 940	1 965	2 012
Tourism industries share of total	Percentage	29.8	29.5	29.4	29.1

1. Year-ended June.

Source: Australian Bureau of Statistics (ABS), *Business Register* (unpublished data), 2008.

StatLink http://dx.doi.org/10.1787/765115270851

Table 4.5. **Australia: Employment in tourism**

	Units	2004[1]	2005[1]	2006[1]	2007[1]	2008[1]
Travel agency and tour operator services	Thousands	21	22	21	22	23
Road transport and motor vehicle hiring	Thousands	26	24	24	26	27
Air and water transport	Thousands	31	31	33	34	34
Accommodation	Thousands	72	73	73	71	72
Cafes and restaurants	Thousands	48	49	48	51	53
Clubs, pubs, taverns and bars	Thousands	23	24	23	24	23
Rail transport	Thousands	3	3	3	3	3
Manufacturing	Thousands	32	33	32	32	33
Retail trade	Thousands	116	120	121	120	126
Casinos and other gambling services	Thousands	2	2	2	2	2
Libraries, museums and arts	Thousands	8	9	10	10	11
Other entertainment services	Thousands	11	12	13	14	13
Education	Thousands	33	32	34	34	36
Total characteristic and connected industries	Thousands	425	434	438	442	456
All other industries	Thousands	37	38	39	41	42
Total tourism related	Thousands	462	472	478	483	498
All Industries Australia	Thousands	9 528	9 800	10 042	10 305	10 579
Tourism industries share of total	Percentage	4.8	4.8	4.8	4.7	4.7

1. Year-ended June.

Source: Australian Bureau of Statistics (ABS), *National Accounts and Tourism Satellite Account*, 2009.

StatLink http://dx.doi.org/10.1787/765137201015

Table 4.6. **Australia: Tourism in the national economy – Total tourism consumption**

2007-08

	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption
Tourism characteristic products				
Travel agency and tour operator services	Million AUD	2 283	245	2 527
Taxi fares	Million AUD	585	258	843
Long distance passenger transportation	Million AUD	8 224	5 460	13 684
Motor vehicle hire and lease	Million AUD	955	405	1 361
Accommodation services	Million AUD	6 686	3 427	10 113
Takeaway and restaurant meals	Million AUD	11 257	2 053	13 310
Shopping (including gifts and souvenirs)	Million AUD	9 937	2 575	12 512
Total tourism characteristic products	Million AUD	39 926	14 423	54 350
Tourism connected products				
Local area passenger transportation	Million AUD	284	355	640
Repair and maintenance of motor vehicles	Million AUD	398	31	429
Fuel (petrol, diesel)	Million AUD	6 099	386	6 484
Food products	Million AUD	5 609	1 740	7 349
Alcoholic beverages and other beverages	Million AUD	3 698	853	4 551
Motor vehicles, caravans, boats, etc.	Million AUD	969	330	1 299
Recreational, cultural and sports services	Million AUD	2 499	454	2 953
Gambling and betting services	Million AUD	1 007	124	1 131
Education	Million AUD	207	3 223	3 431
Actual and imputed rent on holiday houses	Million AUD	2 455	521	2 976
Total tourism connected products	Million AUD	23 224	8 017	31 241
Other tourism goods and services	Million AUD	1 980	1 153	3 132
Total	Million AUD	65 130	23 593	88 723
Share of total tourism consumption	Percentage	73.4	26.6	100

Source: Australian Bureau of Statistics (ABS), *National Accounts and Tourism Satellite Account*, 2009.

StatLink http://dx.doi.org/10.1787/765141374511

Table 4.7. **Australia: Other economic indicators**

	Units	2004[1]	2005[1]	2006[1]	2007[1]	2008[1]
Total tourism characteristic industries	Million AUD	12 237	12 488	13 225	14 439	15 135
Total tourism connected industries	Million AUD	13 256	13 286	13 682	14 755	15 453
All other industries	Million AUD	3 172	3 005	3 038	3 102	3 145
Total tourism GVA	Million AUD	28 665	28 779	29 944	32 296	33 733
Net taxes on tourism products	Million AUD	5 817	5 855	6 187	6 629	6 907
Tourism GDP	Million AUD	34 483	34 634	36 131	38 925	40 639
All industries GDP	Million AUD	841 351	897 642	967 454	1 045 674	1 132 172
Tourism share of GDP	Percentage	4.1	3.9	3.7	3.7	3.6

1. Year-ended June.

Source: Australian Bureau of Statistics (ABS), *National Accounts and Tourism Satellite Account*, 2009.

StatLink http://dx.doi.org/10.1787/765161585648

Austria

Tourism in the economy

According to the Tourism Satellite Account (TSA), the direct and indirect value-added effects of tourism in 2008 amounted to EUR 23.6 billion (8.4% of GDP). In 2008, 181 000 people (2007: 169 000) were employed in the accommodation and restaurant industry, *i.e.* 5.3% of the total number of employees in Austria, of which around 60% are female (*Source:* Austrian Social Security Institutions).

In 2008, the number of international tourist arrivals was 21.9 million (up 5.6% on 2007), while domestic arrivals totalled 10.7 million (up 3%). Overnight stays amounted to 126.7 million (up 4.3%). Worth mentioning is the average increase of guests from eastern European countries compared to previous years (a rise of 46% in arrivals from the Russian Federation and Ukraine to a total of 323 100, an increase in overnight stays of 38% to 1.3 million). Both the winter season (November 2007 to April 2008) and the summer season (May to October 2008) reached their highest level ever: 15.2 million arrivals (up 7.8%) and 63.3 million overnight stays (up 6.6%) during the winter season and 17.3 million arrivals (up 3.8%) and 62.4 million overnight stays (up 2.4%) during the summer season.

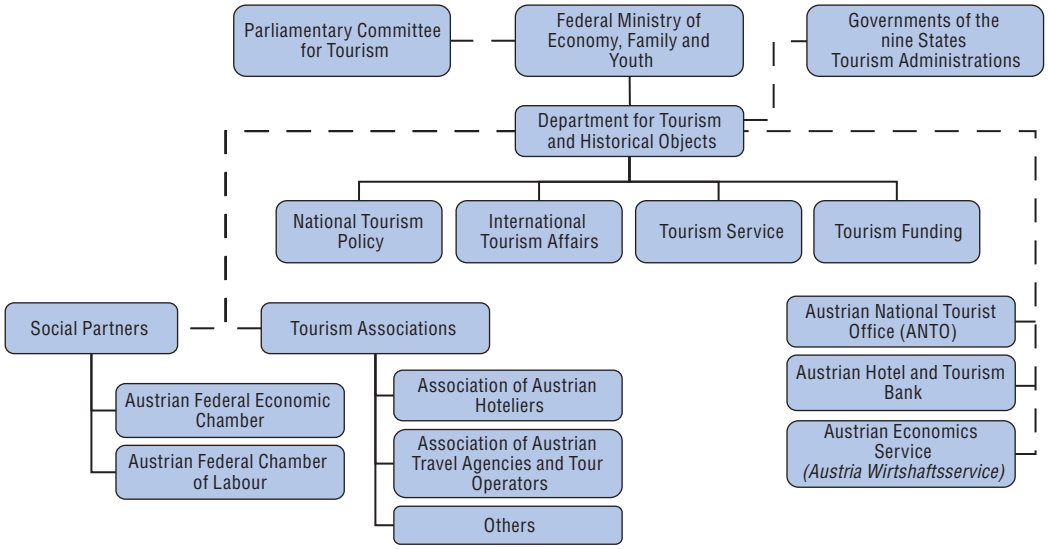
On 31 May 2008, 67 700 accommodation facilities (excluding campsites) and 1.08 million beds (excluding extra beds) were listed in Austria. While the number of accommodation facilities fell by 1.2% compared to 2007, the number of beds in 5 and 4-star categories increased by 4.8% and in the 3-star category by 0.6%.

Tourism organisation

Under the Austrian Constitution, legislative authority in tourism affairs is vested not in the federal government, but in the country's nine states. Nevertheless, as tourism is a typical cross-cutting sector, both federal and European laws impinge on it. In 2006, the Austrian Parliament established the Parliamentary Committee for Tourism. At the national level, tourism policy lies within the purview of the Federal Minister of Economy, Family and Youth ("the Ministry") (Figure 4.2). With the objective of a close and strategic co-ordination in tourism issues, the Ministry has set up a platform of representatives of all nine states and the Ministry in 2007.

The Austrian National Tourist Office (ANTO or Österreich Werbung) is the country's national tourism marketing organisation. It receives basic funding from the Ministry (75%) and the Austrian Federal Economic Chamber (25%). ANTO operates 30 worldwide offices and representations, responsible for tourism marketing in ten regions and 40 markets. The organisation carries out strategic marketing activities based on product knowledge and market trend analysis. Since 2008 a new advertising campaign has been promoting holidays in Austria.

Figure 4.2. **Austria: Organisational chart of tourism bodies**



Source: OECD, adapted from Austrian federal Ministry of Economy, Family and Youth, 2009.

Tourism budget

In 2008, the national tourism administration had a budget of around EUR 59 million, of which EUR 27 million was for the support and loans to SMEs and was administered by the Austrian Bank for Tourism Development, EUR 24 million was contributed to ANTO, and a further EUR 8 million dispensed by the Ministry in the form of individual subsidies, for research and other projects. In addition, a total of EUR 30 million in European Recovery Programme (ERP) funds was available for loans to SMEs in the tourism industry. All nine states also have their own tourism budgets and tourism development programmes.

The funding programmes for SMEs administered by the Austrian Bank for Tourism Development are subject to regular evaluation. The respective indicators are stipulated in the programme guidelines.

Tourism-related policies and programmes

The objectives of the national tourism administration are to boost the quality and competitiveness of the sector and to support sustainable tourism development. A number of key initiatives are described below.

Issues related to industry competitiveness

Public sector's support to stimulate the tourism industry is based on public-private partnerships. The Ministry appointed the Austrian Bank for Tourism Development, a private institution, to handle its funding programmes for tourism SMEs. These programmes include in part EU co-financing measures. The Ministry's objectives for such funding programmes range from encouraging investment, improving the quality and size of tourism enterprises and upgrading the quality of software and training, to enhancing co-operation, optimising enterprises' financial structure, encouraging new business start-ups, and attracting new sources of finance for tourism enterprises (*www.oeht.at*). The current challenge is to implement effective instruments to help the tourism sector overcome the ongoing economic crisis.

In order to promote excellence in the tourism industry, Austria established the National Award for Tourism in 1999, which is awarded every second year by the Ministry to innovative actors in the tourism industry. The Award is dedicated each time to a special theme (*e.g.* 2007: Gardens in Austria). In 2009 it was "Energy Efficiency". In 2008 the National Award for Architecture was dedicated to tourism enterprises.

The Ministry promotes research, networking and innovation in the tourism industry and brings together stakeholders with the aim of deepening or sharing knowledge on selected issues and supporting innovative product development. Examples of such networking initiatives, *e.g.* in the area of cultural tourism, are the foundation of the groups "Imperial Austria – Residences" (*www.imperial-austria.at*) and "Creative Austria" (*www.creativeaustria.at*). Work is ongoing in other areas, *e.g.* national and nature parks or the above mentioned co-ordination platform between the states and the national government.

Furthermore, special activities for selected destinations with the aim to create best practices and spread knowledge among other destinations are aimed at enhancing the international competitiveness of Austria's destinations and holiday regions (*e.g.* the development of model regions). Within this perspective Austria also participates in the EU Initiative EDEN – European Destinations of Excellence – which has been in place since 2007. Under this initiative, which is dedicated each year to a special theme (2009 "Tourism and Protected Areas"), destinations compete in the areas of innovative product development and marketing combined with social, cultural and environmental sustainability.

The Ministry supports a number of initiatives and projects for setting the framework conditions and giving an impetus to facilitating tourism and leisure activities for everyone ("Tourism for All" – in particular barrier-free tourism). Among these initiatives are special subsidies for hotels or similar establishments, financial contributions to the online platform on barrier-free travel, the publication of brochures, the organisation of information events and the award "Friend of Fairness".

Sustainable tourism and the challenges of climate change

For the past several years, sustainable tourism and responding to the challenges of climate change have been priorities in the Ministry's tourism policy, with the overall aim of fostering quality tourism and addressing seasonality.

In order to inform actors in the tourism industry about the implications of climate change and possible response strategies, the Ministry supports awareness raising and information measures in co-operation with other important stakeholders (*e.g.* a publication on best practices, contact points and opportunities for subsidies for the tourism industry in the areas of clean energy, water, construction and mobility together with the Federal Ministry of Agriculture, Forestry, Environment and Water Management and other partners; a special publication on the practical implementation of energy saving measures for the sector; the dedication of the Austrian National Award for Tourism 2009 – see above – to the subject of energy efficiency).

Furthermore, the Ministry supports the national research programme on climate change and its effects (StartClim), commissioning several studies on the effects of climate change on the tourism sector (*www.austroclim.at*).

Since 2007, the Austrian government has been supporting the sustainable renovation of, and the modification of existing facilities at alpine huts by means of the climate and energy fund in order to minimise energy consumption and to contribute to the climate balance.

In 2008, funding for best practice renovation projects in the hotel industry was also provided by the climate and energy fund.

Improving human resource development

The Ministry attaches great importance to a favourable development of the tourism labour market and an improved image and competitiveness of jobs in tourism.

To this end, a guide entitled *A Job in the Tourism and Leisure Industry – Attractive and Promising* was published, providing valuable information on education and training opportunities in the field of tourism. The handbook is targeted at pupils, students, teachers, parents and those undertaking training. The Ministry also wishes to inform the students about the national tourism industry's economic potential and the professional opportunities it offers. Therefore, a didactic and easy-to-use booklet, (a media-package entitled *Tourism and Leisure Industry*), has been published to be used by teachers and students in the classroom.

Additionally, the Austrian public employment service has been implementing specific training schemes for employees in the tourism industry (*e.g.* regional qualification programmes, pre-season trainings, and "subsidies of distance" for job-seekers willing to accept a distant place of work).

Acting as a mediator within the tourism industry

Since 1997, the Tourism Service Agency in the Ministry has served as an information point for inbound and outbound travellers, companies, authorities, and institutions for inquiries, complaints, information and other tourism-related matters. As a special service, the Agency offers free mediation in disputes between companies in the tourism industry, such as hotels, restaurants, tour operators, and travellers.

Enhancing international and cross-border co-operation

Bilateral and multilateral co-operation in tourism aims to position Austria as a constructive, competent and reliable partner in international tourism development. Austria contributes to international exchanges of best practice and organises many international events. The Ministry is involved in a number of EU co-financed projects implemented in co-operation with neighbouring countries.

Statistics and the economic evaluation of tourism

In Austria, tourism statistics and studies on the economic development of and trends in the tourism industry (*e.g.* recent analysis of the industry's development in view of the economic crisis) are put regularly at the disposal of the tourism industry's actors as a basis for strategic decision making.

A Tourism Satellite Account (TSA) has been produced annually since 2001, providing economic analysis of the tourism sector supplemented by data on direct and indirect employment effects and including a regional breakdown for the nine states. In 2004, T-MONA, an innovative guest monitoring system was launched as a web-based management information system gathering travel behaviour and socio-demographic data and providing an up-to-date picture of domestic and foreign tourists in Austria at the level of destinations, states and at national level.

Economic crisis: Measures at national level

Austria is investing an additional EUR 4 million in national marketing campaigns geared towards the domestic market as well as key neighbouring markets (Germany, Italy, Switzerland, the Czech Republic), to maintain and activate demand, and especially to address those markets likely to prove relatively resilient to the crisis. By this means, it is hoped to offset the expected decrease in long-haul tourism by increasing domestic tourism and visitor numbers from neighbouring countries.

A specialised bank (the Austrian Tourism Development Bank), which is owned by the three largest Austrian banks, facilitates investment in, and improves the liquidity of the tourism industry. In view of the economic crisis well-proven instruments have been expanded and new ones have been developed together with the Austrian Federal Ministry of Economy, Family and Youth and the Austrian Federal Ministry of Finance. Amongst these instruments are:

- subsidised loans to tourism SMEs;
- bank guarantees with a doubling of the liability (guarantee) limit of the Tourism Development Bank from EUR 250 million to EUR 500 million, with a maximum allocation of EUR 4 million per company;
- for certain investments, small grants (*i.e.* non-refundable) are given to tourism enterprises (TOP Tourismusförderung);
- microcredits have been introduced as a new instrument for small investments up to EUR 50 000 at an annual rate of interest of 2.5%; and
- bridging finance has been provided for a maximum of two years, to stimulate investment in restructuring measures for those enterprises affected by the crisis; companies which have been stable in economic terms in 2008 can extend their debit limit for a specific period of time based on a government guarantee. State aid for bridging finance is not applicable for companies in difficulty.

All of these measures are foreseen to be implemented for a period of maximum two years as it is expected that from 2011 onwards the economic situation will stabilise.

Statistical profile

Table 4.8. **Austria: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Overnight stays[1]	Thousands	9 092	9 385	9 874	10 367	10 681
Nights spent	Thousands	31 329	31 501	32 130	33 008	33 880

1. Arrivals.

Source: Statistics Austria, 2009.

StatLink http://dx.doi.org/10.1787/765230063201

Table 4.9. **Austria: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	19 374	19 952	20 269	20 773	21 935
Top 5 markets						
Germany	Thousands	10 256	10 367	10 107	10 165	10 709
Netherlands	Thousands	1 426	1 484	1 516	1 560	1 650
Italy	Thousands	1 101	1 102	1 106	1 058	1 033
Switzerland and Liechtenstein	Thousands	896	895	926	970	960
United Kingdom	Thousands	722	757	802	849	825
International travel receipts	Million EUR	12 203	12 904	13 255	13 641	14 677
International passenger transport receipts	Million EUR	1 694	1 796	1 889	1 844	1 835

Source: Statistics Austria, 2009.

StatLink http://dx.doi.org/10.1787/765254083434

Table 4.10. **Austria: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	8 372	8 206	10 041	9 875	9 677
of which:						
Holiday trips	Thousands	6 798	6 564	7 684	7 558	7 468
Business trips	Thousands	1 574	1 642	2 357	2 317	2 209
International travel expenditure	Million EUR	7 434	7 505	7 642	7 698	7 721
International passenger transport expenditure	Million EUR	1 269	1 416	1 667	1 652	1 733

Source: Statistics Austria, 2009.

StatLink http://dx.doi.org/10.1787/765418708014

Table 4.11. **Austria: Employment in tourism**

	Units	2004	2005	2006	2007	2008[1]
Dependent employment in the tourism sector	Employees	159 019	163 644	168 038	168 924	180 987
of which:						
Hotels and similar accommodations	Employees	59 919	60 663	62 084	64 810	82 773
Restaurants	Employees	90 656	93 451	97 604	104 114	98 214
Employment by gender						
Male	Employees	62 411	64 451	66 470	66 873	72 447
Female	Employees	96 608	99 194	101 567	102 051	108 540

1. Break of series.
Source: Austrian Social Security Institutions, 2009.

StatLink http://dx.doi.org/10.1787/765452078581

Table 4.12. **Austria: Tourism in the national economy – Tourism Satellite Account**

2007

	Units	Domestic tourism consumption	Inbound consumption	Total tourism consumption	Tourism GDP
Accommodation services	Million EUR	3 534	7 257	10 791	9 544
Food and beverage serving services	Million EUR	3 864	3 855	7 719	..
Passenger transport services	Million EUR	1 730	1 851	3 581	1 112
Travel agency, tour operator and tourist guide services	Million EUR	14	0	14	329
Cultural services[1]					
Recreation and other entertainment services[1]	Million EUR	1 281	886	2 167	847
Other services[1]					
Goods	Million EUR	4 672	1 423	6 095	2 721
Total	Million EUR	15 095	15 272	30 367	14 553

1. For cultural services, recreation and other entertainment services and other services, only a total is available.
Source: Statistics Austria, 2009.

StatLink http://dx.doi.org/10.1787/765510385442

Table 4.13. **Austria: Other economic indicators**

	Units	2004	2005	2006	2007
Internal tourism consumption share of final consumption	Percentage	20.7	20.6	20.4	20.7
Tourism share of GDP	Percentage	5.6	5.5	5.4	5.4

Source: Statistics Austria, 2009.

StatLink http://dx.doi.org/10.1787/765522368643

Belgium

Flanders Region

Tourism in the economy

The turnover in the Flemish tourism-recreational sector in 2007 was EUR 17 396 million (including Brussels). Investment in the Flemish sector amounted to EUR 1 084 million in 2006.

The number of overnight stays in Flanders has stagnated over the last five years. In 2008, 28.3 million overnight stays were recorded in Flanders (including overnight stays in accommodation for rent at the coast), in comparison with 28 million in 2004 (+0.9%). 49.5% of the overnight stays are by foreign visitors, and 50.5% for the domestic market. (Market shares for the foreign market were, in art cities, 82.3%, in the Flemish countryside 46.1% and at the coast 21.5%.) 78.0% of overnight stays in Flanders are for leisure purposes and 22.0% for business travellers.

In the Flemish art cities (Brussels, Bruges, Antwerp, Ghent, Leuven and Mechelen), the number of overnight stays went up by 14.6% between 2004 and 2008 and in the Flemish countryside the rise was 12.0%. At the Flemish coast, however, a drop of 15.9% was recorded in commercial accommodation establishments, while at the same time there was a trend towards more second homes and day trips to the coast.

Tourism organisation

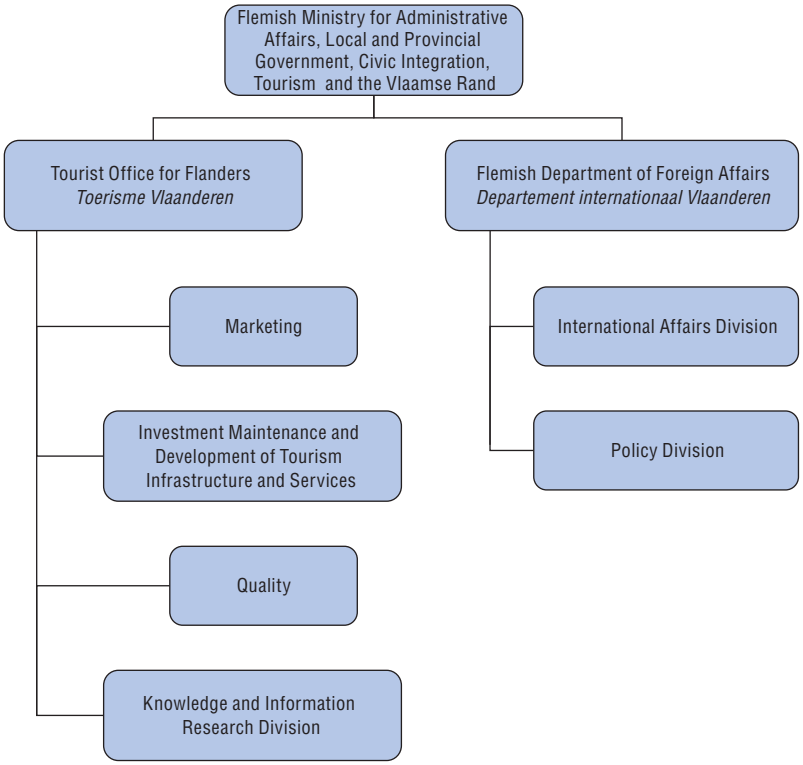
There have been no recent changes in the administrative organisation, territorial organisation or in either the organisation or linkages between the national tourism authority and the provinces/regions. The structure of tourism organisation in Flanders is as shown below (Figure 4.3).

Tourism budget

The budget for tourism amounts to 0.4% of the overall Flemish government budget. For tourism policy in Flemish Belgium there is a grant of EUR 61.6 million (including the grant to Toerisme Vlaanderen). Toerisme Vlaanderen's overall budget totals EUR 78.5 million, comprising the grant from the Flemish government plus the organisation's own revenues. The tourism marketing budget amounts to EUR 14.04 million.

The Flemish Department of Foreign Affairs ordered a comprehensive study to investigate the efficiency of the investments in Tourism Recreational Projects over the period 2002-07. This comprised an evaluation of the existing regulatory framework, programme analysis, process evaluation, results measurement, the development of a set of indicators (output, outcome, impact), and various recommendations.

Figure 4.3. **Flanders Region, Belgium: Organisational chart of tourism bodies**



Source: OECD, adapted from Flemish Department of Foreign Affairs, 2009.

Tourism-related policies and programmes

In the area of the legislative and regulatory environment, the "*Tourism for All*" Decree aims to make tourism accessible to all segments of the Flemish population (Box 4.5). The Decree was amended in 2008. The "Accommodation" Decree, which classifies and defines the minimum licensing standards for Flemish tourist accommodation was introduced in July 2008; the Flemish Department of Foreign Affairs is currently working on new implementing orders in this connection.

In March 2009, the "Touristic Co-operation Structures" Decree was introduced and the implementing orders for this are currently being finalised. This legislation gives cities, municipalities, provinces and private actors the possibility to build co-operation structures with touristic goals. Also, the UNWTO's Global Code of Ethics in Tourism was added to the travel agency regulations in 2008.

Flanders participated in STREAM, which is a European project that promotes energy efficient personal transport for recreation and tourism. The STREAM project resulted in 16 Flemish attractions receiving support in making the mobility that they generate more sustainable and achieving an awareness campaign ("the nicest way") to the Flemish public on sustainable mobility for recreation. Toerisme Vlaanderen is now developing a guideline for tourist attractions that will enable them to set up their own sustainable mobility plan, based on the STREAM experiences.

In 2009, Toerisme Vlaanderen launched a radio campaign to make the consumer more aware of the impact tourism can have on the environment, local economy, culture and nature.

An "ecolabel" for camp sites and youth accommodation, dealing with concerns over energy, waste and water issues (and bearing the title of *De Groene Sleutel*) was awarded to 9 camping sites and 11 youth accommodation centres in 2008; since the end of 2008 this award has also been made available to hotels, guest rooms and holiday residences and may be further extended to tourism attractions in 2009.

Additional recent initiatives have included:

- a renewed training programme for travel and tour guides;
- the integration of the Toerisme Vlaanderen and CultuurNet Vlaanderen databases;
- further development of the "Steunpunt Vakantieparticipatie"' (Centre For Travel Participation) services with extra funding; ("Steunpunt Vakantieparticipatie" also recently reached an agreement with the national railways [NMBS] to introduce social fares for the underprivileged);
- the signature of a co-operation agreement between Toerisme Vlaanderen and the Tourism Industries Federation in 2008, involving co-operation on knowledge and research, quality management, training and communication issues;
- a co-operation agreement between Toerisme Vlaanderen and the provinces for the period 2008-12 on product development, investment, marketing, quality management, training, knowledge and information;
- a co-operation agreement between Toerisme Vlaanderen and the Flemish Art Cities;
- the distribution of a manual to colleges with tourism educational programmes that stipulates how sustainability criteria can be integrated into the curriculum; and
- the implementation of specific action plans for the coast and the art cities.

In other initiatives, at the end of 2008, the "Steunpunt Toerisme en Recreatie" research institution which is subsidised by the Flemish government, presented a study entitled *Basic Tourism Data in Flanders in an International Context: Benchmarking Study*, which compares its own measurement systems with other relevant systems in Belgium and Europe. Furthermore, Box 4.4. provides details of a project to promote youth tourism for the Flemish community, while at the end of December 2007 a "minimal tourism satellite account (TSA-R)" was developed for the Flemish community.

Box 4.4. **Youth tourism for the Flemish community**

For the Flemish community, a current key challenge is the development of youth tourism. An International Youth Action Plan sets the guidelines for product development, welcoming services, international marketing and international co-operation. In 2008, the Flemish community started to make an inventory of all existing youth accommodation. A specific task force is currently setting out an assessment framework for youth accommodation units that do not comply with regional zoning plans. The framework was completed and presented for ratification by the Flemish government in 2009. Also, the Flemish community wishes to increase youth accommodation centres through public-private partnerships. The PPP-announcement was initially published in the European Union's tender publication, but received no subscriptions. The reasons for this are currently being investigated and once the evaluation is complete it will be re-launched.

Box 4.5. **Social tourism – "Tourism for All"**

This has been a very successful initiative in the Flemish community. "Steunpunt Vakantieparticipatie" (Centre for Travel Participation) is a service of Toerisme Vlaanderen that develops travel opportunities for people with a limited income. It contains day trips, trips of several days or longer, individual trips, organised trips and group arrangements. Steunpunt Vakantieparticipatie is continuously looking for new tourism industry partners in this programme. Recently, it reached an agreement with the national railways NMBS to introduce social fares for the underprivileged. At the end of 2007, a satisfaction survey was conducted by both the tourism partners and the tourists. The level of satisfaction of the tourism partners was 93.2% in tourism attractions and 92.6% for accommodation. 92.6% of travellers were satisfied or very satisfied, and 91% of the social partners were also satisfied about the new online reservation system. Another institution "Infopunt Toegankelijk Reizen" (a service of Toerisme Vlaanderen) stimulates efforts in the tourism sector to give people with a physical disability a pleasant holiday and gives information on the accessibility of accommodation, transport, attractions and museums at the destination.

Walloon Region

Tourism in the economy

In 2007, the volume of tourism as registered in tourist accommodation (exclusive of rural tourism) was approximately 6 785 000 nights spent (down by 0.7% on 2006) with arrivals totalling 2 599 000 (a 1.6% increase). The five leading origin markets for the region are the Netherlands, France, Germany, the United Kingdom and Italy. Together these five countries accounted for 958 000 arrivals in 2007, 1.2% up on 2006.

The number of tourists visiting a panel of 217 attractions was 8 534 000 day-trippers in 2008 (0.7% up on 2007). Tourism's share in the Walloon economy is of the order of 5% of GDP.

Generally the number of day-trippers (domestic tourists) has held relatively steady for 6 consecutive years. The number of nights spent has declined over this same period and the number of arrivals continues to show a relative increase. Length of stay is still relatively short at 2.6 days on average.

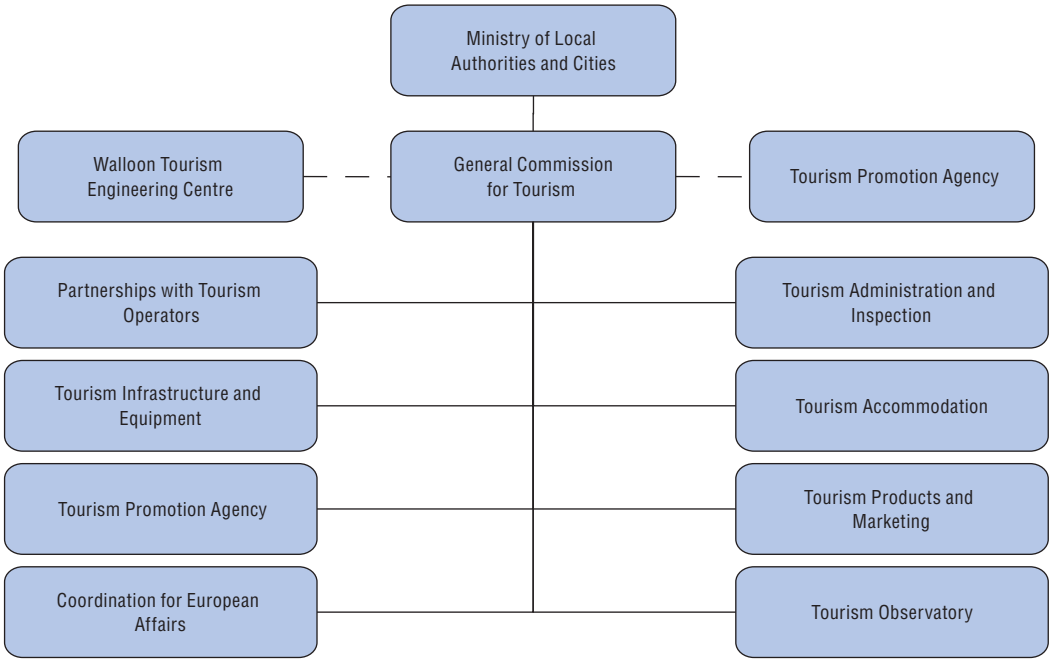
Tourism organisation

On the administrative side of the organisation of tourism, 2008 was an important year for the administration of tourism in the Wallonia: on 1 July of that year, the General Commission for Tourism (*Commissariat Général au Tourisme,* CGT) became a public body, giving it greater operational independence. It reports solely to the Minister for Tourism (Figure 4.4).

The missions of the CGT are set out in the *Decree on the Organisation of Tourism* of 2004. They centre on the following themes:

- implementing the government's general policy on tourism;
- managing tourist properties – properties of the Wallonia Region, a list of which has been established by the government;

Figure 4.4. **Walloon Region, Belgium: Organisational chart of tourism bodies**



Source: OECD, adapted from Commissariat Général au Tourisme, 2009.

- organising and promoting tourism in the Walloon Region;
- administering licence applications and issuing licences;
- defining the content of the image of Wallonia for tourism;
- analysing and disseminating data on tourism policy in the Walloon Region;
- developing regional tourism products; and
- implementing specific initiatives assigned to it by the Walloon government.

There are five CGT Directorates. These cover tourism bodies, attractions and infrastructure, accommodation, products and marketing and tourism strategy. In 2008, the Wallonia Brussels Tourism Promotion Bureau continued with its programme of establishing tourism promotion clubs. At the regional level in Wallonia, a new player, (the *Centre d'Ingénierie Touristique de Wallonie,* GIE) was given a mandate to develop operational tourism engineering in Wallonia.

Tourism budget

In 2009, the initial budget of the CGT was EUR 53.79 million, of which EUR 8.79 million were allocated to operations. The budget does not include funding for projects co-financed by the European Commission (total budgets currently approved for the period 2007-13 are of the order of EUR 97 million).

The CGT's resources are mainly in the form of subsidies from the Walloon Region's government, with only a small fraction coming from products and charges.

Tourism-related policies and programmes

The plan for the restructuring and development of the tourism industry in Wallonia was formulated in 2007. In 2008, the CGT put forward a strategic framework, based on the premise

that the tourism sector contributes to the socio-economic development of the region in the medium- and long-term. It is therefore seen as crucial that the industry be sustainably competitive and that the resulting business generates added value and good jobs, while also conserving the natural and cultural resources utilised as well as the living conditions of local people.

In order to improve the performance of the tourism sector in Wallonia, four strategic directions and three tools were chosen by the CGT. These are:

Strategic directions:

- achieving an optimal positioning of supply;
- improving the quality of supply;
- consolidating Wallonia's quality image; and
- adhering to ethical principles and the principle of sustainable development.

Tools:

- an international marketing plan has been developed for tourism promotion, covering the period 2007-16;
- a strategic plan has also been produced for restructuring and promoting tourism supply as well as the Walloon Tourism Code – specifying the regulatory environment; and
- a quality approach and territorial quality certification mark has been introduced in Wallonia alongside the creation of a tourism "engineering" network in Wallonia.

Good practice:

The quality approach in the tourism sector in the Wallonia Region is to be aimed at two main goals: competitiveness and sustainability. This is seen as an on-going process of innovation and improvement of tourism supply in Wallonia aimed at ensuring that visitors have an enjoyable experience tailored to their needs and requirements.

The approach will be based on a joint charter for all professionals in the sector. The charter will be representative of current concerns both as regards sustainable, ethical and quality tourism and as regards promotion and information that is respectful to all. This approach will be supported by a practical, local (quality) mark.

Statistical profile

Table 4.14. **Belgium: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays						
Flanders Region[1]	Thousands	14 489	14 181	14 475	14 448	14 267
Walloon Region	Thousands	3 851	3 738	3 772	3 705	3 587

1. Flanders: Flemish and Brussels Region.

Sources: Directorate-General of Statistics and Economic Information (DGSIE) for the Walloon Region and Tourism Office for Flanders, *Tourism in Figures 2008*.

StatLink http://dx.doi.org/10.1787/765538050051

Table 4.15. **Belgium: Inbound tourism – International arrivals**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	6 776	6 803	7 054	7 101	7 221
Flanders Region[1]						
Total international arrivals	Thousands	5 711	5 710	5 914	5 935	6 051
Top 5 markets						
Netherlands	Thousands	1 275	1 279	1 350	1 371	1 404
Germany	Thousands	684	676	678	691	688
France	Thousands	777	799	842	789	845
United Kingdom	Thousands	1 029	985	970	950	934
USA	Thousands	264	271	271	275	251
Walloon Region						
Total international arrivals	Thousands	1 065	1 093	1 140	1 166	1 170
Top 5 markets						
Netherlands	Thousands	442	450	454	452	449
France	Thousands	223	225	245	255	247
Germany	Thousands	96	97	10	102	109
United Kingdom	Thousands	102	94	102	105	104
Italy	Thousands	35	39	46	44	44

1. Flanders: Flemish and Brussels Region.

Sources: Directorate-General of Statistics and Economic Information (DGSIE) for the Walloon Region and Tourism Office for Flanders, *Tourism in Figures 2008*.

StatLink http://dx.doi.org/10.1787/765573500142

Table 4.16. **Belgium: Outbound tourism – Number of trips**

	Units	2006
Number of tourism trips		
Flemish Region	Thousands	7 539
Walloon Region	Thousands	2 613

Sources: Directorate-General of Statistics and Economic Information (DGSIE) for the Walloon Region and WES.

StatLink http://dx.doi.org/10.1787/765584243603

Table 4.17. **Belgium: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Total	Establishments	7 535	7 563	6 886	7 440	7 315
Flemish Region						
Tour operators and travel agents	Establishments	1 151	1 140	1 127	1 106	1 273[1]
Hotels	Establishments	1 064	1 134	1 163	1 194	1 270
Campsites and other outdoor recreational establishments	Establishments	253	246	249	252	252
Accommodation for specific target groups (*e.g.* youth hostels)	Establishments	510	502	482	510	535[2]
Total	Establishments	2 978	3 022	3 021	3 062	3 330
Walloon Region						
Travel agencies and tour operators	Establishments	492	483	496	497	496
Hotels	Establishments	512	509	512	494	486
Campsites	Establishments	275	283	251	246	231
Rural tourism establishments	Establishments	3 185	3 173	2 513	3 048	3 175
Holiday villages	Establishments	29	29	29	29	29
Accommodation for groups	Establishments	64	64	64	64	64
Total	Establishments	4 557	4 541	3 865	4 378	3 985

1. Since 2008 also includes touristic rental agencies.
2. Break of series.

Sources: Directorate-General of Statistics and Economic Information (DGSIE) for the Walloon Region and Tourism Office for Flanders, *Tourism in Figures 2008*.

StatLink http://dx.doi.org/10.1787/765588227352

Canada

Tourism in the economy

Tourism (domestic and international) contributes 2% to Canada's GDP and accounts for 3.8% of national employment. The sector's contribution in both these measures has remained broadly stable over the past five years. Tourism generated 662 900 jobs in 2008, an increase of 1.4% over 2007.

Tourism spending in 2008 increased by 5.51% on 2007, reaching CAD 74.7 billion. Spending by Canadians on tourism in Canada grew by 8.2% on 2007 and accounted for 79% of total tourism expenditure, while international tourism spending declined by 3.6%.

The number of visitors from Canada's most important international market, the United States, which accounts for 83% of all inbound visitors, is in decline. Total arrivals from the United States declined by 12% in 2008, including day trips. Trips of one night or more fell by 6.6% while day trips were down by 17.9%.

A high proportion of overnight international tourists (52%) come to Canada for leisure purposes (including outdoor activities and sports), followed by visiting friends and relatives (24%), with business travel (including meetings, conventions, trade shows and other work) held in third place (15%).

Tourism organisation

In Canada, the federal government, the ten provincial governments and three territorial governments, as well as municipalities, all have a role in supporting tourism. Co-ordination between the federal and provincial/territorial levels of government is facilitated by a Council of Tourism Ministers.

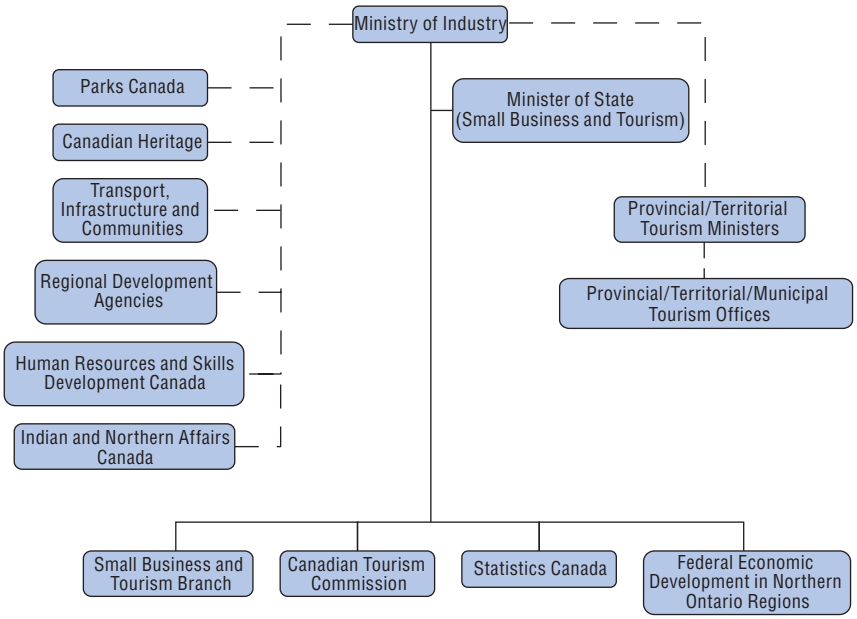
Within the federal government, the Minister of Industry has the lead responsibility for tourism, as part of a mandate to foster a fair, efficient and competitive marketplace, an innovative economy, a competitive industry and sustainable communities (Figure 4.5). In addition, the Minister of State (Small Business and Tourism) has the more specific responsibility to promote tourism and small business development. The Canadian Tourism Commission (CTC), a Crown corporation, is responsible for tourism marketing and research. It has international offices in the United States, Mexico, the United Kingdom, France, Germany, China, Japan, Korea and Australia, and General Sales Agents in India and Brazil.

A number of federal government departments and agencies, such as Canadian Heritage, Parks Canada, Infrastructure Canada and regional development agencies provide significant support for tourism through funded programmes and through direct control and operation of tourism attractions (such as national parks and museums). At the same time, departments and agencies responsible for policy matters such as border access, entry

requirements, international air agreements and foreign relations also play essential roles that have an impact on travellers.

Several provincial, territorial and municipal governments have established agencies with a focus on tourism marketing.

Figure 4.5. **Canada: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Industry, 2009.

Tourism budget

In 2007-08, the Canadian government invested in excess of CAD 540 million in direct support to the tourism sector. It provides funding for tourism marketing and research, provides tourism development support, and invests in national parks and historic sites, as well as events and tourism-related infrastructure. Over CAD 700 million was also invested in areas such as sporting events, and artistic and cultural initiatives that provide indirect support for tourism.

The CTC plays an important role with an annual budget of CAD 76 million, which it uses to promote Canada in twelve global markets around the world, conduct market research and studies, and promote product and industry development. Additional one-time funding has been allocated to leverage opportunities associated with the 2010 Winter Olympic and Paralympic Games and raise global awareness of Canada. Temporary funding was also announced in January 2009, as part of Canada's comprehensive economic stimulus plan, to expand promotion activities into priority international markets and to encourage Canadians to travel at home.

Key tourism initiatives in Canada's stimulus plan included CAD 100 million over two years for marquee festivals and events that attract tourists, and CAD 150 million over two years for enhancements to national parks and national historic sites.

Tourism-related policies and programmes

Federal, provincial and territorial ministers responsible for tourism adopted a National Tourism Strategy Framework in December 2006. Several of Canada's provinces have their own tourism strategies, which complement the national framework. The federal government's stimulus plan includes a commitment to develop a Federal Tourism Strategy to guide future investments and bring greater coherence to federal activities in support of tourism. In September 2009, Canada's federal, provincial and territorial Tourism Ministers agreed to work towards a national tourism revenue target of CAD 100 billion by 2015.

The CTC has launched a new visual identity of Canada's brand "Canada. Keep Exploring" in its core markets around the globe (Box 4.6). Canada's tourism brand focuses on Canada's people, geography and culture. Provincial and territorial partners as well as some businesses have integrated the concept into their marketing campaigns.

Box 4.6. **The Explorer Quotient™**

The Canadian Tourism Commission has developed an innovative research tool, the Explorer Quotient™ (EQ), that is based not on demographics but rather on social values – how people interpret a travel experience and what that experience means to them. The EQ is an interactive approach to match consumers with tourism products in light of individual travel values, motivations and desired experiences. It will help to understand the consumer better and to build and maintain more relevant communication programmes. An online quiz allows visitors to find out their Explorer type: *www.canada.travel/eq*.

Tourism and transportation

In November 2006, the government of Canada announced its Blue Sky Policy on international air transport. The new policy signalled a shift from an incremental approach to air services liberalisation to a pro-active pursuit of open skies type agreements when these are in Canada's overall interest. This is intended to help the air transport industry to continue to make a great contribution to Canada's growth and prosperity. It reflects the evolving nature of the global aviation market and is aimed at encouraging the development of new markets, new services and greater competition.

Since its adoption, the Blue Sky international air policy has been producing results. Twenty new or expanded agreements have been negotiated, in addition to an open agreement with the European Union applying to its 27 member states. These, along with previously negotiated agreements, represent almost 90% of Canada's air transport market.

In addition, Canada has a flexible regime for charter air services, offering a powerful instrument to the tourism industry to deal with the challenge of developing markets.

Tools for evaluation and monitoring

Key federal departments and agencies are surveyed annually to report on tourism-related expenditures. This review demonstrates that the federal government makes a substantial investment in tourism on many fronts.

In 2007, the CTC started conducting an annual tracking study, the *Global Tourism Watch*, to gather information on each of its core markets. The research provides intelligence on

travellers' perceptions and awareness levels of Canada across key markets in a consistent way.

In 2008, the CTC adopted the *Balanced Scorecard* (BSC) – a flexible and comprehensive strategic planning and performance management framework – through which it measures and evaluates the performance of Canada as a visitor destination as well as the performance of CTC's programmes and initiatives. The BSC links objectives, performance measures, targets and initiatives to the strategy at all levels. By integrating financial and non-financial measures, it provides a holistic view of the organisation's overall performance.

Statistics and economic evaluation of tourism

Statistics Canada is Canada's central statistical agency. It carries out a variety of surveys of tourism industries (air, boat, rail, bus and taxi transportation, traveller accommodation, food services and drinking places, amusement and recreation, and travel arrangement services). On the demand side, there are two main surveys: the *International Travel Survey*, which publishes statistics on frontier counts and countries of origin of travellers; and the *Travel Survey of Residents of Canada*, which publishes statistics on intra-provincial and inter-provincial visits and person-trips by Canadians.

Drawing on data from the surveys mentioned above, Statistics Canada generates two major products for the macroeconomic evaluation of tourism: the Tourism Satellite Account (TSA) and the National Tourism Indicators (NTIs). The NTIs were developed to update the more comprehensive TSA on a quarterly basis.

In addition, Statistics Canada produces estimates of government revenues attributable to tourism. The most recent study presented separately for the first time estimates revenues directly attributed to tourism spending by non-residents and by residents. According to the study, tourism generated CAD 19.7 billion of revenue for all three levels of government combined in Canada in 2007.

A project has also been started to develop the Human Resource Module of the Canadian TSA further. The aim is to develop quarterly estimates of jobs in tourism industries, the hours of work and earnings. Quarterly estimates will also be provided of the jobs, hours and earnings directly attributable to tourism and directly attributable to tourism exports.

Statistics Canada has initiated a study linking the Canadian TSA and environment satellite accounts to explore how to estimate the environmental impact of tourism in Canada for two industries, air transportation and the food and beverage services. Overall, this preliminary, exploratory study demonstrates that it is possible to link the two accounts. Such work, if carried further, could help to overcome the current strategic information gap regarding tourism's relationship with the environment at the macrolevel. Additional work along these lines could eventually lead to specific measures and estimates of the current environmental impacts of tourism that in turn could help to assess the effectiveness of various mitigating policies and strategies.

Statistical profile

Table 4.18. **Canada: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	78 349	85 386	86 644	88 541	..
Number of nights spent	Thousands	..	..	259 158	263 110	..

Source: Statistics Canada, Culture, Tourism and Centre for Education Statistics Division.

StatLink http://dx.doi.org/10.1787/765645854487

Table 4.19. **Canada: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	19 031	18 612	18 128	17 775	16 997
Top 5 markets						
United States	Thousands	15 088	14 390	13 856	13 376	12 503
United Kingdom[2]	Thousands	801	888	842	894	837
France[3]	Thousands	337	351	361	360	405
Japan	Thousands	391	398	364	311	259
Germany	Thousands	296	311	298	299	315
Same-day trips to Canada	Thousands	19 814	17 548	15 262	12 598	10 373
International travel receipts	Million CAD	16 980	16 674	16 610	16 468	16 119
International passenger transport receipts		2 750	2 709	2 587	2 524	2 634

1. Overnight trips to Canada.
2. Also includes Gibraltar.
3. Also includes Andorra and Monaco.

Source: Statistics Canada, Culture, Tourism and Centre for Education Statistics Division.

StatLink http://dx.doi.org/10.1787/765665753373

Table 4.20. **Canada: Outbound tourism – Number of trips and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	19 595	21 091	22 731	25 163	27 034
International travel expenditure	Million CAD	20 237	21 865	23 402	26 511	28 734
International passenger transport expenditure		4 875	5 717	6 185	6 937	7 066

Source: Statistics Canada, Culture, Tourism and Centre for Education Statistics Division.

StatLink http://dx.doi.org/10.1787/765670616120

Table 4.21. **Canada: Enterprises in tourism**[1]

	Units	2004	2005	2006	2007	2008
Transportation	Thousands	21.2	24.4	25.1	22.8	24.0
Accommodation	Thousands	17.8	16.7	17.1	16.9	16.5
Food and beverage services	Thousands	86.0	78.0	74.9	73.4	69.3
Recreation and entertainment[2]	Thousands	36.1	34.6	34.4	31.0	29.6
Travel services[3]	Thousands	7.5	6.9	6.8	6.6	6.1
Total tourism industries	Thousands	168.6	160.7	158.3	150.7	145.6

1. Estimates are for number of enterprises classified to tourism industries as defined in the TSA, as of December.
2. Includes enterprises in cultural services industries.
3. Includes travel agencies and tour operators.

Source: Statistics Canada, Business Register Division, special tabulation.

StatLink http://dx.doi.org/10.1787/765735078156

Table 4.22. **Canada: Employment in tourism**[1]

	Units	2004	2005	2006	2007	2008
Transportation	Thousands	79.1	79.7	81.4	83.6	84.8
Accommodation	Thousands	161.5	162.0	163.9	168.3	166.0
Food and beverage services	Thousands	145.0	146.1	151.1	157.2	163.5
Recreation and entertainment[2]	Thousands	68.2	68.6	70.4	70.8	70.8
Travel services[3]	Thousands	41.8	44.4	44.4	45.2	47.6
Total tourism industries	Thousands	495.5	500.8	511.2	525.2	532.6
Other industries[4]	Thousands	121.2	122.0	124.6	128.3	130.3
Total tourism activities	Thousands	616.7	622.8	635.8	653.4	662.9
Total employment	Thousands	16 189	16 455	16 755	17 110	17 369
Tourism share of total jobs	Percentage	3.81	3.78	3.79	3.82	3.82

1. Employment is based on an estimate of "jobs" rather than "hours of work", thus someone who works 10 hours a week counts for as much, by this measure, as someone who works 50 hours a week.
2. Includes cultural services industries.
3. Includes travel agencies and tour operators.
4. Includes non-tourism industries that benefit from tourism (*e.g.* retail trade). These industries produce some commodities bought by tourists.

Source: Statistics Canada, *National Tourism Indicators, First Quarter 2009*, Catalogue No. 13-009-X, Table 13.

StatLink http://dx.doi.org/10.1787/765742148541

Table 4.23. **Canada: Tourism in the national economy – Tourism Satellite Account**

2002

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP[1]
Accommodation services	Million CAD	4 674	4 324	5 708
Food and beverage serving services	Million CAD	5 544	3 006	2 898
Passenger transport services[2]	Million CAD	8 809	3 581	4 490
Travel agency, tour operator and tourist guide services[3]	Million CAD	2 727	229	1 734
Cultural services[4]	Million CAD	2 145	2 131	2 053
Recreation and other entertainment services				
Other services[5]	Million CAD	1 123	687	1 037
Goods[6]	Million CAD	13 422	4 158	5 399
Total	Million CAD	38 444	18 115	23 319

1. GDP is at basic prices.
2. Vehicle fuel, repairs and parts are included in Goods; vehicle rental is in Other services.
3. Consumption corresponds to the commissions of travel agencies and tour operators.
4. Included with recreation and other entertainment services.
5. Vehicle rental, convention fees and urban transit and parking.
6. Tourism GDP for "goods" includes GDP of non-tourism industries that produce goods and services bought by tourists including tourism single-purpose consumer durable goods, groceries, alcoholic beverages from stores, motor vehicle parts and repair, motor vehicle fuel, toiletries, etc.

Source: Statistics Canada, *Canadian Tourism Satellite Account, 2002*, Catalogue No. 13-604-MPB, No. 58, October 2007, Appendix Tables E and F.

StatLink http://dx.doi.org/10.1787/765757485818

Table 4.24. **Canada: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Domestic tourism consumption share of final consumption	Percentage	4.3	4.5	4.7	4.8	4.9
Tourism share of GDP[1]	Percentage	1.99	1.98	2.0	1.99	2.01
Government revenue from tourism[2]	Million CAD	16 924	18 241	18 846	19 653	..

1. GDP is at basic prices.
2. Tax and non-tax revenue that is directly attributable to tourism spending.

Source: Statistics Canada, *National Tourism Indicators, First Quarter 2008*.

StatLink http://dx.doi.org/10.1787/765764420134

Czech Republic

Tourism in the economy

The share of tourism in the Czech Republic's GDP, calculated by the Tourism Satellite Account (TSA) method, was 2.9% in 2007. The number of international arrivals reached 6.6 million in 2008. Domestic tourism consumption amounted to EUR 3 804 million in 2007.

In the same year, foreign currency revenues from tourism reached EUR 4 830 million with their share in exports amounting to 5.2%. Tourism-related expenses in foreign currencies amounted to EUR 2 650 million and the balance on the tourism account was EUR 1 999 million. Given the rapid development of the Czech economy in 2007 and a slight stagnation of tourism, the share of tourism in GDP has tended to decline.

The numbers employed in tourism in the Czech Republic amounted in 2006 to 239 500 and this sector's share in total employment reached 4.71%.

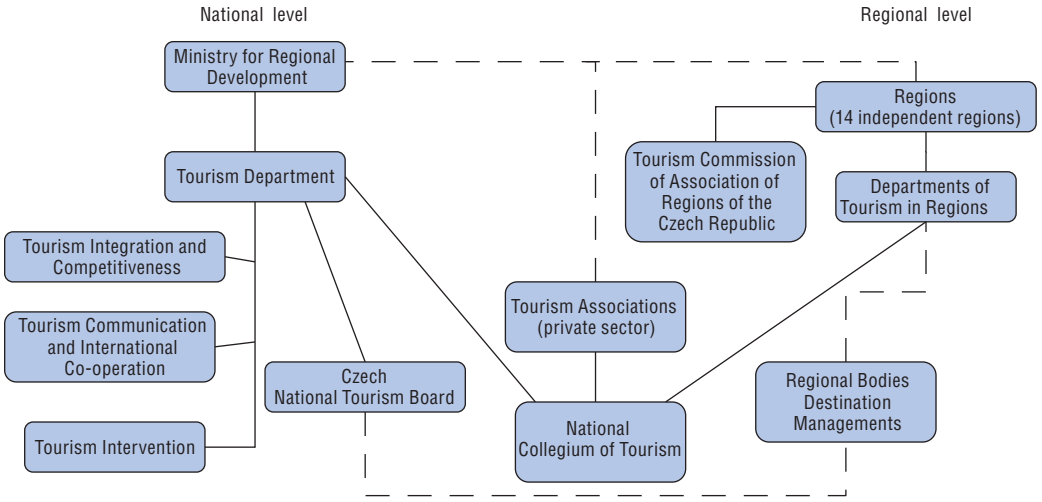
Tourism organisation

On the central level, the tourism industry comes within the province of the Tourism Department of the Ministry for Regional Development (Figure 4.6). Within its legislative powers, the Ministry proposes and implements measures aimed at strengthening international co-operation in the field of tourism and participates in preparing relevant legislation, in procuring and analysing statistical information, in developing tourism in the regions and in activities targeted at the quality and structure of services rendered.

The Czech National Tourism Board – CzechTourism – is a grant-aided department of the Ministry for Regional Development. Its principal mission is to create, in a continuous and systematic manner, awareness of the Czech Republic as a country with wide tourism potential. To this end, CzechTourism takes part in tourism actions and exhibitions abroad, has overseas offices in 26 countries, and takes care of extensive editorial activities relating to advertising materials.

The Czech Republic's administrative system of 14 self-governed regions (NUTS 3) came into effect in 2000. This long-awaited regional set-up has greatly enhanced the organisation of tourism in the Czech Republic. Regions and individual communities and municipalities are represented by public institutions.

Figure 4.6. **Czech Republic: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for Regional Development, 2009.

Tourism budget

Tourism in the Czech Republic is funded from a number of sources (the Ministry for Regional Development and other ministries, regions, cities and municipalities). The main current source (for the period 2007-13) is from EU Structural Funds.

The budget of the Ministry for Regional Development and thus the budget of the Czech National Tourism Board, as well as budgets of the regions and co-financed European Structural Funds come from the national budget. The national tourism administration had a total budget in 2008 of EUR 53.5 million – a small increase on the 2007 figure of EUR 52 million.

The Czech National Tourist Board received EUR 13.4 million in 2009, compared with EUR 13.0 million in 2008 and EUR 12.4 million in the previous year. The 2007 figure represented a step increase from the budget for the two previous years which was of the order of EUR 8 million for both years.

Financial assistance provided to tourism is allocated via several operational programmes (see Box 4.7):

- The Integrated Operational Programme (IOP) – assistance provided through this programme is used in national and system interventions in tourism, focused generally on service quality, the improvement of statistical information, and national marketing. The total tourism allocation amounts to EUR 77.5 million, 15% of which is funded from national sources.
- Regional Operational Programmes (ROP) – the Czech Republic has a total of 7 regional operational programmes at the regional level (NUTS 2). Activities funded within these programmes are focused on the construction or renovation of basic and ancillary tourism infrastructure and on the promotion of tourism marketing at the regional level. The total tourism allocation amounts to EUR 981.9 million, 15% of which is funded from national sources.

- Rural Development Programme – this programme promotes activities related particularly to rural tourism and the support of agro-tourism. The total tourism allocation amounts to EUR 144.8 million, 15% of which is funded from national sources.

Box 4.7. **Quality in tourism**

The Ministry for Regional Development is currently preparing several systemic projects financed from EU Structural Funds. The purpose of these projects is to set national quality standards for the following tourism segments: accommodation, gastronomy, catering services, wellness establishments, services of tourism bureaux and guides, camps and cabin settlements, marked tourist paths, private accommodation, equestrian tourism stations and paths and the introduction of national standards for sustainable tourism development.

All standards will always be set so as to allow their full future incorporation into the National Tourism Service Quality System, which is to be implemented in future in the Czech Republic and which should serve as an umbrella to cover tourism quality in the whole Czech Republic under a single brand.

Tourism-related policies and programmes

Tourism policy in the Czech Republic

The *State Tourism Policy Concept in the Czech Republic for 2007-13* (the Concept), which is the fundamental medium-term tourism-related strategic document in the Czech Republic, was approved by the Czech Republic government in November 2007. The strategic part of the Concept is represented by the vision *Destination Czech Republic – Number one in the Heart of Europe*.

The priorities of the Concept are:

- the competitiveness of national and regional tourism products;
- increasing and expanding the quality of tourism infrastructure and services;
- tourism marketing and human resources development; and
- the creation of an appropriate organisational structure for tourism.

The success performance of the Concept depends on a proper and precise implementation of defined strategic projects. This necessitated the elaboration of an *Implementing Document to the Concept*, which further specified individual projects included in the Concept. This document, which was submitted to and approved by the Czech government in July 2008, represents an action plan which contains a detailed description of how to perform individual activities stipulated in the Concept.

Legislative and regulatory environment

The sale of package-travel products is regulated in the Czech Republic by an Act covering Certain Conditions of Business Activities in the Field of Tourism and various amendments.

Human resources

The Ministry for Regional Development carries out a whole range of educational activities in the field of tourism. Within the past programming period of 2004-06, a total of seven large systemic projects was implemented under the Operational Programme for Human Resources Development for the education of people employed in tourism and the public sphere, with a focus on information technology, destination management and event marketing. This had a budget of EUR 8.5 million. A total of 8 907 people were trained and 79 special publications, prepared for the purposes of these projects, are used further for other tourism purposes.

Co-operation with the tourism industry, consumers and other stakeholders

The Ministry for Regional Development periodically initiates round tables with representatives of professional bodies and the general public (Hotels and Restaurants Association of the Czech Republic, Association of Travel Bureaux, Association of Tourism Regions, Association of Tourism Information Centres, and Tourist Guides Association). These meetings seek to address and resolve the current problems of the tourism sector.

Statistics and economic evaluation of tourism

In November 2006 the Czech Statistical Office published the first results of the Tourism Satellite Account (Box 4.8), and has currently processed Tourism Satellite Account tables for the years 2003-07.

At the same time, the Ministry for Regional Development is currently preparing several systemic projects, to be financed from EU Structural Funds, which are aimed at improving and expanding statistical information on tourism. These projects include, among other things, a survey of accommodation establishments and tourism bureaux and will significantly improve tourism statistics on the conference and incentives sectors. A project aimed at improving the quality of statistical data for TSA regionalisation purposes is to be implemented in future.

Box 4.8. **Improving data quality for the Tourism Satellite Account**

This project will be implemented by the Ministry for Regional Development in 2009-15 as a part of the Integrated Operational Programme. Its total funding of EUR 4.15 million will be covered by EU Structural Funds. The objective of this project is to obtain information about the number and structure of foreign visitors and their expenditure, which will be used in the compilation and further specification of the Tourism Satellite Account tables. Another aim of this project is to provide a sufficient quantity of relevant statistical data and information concerning the offer and use of tourism services, in order to assist decision making in tourism planning.

Statistical profile

Table 4.25. **Czech Republic: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays (non-residents)	Thousands	18 980	19 595	20 090	20 610	19 987
Number of overnight stays (residents)	Thousands	21 800	20 725	21 357	20 221	19 296
Average length of stay in collective accommodations[1]	Nights	3.34	3.26	3.26	3.15	3.06

1. Both non-residents and residents.

Source: Czech Statistical Office, 2009.

StatLink http://dx.doi.org/10.1787/765777878173

Table 4.26. **Czech Republic: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	6 061	6 336	6 435	6 680	6 649
Average length of stay in collective accommodations	Nights	3.13	3.09	3.12	3.09	3.01
Top 5 markets						
Germany	Thousands	1 569	1 607	1 617	1 549	1 476
United Kingdom	Thousands	651	657	566	565	484
Italy	Thousands	391	405	399	413	375
United States	Thousands	293	304	322	322	305
Netherlands	Thousands	274	296	284	248	236
Same-day visitors	Thousands	12 932	13 452	13 636	14 376	..
International travel receipts[1]	Million CZK	117 110	121 153	124 221	128 639	..
International passenger transport receipts	Million CZK	13 568	14 180	15 134	16 321	..

1. Inbound tourism consumption.

Sources: Czech Statistical Office, 2009, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/765810057473

Table 4.27. **Czech Republic: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	4 031	4 374	3 949	4 525	4 987
International travel expenditure[2]	Million CZK	65 035	68 250	70 001	80 597	..
International passenger transport expenditure[2, 3]	Million CZK	12 235	13 197	13 942	15 972	..

1. Only outbound trips (four and more overnight stays) of residents aged 15 or more years, domestic trips not included.
2. Outbound tourism consumption.
3. Including costs on fuel.

Sources: Czech Statistical Office, 2009, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/765832715723

Table 4.28. **Czech Republic: Enterprises in tourism**

	Units	2004	2005	2006
Hotels and restaurants	Establishments	50 254	50 233	49 705

Source: Czech Statistical Office, 2009, *Business Register*.

StatLink http://dx.doi.org/10.1787/766045842077

Table 4.29. **Czech Republic: Employment in tourism**

	Units	2004			2005			2006		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Hotels and similar establishments	Thousands	14.3	19.2	33.4	16.3	22.4	38.7	16.8	22.6	39.3
Restaurants and similar establishments	Thousands	37.8	34.7	72.5	38.9	34.6	73.5	37.9	34.5	72.3
Railway passenger transport	Thousands	6.0	2.8	8.7	5.6	2.2	7.8	5.2	2.2	7.4
Road passenger transport	Thousands	13.5	1.8	15.3	13.3	1.8	15.1	14.0	1.6	15.7
Water passenger transport	Thousands	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Air passenger transport	Thousands	2.4	1.4	3.7	2.9	1.6	4.4	2.2	2.2	4.4
Passenger transport supp. services	Thousands	1.1	0.4	1.5	1.2	0.3	1.4	1.3	0.2	1.5
Passenger transport equipment rental	Thousands	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.2
Travel agencies and similar	Thousands	3.1	10.8	13.9	4.9	9.3	14.2	5.6	9.6	15.2
Cultural services	Thousands	5.0	7.6	12.6	4.6	8.1	12.7	4.6	8.2	12.8
Sporting and recreational services	Thousands	1.2	1.0	2.2	1.2	0.9	2.1	1.3	1.0	2.3
Tourism characteristic industries	Thousands	84.5	79.6	164.0	89.1	81.2	170.3	89.1	82.1	171.2
Tourism connected industries	Thousands	18.5	40.0	58.5	19.4	38.9	58.3	19.5	39.5	59.0
Tourism non specific industries	Thousands	6.5	3.1	9.6	6.4	2.9	9.3	6.3	3.0	9.3
Total number of people employed	Thousands	109.4	122.7	232.1	114.9	123.0	237.9	114.9	124.5	239.5

Sources: Tourism Satellite Account – Employment Module, Czech Statistical Office, 2009.

StatLink http://dx.doi.org/10.1787/766076546671

Table 4.30. **Czech Republic: Tourism in the national economy – Total tourism consumption**

2007

	Units	Domestic tourism consumption	Internal tourism consumption	Inbound tourism consumption[1]
Specific products	Million CZK	105 621	234 259	128 639
Characteristic products	Million CZK	68 661	140 515	71 854
Accommodation services	Million CZK	13 842	39 671	25 830
Food and beverage serving services	Million CZK	20 444	46 450	26 006
Passenger transport services	Million CZK	16 596	32 918	16 321
Travel agency, tour operator and tourist guide services	Million CZK	7 606	8 015[2]	409
Culture services	Million CZK	6 358	8 815	2 457
Recreation and other entertainment services	Million CZK	2 861	3 692	831
Miscellaneous tourism services	Million CZK	954	954	0
Connected products	Million CZK	36 960	93 745	56 785
Total	Million CZK	105 621	234 259	128 639

1. Consumption includes that part of expenses paid in the country of the non-resident which goes to the Czech Republic.
2. Including only the margins of travel agencies and tour operators.

Sources: Tourism Satellite Account, Czech Statistical Office, 2009.

StatLink http://dx.doi.org/10.1787/766088677341

Table 4.31. **Czech Republic: Other economic indicators**

	Units	2004[1]	2005[1]	2006[2]	2007[3]
Tourism output (basic prices)	Million CZK	231 581	223 865	224 387	239 275
Tourism gross value added (basic prices)	Million CZK	83 243	80 578	78 285	84 095
Tourism taxes	Million CZK	16 638	16 028	17 088	17 688
Tourism GDP	Million CZK	99 882	96 607	95 374	101 783
Tourism share of GDP	Percentage	3.5	3.2	3.0	2.9

1. Revised data.
2. Revised semi-definitive data.
3. Preliminary data.

Sources: Tourism Satellite Account, Czech Statistical Office, 2009.

StatLink http://dx.doi.org/10.1787/766162184526

Denmark

Tourism in the economy

Tourism accounts for 1.9% of Danish Gross Value Added (direct effect) and for 3.9% of total employment (indirect and induced effects) in 2006. Total tourism consumption in Denmark is DKK 72 billion, equivalent to 1.9% of total consumption.

In 2007, there were 13 515 Danish enterprises/firms in the tourism sector (hotels and restaurants), employing roughly 45 000 full-time employees (Table 4.35).

In 2007 there were 25.2 million domestic bed nights and 23.9 million foreign bed nights registered in Denmark in commercial types of accommodation, roughly equivalent to a 50/50 split.

From 1997-07 Denmark experienced a decrease in the number of foreign bed nights (1.5% per annum), but an increase in the number of domestic bed nights (3.3% per annum). The decrease in foreign bed nights is mainly due to a decline in the key German market, although Danish (domestic) tourism has experienced an overall growth in the number of foreign bed nights of 4% in the period 2005-07.

In 2008, Denmark experienced a decline in overall bed nights of 1.6% on 2007, mainly due to a decline in foreign bed nights of 5%. Domestic bed nights increased by 0.9%. The last six months of 2008 proved to be worse than the same period in 2007 due to the global economic crisis.

Tourism organisation

At the national level, tourism policy comes under the Ministry for Economic and Business Affairs (Figure 4.7). The ministry has chosen to delegate a range of policy and operational tasks to the national tourism organisation of VisitDenmark. VisitDenmark receives its core funding from the state budget and is regulated as a business foundation. VisitDenmark's board of directors consists of representatives of the Danish Ministry of Business and Economic Affairs, the regional growth forums, business organisations and private businesses.

VisitDenmark is primarily responsible for strategic tourism development and for promoting the country as a travel destination in foreign markets. It is also in charge of carrying out tourism analysis and knowledge building.

VisitDenmark operates eight overseas offices (Germany, Sweden, Norway, the Netherlands, Italy, the United Kingdom, Japan and the United States). Additionally, VisitDenmark is active on an *ad hoc* basis in selected markets in Australia, Austria, Belgium, France, Iceland, Ireland, Luxembourg, Poland, the Russian Federation, Spain, Asia (China, India, Korea) and Switzerland. In Asia, VisitDenmark forms part of a Scandinavian Tourist Board, together with the Swedish and Norwegian national tourism organisations. In the

USA, VisitDenmark co-operates through Scandinavian Tourist Inc. together with Sweden, Norway, Finland and Iceland.

In addition to strategic tourism development and promotion, VisitDenmark has been delegated a range of international policy tasks relating to the OECD, EU and the Nordic Council of Ministers.

Tourism on a regional and local level

Following a structural reform implemented in 2007, Denmark now consists of five regions and 98 municipalities.

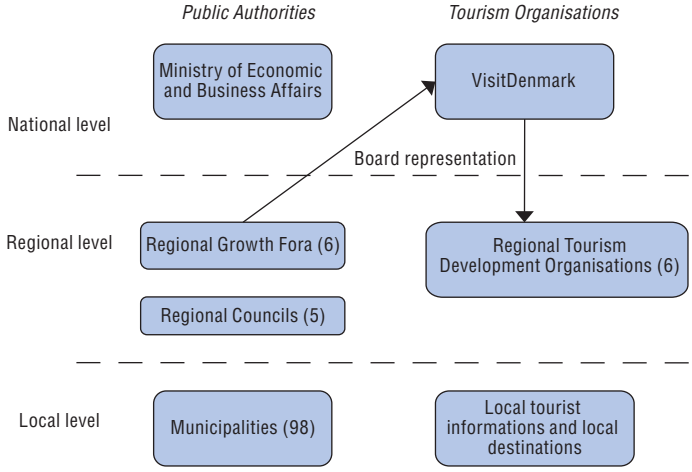
At the regional level, six regional growth forums have been established, which are responsible for regional growth and development in each of the five regions plus the Baltic island of Bornholm. The growth forums consist of regional and local politicians as well as representatives of business organisations, educational institutions and social partners (the unions and employers' organisations). The main purpose of the growth forums is to ensure coherence between state, regional, local and EU funds, and to decide which activities and projects should receive public funding.

Further to this, six regional tourism development organisations, which receive funding from the regional growth forums, are responsible for developing and promoting tourism in each region and contributing actively to the international marketing activities conducted by VisitDenmark.

At a local level, the vast majority of Denmark's 98 municipalities operate local tourist information centres, which are funded predominantly by each municipality. The tourist information centres are responsible for co-ordinating and delivering tourist services and information as well as product development and marketing at the local level.

Since the beginning of 2007, representatives from the six regional growth forums have been assigned a seat on VisitDenmark's Board of Directors. Additionally, representatives of VisitDenmark hold a seat on the governing boards of the regional tourism development organisations. Furthermore, co-operation agreements have been signed between VisitDenmark and each of the six regional tourism development organisations, as well as

Figure 4.7. **Denmark: Organisational chart of tourism bodies**



Source: OECD, adapted from VisitDenmark, 2009.

between the regional growth forums and the regional tourism development organisations. VisitDenmark and the regional tourism development organisations co-operate extensively on issues relating to the development of tourism destinations, new product development and regionally-based marketing campaigns with the purpose of promoting Denmark in foreign markets.

Tourism budget

The main sources of funding for public tourism promotion and development in Denmark are the national and regional budgets. Unlike some other European countries, Denmark has no tradition of using specific tourism taxes to fund public tourism activities.

In 2008, the national tourism budget of the Ministry of Economic and Business Affairs was DKK 142.5 million (EUR 19 million). The vast majority of the national tourism budget is allocated to VisitDenmark. The remainder is allocated, on an *ad hoc* basis, for specific activities and projects. For 2008, VisitDenmark received DKK 115 million in core funding from the Ministry of Economic and Business Affairs and DKK 33 million in activity-based funding, raising the total to DKK 148 million (EUR 20 million) from the national budget. A small part of the budget constitutes unspent funds transferred from earlier years.

Further funding is generated through activities with the private sector, which contributed approximately DKK 105 million in 2008 (EUR 14 million). In 2008, the combination of state funding and co-funding from the private sector amounted to a total budget of DKK 253 million (EUR 34 million) for VisitDenmark.

Tourism funding is also provided through the regional growth forums, which in 2008 allocated a large proportion of the regional and EU funds to tourism investments (DKK 207 million or EUR 27.5 million). Municipalities are responsible for financing local tourist information centres.

Tourism-related policies and programmes

National Tourism Strategy 2006-09

In the first quarter of 2006, the Danish Parliament adopted a new national tourism policy with the aim of strengthening economic growth and innovation in the tourism sector together with stronger public private partnerships and co-operation at national, regional and local levels. The strategy was followed by a "Growth Package", used for the funding of a project focusing on the development of strong tourism destinations and "all-year activities" as well as a project focusing on the development and promotion of innovative meeting concepts.

Action plan for the global marketing of Denmark

The *Action Plan for the Global Marketing of Denmark*, the main focus of which is to generate a clear and positive image of Denmark abroad, was launched by the Danish government in April 2007. At the same time the action plan should ensure that Denmark continues to hold a strong competitive position in the market for creative and competent employees, tourists, students, investment and global market share. The budget of the Action Plan is DKK 412 million (EUR 55 million) during 2007-10, with DKK 60 million (EUR 8 million) earmarked for co-financing the development and promotion of Denmark as a tourism destination.

The Action Plan contains a number of initiatives with the aim of ensuring more effective and co-ordinated marketing of Denmark. Consequently, a new Marketing Denmark Fund (*Fonden til Markedsføring af Danmark*) has been established, with the purpose of increasing foreigners' awareness of Denmark's strengths and competencies, especially by supporting and promoting larger-scale activities such as events, campaigns, conferences, and promotional activities that generate publicity about Denmark. As a part of the Action Plan a joint communication platform has been developed based on the strengths that tourists highlight about Denmark and Danish society ("responsible and balanced", "high quality", "experimental and courageous", and "environmental awareness, simplicity and efficiency").

The Action Plan also aims to promote faster and simpler visa administration for tourists and business visitors; several positive results from this initiative have already been obtained.

A new strategy for Danish tourism 2009-15

In December 2008, the Board of Directors of VisitDenmark adopted a joint strategy for the development of Danish tourism towards 2015 (Box 4.9). The strategy has been developed in close co-operation with and on behalf of all stakeholders in Danish tourism including public-sector tourism actors on a national, regional and local level as well as industrial associations, the tourism sector and other actors in the experience economy. The strategy is also supported by the Danish government.

The strategy expresses the ambition of Danish tourism to create renewed growth and competitiveness in the tourism sector. Through closer collaboration between tourism actors and a more professional approach to the development and promotion of Denmark as a tourist destination, the objective is to attract more investment in the tourism industry and thereby improve the tourism offer and promotion.

Box 4.9. **The new strategy for Danish tourism 2009-15**

As a part of the strategy, new forms of collaboration between tourism actors will be developed, notably:

New business partnerships: As part of the strategy seven business partnerships will be established. These will have the task of developing and marketing high-quality products and experiences, aimed at generating a higher turn-over and a higher value-added in the tourism sector. The key actors in the partnerships are the tourism industry as well as other business actors.

Brand architecture: With a view to creating a clear and coherent image of Denmark, the seven business partnerships will be working within clarified brand architecture, *i.e.* with a clear division of responsibilities in relation to marketing and promotion on a national, regional and local level.

Strong destinations (Box 4.10): With a view to strengthening coherence in the products and experiences offered to the tourist, the aim is to develop further a range of strong destinations with an international power of attraction. The destinations must be able to offer attractive products and experiences all the year round. The destinations will be developed in collaboration between tourism organisations, municipalities and the tourism industry.

Box 4.10. **Strong destinations and "All-Year Tourism"**

In 2006, VisitDenmark initiated the "All-Year Tourism" Project with the aim of developing strong tourism destinations[1] and attracting more off-season tourists. In general terms the project is intended to support innovation, co-operation and growth in Danish tourism. The project focuses on product development (accommodation facilities, attractions, general tourism offers and experiences and tourism service infrastructure) and branding. Seven destinations throughout the country have been chosen as "all-year destinations" and more may be added. VisitDenmark is responsible for project management, including the planning of workshops and seminars and study tours. In January 2009, the seven destinations completed their implementation plans for 2009-15. The project will continue throughout 2009-10 with a focus on strategic organisational development, target group oriented product, experience development and strategic marketing.

1. A strong destination is defined as one having a well-defined strategy and close co-operation between the municipality(ies), tourism organisations and business corporations, as well as a strong business potential.

Additionally, Danish tourism will direct its promotional activities towards more specific and value creating target groups, focusing on their motives for visiting Denmark. This also implies that promotional activities will be carried out in a larger number of markets than today, in order to reach a greater number of relevant target groups.

As a part of the strategy, the political regulation of tourism and eventual barriers should be analysed, for instance taxation rules, visa rules, planning legislation and educational and skills barriers. An Action Plan for the sustainable development of Danish tourism was under preparation in 2009.

Statistics and economic evaluation of tourism

VisitDenmark has just finished developing a new regional Tourism Satellite Account (TSA) covering all 98 municipalities. Furthermore an economic model has been developed that can estimate indirect, induced and leakage effects of tourism, also on a municipality level.

The economic model can also estimate the value-added of tourism. The value creation of tourism has risen on the political agenda over the last years. Consequently, much attention is paid to measuring value-added in comparison to other sectors and other countries. This is done from both the demand and the supply side.

On behalf of VisitDenmark, Statistics Denmark has expanded the statistics covering private holiday homes, rented through an agency, also at the municipality level. This will make local policy making more research-based and improve the input into the TSA and the economic model. This type of accommodation is a very important part of Danish tourism (35% of all nights spent).

In the light of the economic crisis forecasting has become more important. Therefore, VisitDenmark has requested a system from a UK consultancy with the aim of improving tourism forecasting analysis, by including also economic and demographic factors.

Finally, VisitDenmark is continually developing and improving the methods used to measure the marketing return on investment (MROI) in order to optimise the use of marketing resources.

Statistical profile

Table 4.32. **Denmark: Domestic overnight tourism**

	Units	2004	2005[1]	2006	2007	2008
Number of overnight stays	Thousands	21 914	22 272	23 841	25 156	25 374

1. 2005: New methodology.
Sources: Statistics Denmark and VisitDenmark, 2009.

StatLink http://dx.doi.org/10.1787/766225132051

Table 4.33. **Denmark: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	4 421	4 699	4 742	4 770	4 503
Top 5 markets						
Germany	Thousands	1 751	1 857	1 893	1 939	1 825
Sweden	Thousands	855	846	878	858	801
Norway	Thousands	643	669	667	692	658
Netherlands	Thousands	227	212	198	205	205
United Kingdom	Thousands	224	233	238	236	214
Number of same-day visitors[2]	Thousands	17 340	17 340	17 306	17 306	17 306
International travel receipts[3]	Million DKK	33 975	31 652	33 074	33 862	34 089

1. Tourists in all commercial accommodations; 2004: New methodology.
2. Estimate, based on border control report.
3. Including business.
Sources: Statistics Denmark and VisitDenmark, 2009.

StatLink http://dx.doi.org/10.1787/766230400244

Table 4.34. **Denmark: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	4 630	5 469	6 129	6 564	6 347
International travel expenditure	Million DKK	43 546	41 178	44 437	47 872	49 347

Sources: Statistics Denmark and VisitDenmark, 2009.

StatLink http://dx.doi.org/10.1787/766260536824

Table 4.35. **Denmark: Enterprises and employment in tourism**

	Units	2004	2005	2006	2007
Number of enterprises	Establishments	13 407	13 620	13 470	13 555
Hotels	Establishments	1 534	1 543	1 524	1 582
Restaurants	Establishments	11 873	12 077	11 946	11 973
Full-Time employees	Employees	38 904	40 603	42 365	44 874
Hotels	Employees	11 473	11 875	12 479	13 349
Restaurants	Employees	27 431	28 728	29 886	31 525
Tourism share of employment	Percentage	1.8	1.9	1.9	2.0
Employees' gender share					
Male	Percentage	53	53	53	53
Hotels	Percentage	41	41	41	41
Restaurants	Percentage	45	46	46	46
Female	Percentage	47	47	47	47
Hotels	Percentage	59	59	59	59
Restaurants	Percentage	55	54	54	54

Sources: Statistics Denmark and VisitDenmark, 2009.

StatLink http://dx.doi.org/10.1787/766262064215

Table 4.36. **Denmark: Tourism in the national economy – Tourism Satellite Account**

2006

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism gross value added (Direct)	Tourism gross value added (Total)
Accommodation services	Million DKK	9 177	3 216	4 794	5 083
Food and beverage serving services	Million DKK	3 188	5 252	3 432	3 768
Passenger transport services	Million DKK	8 911	1 516	3 590	4 763
Travel agency, tour operator and tourist guide services	Million DKK	1 520	3 296	2 866	3 329
Recreation and other entertainment services	Million DKK	1 962	1 237	1 364	2 089
Other services	Million DKK	1 964	6 155	3 767	15 100
Goods	Million DKK	8 662	15 743	6 296	20 431
Total	Million DKK	35 383	36 416	26 110	54 563

Sources: Statistics Denmark and VisitDenmark, 2009.

StatLink http://dx.doi.org/10.1787/766328531236

Table 4.37. **Denmark: Other economic indicators**

	Units	2006
Internal domestic tourism consumption share of final consumption	Percentage	1.9
Tourism share of GVA – direct	Percentage	1.9
Tourism share of GVA – total	Percentage	3.9

Sources: Statistics Denmark and VisitDenmark, 2009.

StatLink http://dx.doi.org/10.1787/766370487123

Finland

Tourism in the economy

In 2007, tourism in the Finnish economy, according to the Tourism Satellite Account contributed 2.3% to national GDP.

Domestic leisure travel in 2008 rose to 27.1 million overnight trips, just a marginal growth of 0.6% on 2007. International arrivals in 2008 were 5.9% up on 2007 at 6.1 million international visitors (day trips included). Of the total, 3.6 million were overnight tourists, an increase of 1.8% on the year before. The growth in day trips was 12.3%. Revised data show that international travel receipts (excluding passenger fares) rose in 2008 to EUR 2.181 million, an increase of 5.4% on the previous year.

In 2008, outbound travel rose to 6.6 million trips, an increase of 2.4% on 2007. The costs of overseas travel amounted to EUR 3.053 million, an increase of 5.0% on 2007, resulting in a deficit on the tourism account of some EUR 872 million.

Tourism organisation

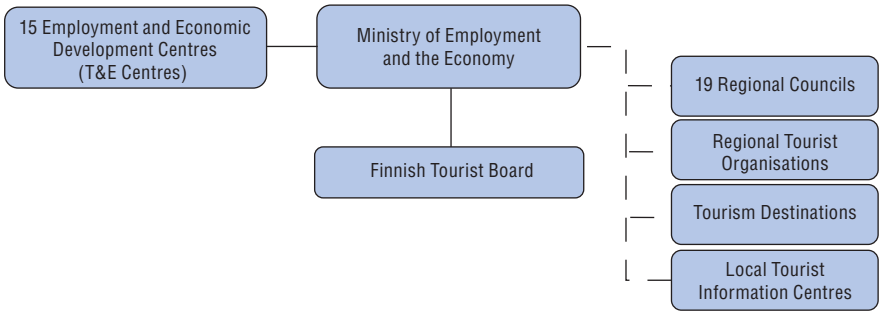
The Ministry of Trade and Industry under which the tourism portfolio used to reside, was closed at the end of 2007. A new ministry, formed from former Ministries of Labour, Trade and Industry and of one directorate of the Ministry of the Interior (regional policy) was put together to form the Ministry of Employment and the Economy at the beginning of 2008 (Figure 4.8).

The organisation of the Finnish Tourist Board (a civil service department under the Ministry of Employment and the Economy) was renewed last year. The main tasks of the Finnish Tourist Board are to promote the tourism image of Finland abroad and carry out product marketing to support this task; to gather and distribute market information to the tourism industry and to promote top quality product development.

The number of employees at the Finnish Tourist Board was reduced from about 100 people to about 30 and all its offices abroad were closed. The Finnish Tourist Board now outsources tourism promotion activities abroad from Finpro, an association established to help Finnish enterprises in export activities. Finpro employs about 20 persons abroad in its own network of export centres to execute tasks which the Finnish Tourist Board has designated to them. Those persons act for Finnish Tourist Board as Visit Finland experts. In the future, the capacity to buy services abroad from Finpro will depend on the state budget of the Finnish Tourist Board.

The territorial organisation of Employment and Economic Development Centres "T&E Centres" was renewed in 2008 and came into force at the beginning of 2009, reflecting the organisational changes at the ministry. Regional work was streamlined as a result. Larger regional change will occur at the beginning of 2010, when the whole structure of government's regional activities, including those affecting tourism, will be changed.

Figure 4.8. **Finland: Organisational chart of tourism bodies**



Source: OECD, adapted from the Ministry of Employment and the Economy, 2009.

Tourism budget

The National Tourism Administration is part of the Ministry of Employment and the Economy and has no separate budget. One person is in charge of tourism-related affairs at the Directorate of Innovation at the ministry. Tourism development is funded mainly by regional funding.

Public funding of the Finnish Tourist Board in 2008 was EUR 16 million. For 2009, this was reduced to EUR 14.8 million and will be further reduced in 2010 to an estimated EUR 9.5 million. The amount of private money in Finnish Tourist Board activities is very difficult to assess, however, since the content and operating methods of the Finnish Tourist Board activities have changed radically.

Most of the funding for the tourism sector comes from regional authorities (T&E Centres and Regional Councils), which also allocate EU co-funding for tourism development projects (*e.g.* investments, development and training).

At the central government level, there are some minor funding possibilities for the development of cultural tourism at the Ministry of Education, for regional development at the Ministry of Employment and the Economy, for rural tourism and for fishing tourism at the Ministry of Agriculture and Forestry and for recreational activities at the Ministry of the Environment.

Most public spending for the development of tourism goes through communities, T&E Centres, Regional Councils and ministries. Finland undertook two projects, in 2000 and 2005, where the amount of public spending for tourism development has been evaluated on the basis of which it is estimated that public spending for tourism is of the order of EUR 70-90 million per year.

Tourism-related policies and programmes

The legislative and regulatory environment

The Ministry of Employment and the Economy has evaluated the legislative and regulatory environment of tourism enterprises, based on a study that seeks to map the legislative burden on tourism enterprises and its impact on the tourism industry, its competitiveness and profitability. The aim of the study is to identify disadvantages and constraints with a view to resolving any identified problems. This work is part of the process of updating the *Finnish Tourism Strategy* that was first published in 2006 (Box 4.11).

Box 4.11. **A new tourism strategy**

Finland updated the *Finnish Tourism Strategy* to 2020 during the course of autumn 2009 and the beginning of 2010. The aim is to define the most effective ways of developing the tourism industry's performance to enhance profitability and raise competitiveness in international markets. The approach includes defining legislative and regulatory problems, defining the roles of the main players in the field of tourism more precisely, defining the main and the most effective measures which could be taken to help the tourism industry and deciding on the tasks, responsibilities and the evaluation methods to be used in resolving these issues. Execution will take many years to complete.

Analysis of domestic/inbound/outbound tourism

While no big changes have been identified in market trends to date, it is clear that the global economic crises will affect the tourism sector. Some signs of falling inbound travel volumes were visible during the summer 2008, even though the result of the whole year remained positive, due mainly to the growing market share of the Russian Federation tourists. During the high season of Christmas and New Year 2008/09 it also became clear that charter tourists, especially from the UK, spent less than expected, largely due to adverse exchange rate movements.

Looking to the future, Finland is seeking to develop a system of benchmarking tourism's performance against a series of targets and indicators, and to develop monitoring and evaluation tools to assess tourism's impact. Attention is also being paid to the impact of tourism and transport-related issues on the environment in the context of concerns over climate change. In 2008, Finland took part in the European Destinations of Excellence (Box 4.4).

Finland is also developing Tourism Satellite Accounts and seeking to improve the quality of its statistical data covering the tourism sector.

Box 4.12. **A European Union initiative**

Finland took part in the European Union's initiative "European Destinations of Excellence" (EDEN) in 2008. A competition was arranged to find a new emerging (not traditional) tourism destination, where intangible local heritage was exploited in full. Altogether 29 new destinations took part in the competition and in all of them a more effective development of networks was apparent. The destinations were advised how to improve their performance and it was found that competitors appreciated the availability of external help in developing their destination. In the framework of developing Finland's cultural tourism, all the competitors are being analysed and a national network for their further development will be established. The winner, Wild Taiga, was invited to network at the European level and four runners-up to exchange experiences at the European level.

Statistical profile

Table 4.38. **Finland: Domestic overnight tourism**[1]

	Units	2004	2005	2006	2007	2008
Number of overnight trips, total	Thousands	29 079	30 931	28 245	30 633	31 091
Holiday, leisure trips	Thousands	25 636	27 360	25 043	26 974	27 138
Business trips	Thousands	3 443	3 571	3 202	3 659	3 953
Number of nights spent, total	Thousands	75 759	80 657	73 700	76 718	77 674
Holiday, leisure trips	Thousands	69 217	73 872	67 616	70 132	70 559
Business trips	Thousands	6 542	6 785	6 084	6 586	7 115

1. Trips and overnight stays in non-rented accommodation included.
Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766383622214

Table 4.39. **Finland: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Number of arrivals at borders, visitors	Thousands	4 854	5 038	5 345	5 736	6 072
Top 5 markets						
Russian Federation	Thousands	1 647	1 684	1 737	2 070	2 331
Sweden	Thousands	794	783	779	768	765
Estonia	Thousands	383	457	503	561	522
Germany	Thousands	363	342	369	350	376
United Kingdom	Thousands	251	233	317	312	316
Number of same-day visitors	Thousands	2 014	1 898	1 970	2 217	2 489
International travel receipts	Million EUR	1 669	1 757	1 891	2 070	2 181
International passenger transport receipts	Million EUR	734	714	896	1 056	1 065

Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766385383687

Table 4.40. **Finland: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourist trips	Thousands	6 413	6 661	6 428	6 413	6 565
Holiday, leisure trips	Thousands	5 204	5 321	5 171	5 065	5 175
Business trips	Thousands	1 209	1 340	1 257	1 348	1 390
Number of overnight tourist trips	Thousands	3 971	4 174	4 164	4 320	4 474
Holiday, leisure trips	Thousands	3 022	3 112	3 147	3 230	3 328
Business trips	Thousands	949	1 062	1 017	1 090	1 146
Number of same-day visits and cruises[1]	Thousands	2 442	2 487	2 264	2 093	2 091
Holiday, leisure trips	Thousands	2 182	2 209	2 024	1 835	1 847
Business trips	Thousands	260	278	240	258	244
International travel expenditure	Million EUR	2 273	2 461	2 723	2 908	3 053
International passenger transport expenditure	Million EUR	453	454	533	604	610

1. Including cruises with overnight on board only with or without a visit ashore in the destination country.
Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766502461523

Table 4.41. **Finland: Enterprises in tourism**

	Units	2004	2005	2006	2007
Hotels and similar	Establishments	1 805	1 808	1 857	1 917
Restaurants and similar	Establishments	11 744	11 974	12 110	12 298
Railways passenger transport	Establishments	86	85	119	147
Road passenger transportation	Establishments	8 974	8 934	9 040	9 208
Water passenger transportation	Establishments	243	241	243	240
Air passenger transportation	Establishments	96	94	91	99
Passenger transport supporting services	Establishments	470	481	518	539
Passenger transport equipment rental	Establishments	406	416	450	472
Travel agencies and similar	Establishments	1 200	1 271	1 370	1 431
Cultural services	Establishments	197	194	206	215
Sporting and other recreational services	Establishments	2 161	2 246	2 424	2 655
Total	Establishments	27 382	27 744	28 428	29 221

Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766528364747

Table 4.42. **Finland: Employment in tourism**

	Units	2004	2005	2006	2007
Hotels and similar	Employees	11 871	11 654	11 932	12 111
Restaurants and similar	Employees	42 366	43 200	46 177	47 199
Railways passenger transport	Employees	6 339	5 603	5 748	5 985
Road passenger transportation	Employees	21 567	22 898	22 970	23 637
Water passenger transportation	Employees	5 200	5 401	5 128	4 787
Air passenger transportation	Employees	4 184	4 146	4 322	4 478
Passenger transport supporting services	Employees	6 403	6 586	7 090	7 745
Passenger transport equipment rental	Employees	702	648	828	943
Travel agencies and similar	Employees	4 662	4 573	4 689	4 741
Cultural services	Employees	575	488	508	513
Sporting and other recreational services	Employees	4 000	4 230	4 546	4 758
Total	Employees	107 869	109 427	113 938	116 897

Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766570630408

Table 4.43. **Finland: Tourism in the national economy – Tourism Satellite Account**

2007

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million EUR	1 103	441
Food and beverage serving services	Million EUR	1 103	600
Passenger transport services	Million EUR	2 283	1 064
Travel agency, Tour operators and tourist guide services	Million EUR	381	2
Cultural services	Million EUR	122	62
Recreational and other entertainment services	Million EUR	174	130
Other services	Million EUR	141	69
Goods	Million EUR	2 525	758
Total[1]	Million EUR	7 832	3 126

1. Domestic tourism consumption includes employers' expenses on accommodation and transportation, and own free-time residences.

Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766570671445

Table 4.44. **Finland: Other economic indicators**

	Units	2004	2005	2006	2007
Final consumption[1]	Million EUR	74 957	77 936	82 418	86 981
Tourism consumption[2]	Million EUR	9 014	9 636	10 233	10 958
Tourism share of consumption	Percentage	12.0	12.4	12.4	12.6
Value added generated by tourism demand[3]	Million EUR	3 114	3 269	3 410	3 649
Tourism share of GDP	Percentage	2.3	2.4	2.4	2.3
Tourism share of employment	Percentage	4.6	4.5	4.7	4.7

1. In current prices.
2. Including employers' expenses, and own free-time residences.
3. Including employers' expenses.

Source: Statistics Finland, 2009.

StatLink http://dx.doi.org/10.1787/766583253417

France

Tourism in the economy

Tourism in France accounts for 6.3% of gross domestic product and generates 1.8 million jobs (direct and indirect). France, which has been the top-ranking international destination in terms of volume for the past 15 years, now faces a new international environment in which global growth is driven by flows outside Europe and competitive new products are emerging.

International arrivals rose by 9% over the 2004-07 period. Tourism-related receipts stood at some EUR 40 billion in 2007.

Outbound tourism was stable over the period, fluctuating at around 19 million departures per year, and domestic tourism consumption totalled EUR 74 million in 2007.

There was also steady growth in the number of tourism-related jobs (+7% over the 2004-07 period).

Tourism organisation

Central government defines and implements national tourism policy. It regulates, approves and classifies tourism infrastructure, bodies and activities, ensures the promotion of French tourism on foreign markets and sets and implements international co-operation policy, in particular, France's role with the relevant international organisations. Lastly, it promotes the co-ordination of public and private initiatives in the field of tourism and provides assistance to tourism development initiatives taken by local and regional authorities.

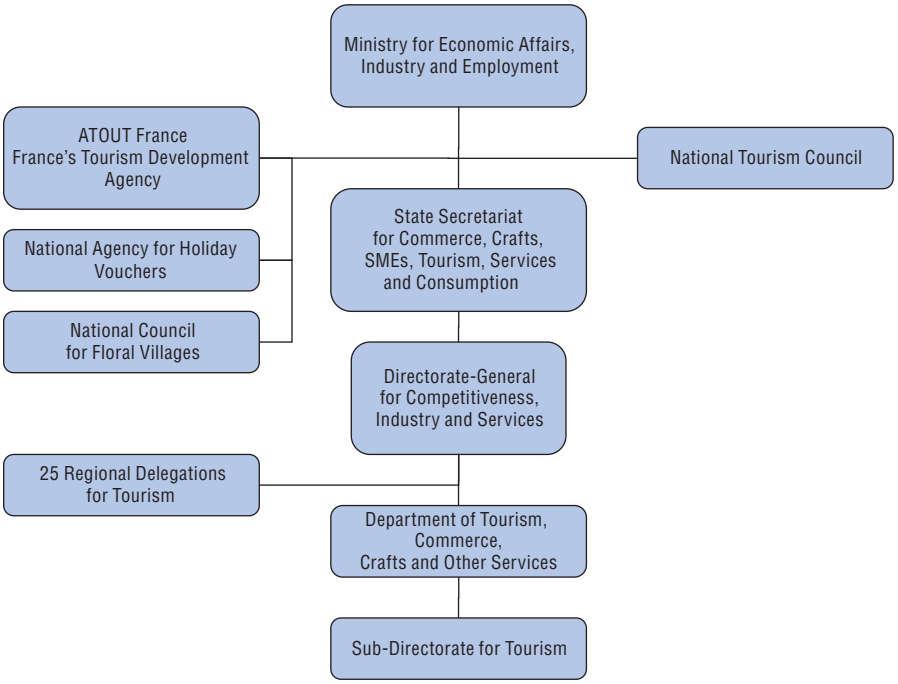
The following central government bodies participate in implementing this national policy under the authority of the minister responsible for tourism (Figure 4.9):

- The Sub-Directorate for Tourism (*Sous-Direction du Tourisme*) in the Directorate-General for Competitiveness, Industry and Services (DGCIS) of the Ministry for Economic Affairs, Industry and Employment, created by the Decree of 12 January 2009.
- The economic interest grouping (*groupement d'intérêt économique*) *Atout France*, France's Tourism Development Agency created by merging *Maison de la France* and ODIT-France, has been the central government's operator in the field of tourism since May 2009. This operator is responsible for France's tourism promotion efforts, provides advice to public and private tourism operators in the fields of development and planning and performs tasks in the public interest specified in the Act of 22 July 2009 on Developing and Modernising Tourism Services.
- The National Agency for Holiday Vouchers (*Agence Nationale pour les Chèques-Vacances,* ANCV), a public enterprise, is responsible for distributing holiday vouchers and helps implement tourism-related social policies.

Decentralised tourism policy is implemented at the various levels of government as follows:

- regions (Regional Councils) set medium-term tourism development objectives in the framework of a regional plan (tourism promotion and information);
- *départements* (General Councils) take into account the policies defined in the regional plan in their planning policy;
- communes (City Councils) set up tourist offices to welcome and provide information to tourists and to promote local tourism; and
- under Article 74 of the French Constitution, the governments of French overseas territories (*Collectivités de l'outre-mer*) have been given full responsibility for tourism (French Polynesia, New Caledonia, Saint-Barthélemy and Saint-Martin).

Figure 4.9. **France: Organisation chart of tourism bodies**



Source: OECD, adapted from Directorate-General for Competitiveness, Industry and Services, Sub-Directorate for Tourism, 2009.

Tourism budget

The central government's ministerial appropriations for tourism totalled EUR 594 million in 2007, or 0.17% of the central government budget (payment appropriations).

Of this amount, the budget of the directorate responsible for tourism (under the supervision of the Ministry for Economic Affairs, Industry and Employment) was EUR 92 million.

The national marketing of France as a destination is now carried out primarily by *Atout France* as explained above. Its budget (which is not provided entirely by the central government) was EUR 63 million in 2007.

The structural funds mobilised for tourism projects in the various areas of France totalled EUR 257 million in 2007.

Tourism-related policies and programmes

The legal rules applicable to the tourism sector are consolidated in the Tourism Code. Tourism was covered by three major successive and complementary legislative acts codified in the Tourism Code in 1987 and 1992. Other legislative provisions have since amended the legal framework for tourism activities, in particular the Act of 22 July 2009, which recognises the economic interest grouping *Atout France* as the central government's sole operator in the field of tourism, entrusting it with tasks in the public interest. This law also covers the development and distribution of holiday vouchers in SMEs.

In 2008, a strategic plan for French tourism defined a number of strategic choices for 2009 and beyond, and identified some major areas of work (Box 4.13).

In the field of sustainable tourism, a large number of initiatives have been taken by chains, associations, networks and establishments, such as the landscape charter of the *Camping Qualité* network, the *Chouette nature* label for social tourism organised by associations, the *Parcs* Brand, the *Clé Verte* label and the European ecolabel for tourism accommodation. In addition, the French Committee for the Sustainable Development of Tourism is studying the costs and benefits of ecological investments in tourism accommodation in order to produce a guide for owners and those providing them with

Box 4.13. **Strategic plan for French tourism**

Under the Strategic Plan for Tourism, a number of issues are being addressed, namely:

- **To capture the growth segments:** the goal is to gain market share from the new tourist origin markets, namely emerging countries such as China, India, Brazil and Mexico, as well as seeking to attract new customers from eastern Europe and the Russian Federation, and seniors from western Europe and France.
- **To increase per capita spending:** France only ranks sixth in terms of tourist spending. The challenge is to develop the qualitative aspects of tourism supply. To do so, emphasis is being given to the development of business tourism (a high value-added activity), but also to building consumer loyalty to France as a destination by developing quality-oriented initiatives.
- **To develop sustainable tourism that respects the natural balance and living environment of the French:** customer demand is shifting toward sustainable and equitable tourism. France must therefore be able to provide appropriate infrastructure and diversified activities to provide opportunities for tourism in all four seasons nationwide. This will enable France to preserve its many natural assets and its heritage, while continuing to develop tourism harmoniously.
- **To implement initiatives to enable certain segments of the population to go on holiday** (*e.g.* the elderly, the disabled, economically disadvantaged families), with the National Agency for Holiday Vouchers (ANCV) as main operator.
- **To make tourism a priority of concern to everyone:** tourism, which is a particularly cross-cutting activity, has an impact on a wide range of sectors of activity. Consequently, each of these sectors needs to be made more aware so they can take advantage of the support provided by local and regional governments, while ensuring that private bodies are involved through their professional organisations and federations.

Areas for work within the Strategic Plan include promotion, accessibility, tourist assistance and information and adjustment to demand.

financing. Lastly, central government approves the establishment of centres by social tourism associations provided that there is a positive impact on the local economy (local purchase of supplies, possibility of local residents using the centre's sports and leisure facilities, employment of local workers, etc.). With regard to human resources, the lowering of the rate of value added tax (VAT) to 5.5% in July 2009 for the hotel-café-restaurant sector is aimed at making it possible to raise salaries, hire new staff and lower prices in this sector. Central government also participates in employment monitoring centres (hotel-café-restaurant and travel sales sectors) and helps to support seasonal labour (via the creation of advisory centres for seasonal workers and a charter for the employment of seasonal workers intended for employers).

In the field of research, in 2009, central government conducted a study on how well higher-education programmes in tourism meet the needs of customers and the labour market It also carried out a study on the occupations of guide-interpreter and tour guide aimed at ensuring that recruitment and employment conditions are better adapted to customer and employer demand. With regard to the issue of climate change, the most significant recent initiatives are those of travel agencies (offering customers the option of making a contribution to offset greenhouse gas emissions), carriers (purchasing more recent and less polluting aircraft) and customers themselves (reducing air and automobile travel because of rising fuel prices). The government is also promoting less polluting forms of travel (public transport in cities, Lyon – Turin high-speed train) and eco-friendly travel (bicycles, including in cities, hiking). In 2009, a study will be conducted on "the impact of climate change on tourism, adjustment and associated costs".

Statistical profile

Table 4.45. **France: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Millions	..	221.7	221.3	222.7	210.7
Number of nights spent[1]	Millions	..	1 282.478	1 276.379	1 266.184	1 223.337

1. Residents aged 15 years and more.
Sources: Survey SDT, INSEE-DGCIS, Banque de France, TNS Sofres, 2009.

StatLink http://dx.doi.org/10.1787/766584861475

Table 4.46. **France: Inbound tourism – International arrivals and receipts**[1]

	Units	2004	2005	2006	2007	2008[2]
Total international arrivals	Thousands	74 434	74 988	77 916	80 841	78 449
Top 5 markets						
Germany	Thousands	13 982	13 439	13 054	13 036	11 620
United Kingdom	Thousands	13 025	13 408	13 613	14 269	13 537
Belgium	Thousands	8 997	9 224	8 598	8 498	8 386
Italy	Thousands	7 750	7 234	7 584	8 140	8 177
Netherlands	Thousands	5 955	6 767	7 238	6 823	5 873
International travel receipts	Million EUR	36 409	35 381	36 911	39 568	37 800

1. Geographical coverage: Metropolitan France, excludes France overseas.
2. Provisional.
Sources: Survey SDT, INSEE-DGCIS, Banque de France, TNS Sofres, 2009.

StatLink http://dx.doi.org/10.1787/766617425818

Table 4.47. **France: Outbound tourism – International departures and expenditure**[1]

	Units	2004	2005	2006	2007	2008[2]
Number of tourist trips[3]	Millions	..	24.8	25.1	25.1	23.3
International travel expenditures	Million EUR	23 170	24 547	24 842	26 780	29 300

1. Geographical coverage: Metropolitan France, excludes France overseas.
2. Provisional.
3. Residents aged 15 years and more.

Sources: Survey SDT, INSEE-DGCIS, Banque de France, TNS Sofres, 2009.

StatLink http://dx.doi.org/10.1787/766621048724

Table 4.48. **France: Enterprises in tourism**[1]

	Units	2004	2005	2006	2007	2008
Total	Thousands	192.1	199.04	192.6	..	..
Hotels with restaurant	Thousands	18.6	18.4	16.3	..	..
Hotels without restaurant	Thousands	6.7	6.9	7.4	..	..
Campsites	Thousands	4.9	5	4.5	..	..
Traditional restaurant	Thousands	82.5	87.3	84.1	..	..
Fast-food restaurant	Thousands	26.7	29.2	28.1	..	..
Funicular, mechanic lifts	Thousands	0.152	0.164	0.153	..	..
Travel agencies and tourism offices	Thousands	4.28	4.41	4.26	..	..
Thermal activities and thalasso-therapy	Thousands	0.12	0.118	0.116	..	..

1. Geographical coverage: Metropolitan France, excludes France overseas.

Source: UNEDIC, 2008.

StatLink http://dx.doi.org/10.1787/766630000023

Table 4.49. **France: Employment in tourism**[1]

	2004	2005	2006	2007	2008
Hotels	211 729	211 459	214 037	212 452	210 419
Campsites	7 550	7 615	7 980	8 433	8 759
Traditional restaurants	298 128	304 350	314 429	336 954	339 991
Fast-food restaurants	128 460	133 332	141 694	152 379	159 063
Funicular, mechanic lifts	13 581	13 774	11 601	14 708	14 809
Travel agencies and tourism offices	46 998	47 334	48 173	48 982	47 639
Thermal activities and thalasso-therapy	5 720	5 720	5 820	6 050	..

1. Geographical coverage: Metropolitan France, excludes France overseas.

Source: UNEDIC DGCIS, 2009.

StatLink http://dx.doi.org/10.1787/766640514561

Table 4.50. **France: Tourism in the national economy – Tourism consumption**[1]
2008[2]

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million EUR	36 691	12 104
Food and beverage serving services	Million EUR	9 504	11 833
Passenger transport services	Million EUR	18 971	10 067
Travel agency, tour operator and tourist guide services	Million EUR	7 876	415
All other services (incl. cultural and entertainment services) and goods	Million EUR	46 963	11 589
Total	Million EUR	120 005	46 008

1. Geographical coverage: Metropolitan France and France overseas.
2. Provisional – Methodology not validated yet; data temporary and not comparable to the previous years.

Source: DGCIS, 2009.

StatLink http://dx.doi.org/10.1787/766667566452

Table 4.51. **France: Other economic indicators**

	Units	2007[1]	2008[1]
Domestic tourism consumption share of final consumption[2]	%	8.6	8.5
Tourism share of GDP[2]	%	3.8	3.7

1. Provisional.
2. Methodology not validated yet; data temporary and not comparable to the previous years.

Source: DGCIS, 2009.

StatLink http://dx.doi.org/10.1787/766701527602

Germany

Tourism in the economy

Tourism is an important sector of the German economy and contributes to both growth and employment. Around 2.8 million jobs depend directly and indirectly on the tourism sector, which also provides approximately 114 000 training places (2008).

For the year 2000 (last year of reference), the tourism sector's core fields contributed EUR 57.5 billion to gross output, approximately 3.2% of GDP (business travel is not included).

Figures for inbound tourism to Germany rose by 3.6% in 2007, surpassing even the sensational Soccer World Cup year of 2006. In 2008 it rose by 1.9%. Despite the lack of a high-profile event on a similar scale, visitors from around the world appear increasingly likely to choose Germany as a travel destination at all times of the year. Foreign visitors continued to favour Germany's larger cities: one third of all overnight stays by visitors from Europe and overseas were made in Germany's ten major cities (Berlin, Munich, Hamburg, Frankfurt, Cologne, Dresden, Düsseldorf, Stuttgart, Leipzig and Hannover).

Tourism organisation

Within the German government, the Federal Minister of Economics and Technology has the lead responsibility for tourism policy (Figure 4.10). Tourism policy is an interdisciplinary task and is influenced by many other policy fields. The federal government's Commissioner for Tourism is responsible for co-ordinating tourism policy within the federal government and with the German Parliament (Bundestag), especially with the Tourism Committee.

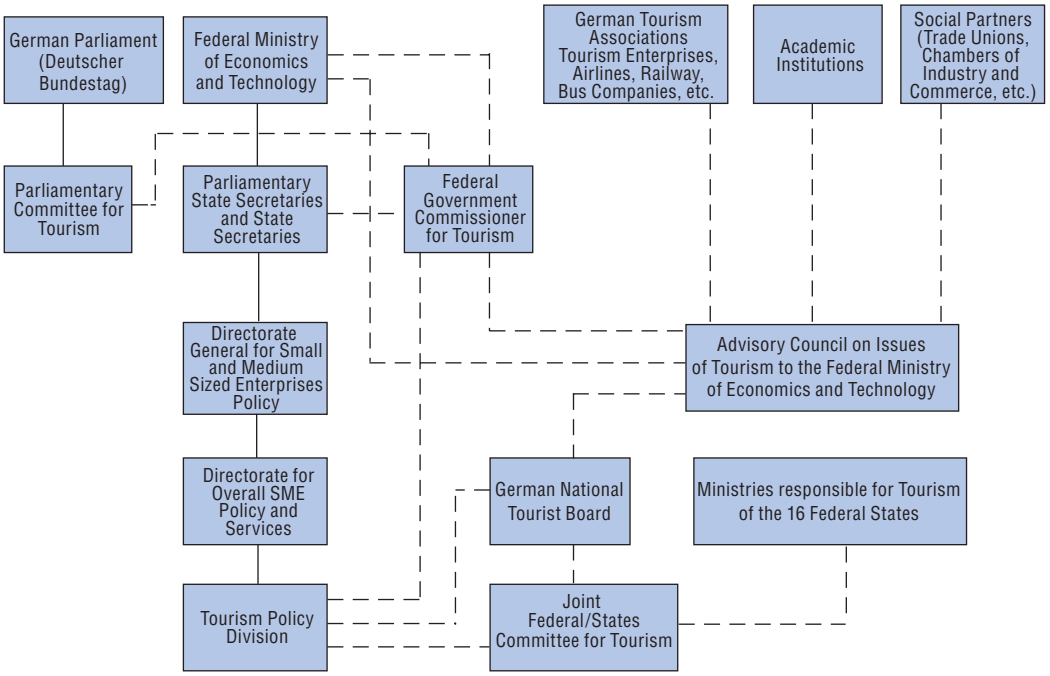
In 1977 the Advisory Council on Issues of Tourism to the Federal Minister of Economics and Technology was founded. It is intended to bring together the interests of government, commerce, academia, local authority bodies and the business associations. The members are tasked with advising the Federal Minister of Economics and Technology and with supporting him by providing appropriate expertise.

The federal structure of Germany means that the federal government is primarily responsible for establishing an appropriate policy environment for tourism. The 16 Länder (states) are responsible for the actual development, shaping and promotion of tourism. The Federal/Länder Committee on Tourism meets twice a year, fostering the exchange of information and the co-ordination of measures involving more than one of the Länder.

The German National Tourist Board (GNTB) is responsible for marketing tourism abroad; it has 29 sales offices around the world. It represents Germany throughout the world as a destination for holidays, business travel and visits to friends and family. It operates on behalf of the Federal Ministry of Economics and Technology from which it receives the majority of its funding. In 2008 the total budget of the GNTB was around

EUR 35 million, of which EUR 25.5 million was granted by the German federal government. The GNTB works very closely with the tourism marketing organisations of the 16 Länder.

Figure 4.10. **Germany: Organisational chart of tourism bodies**



Source: OECD, adapted from Federal Ministry of Economics and Technology, 2009.

Tourism budget

The budgetary funds available to the Federal Ministry of Economics and Technology for tourism are concentrated on two main areas:

- institutional support for the German National Tourist Board (2008: EUR 25.5 million); and
- promotion of projects to enhance the performance of small- and medium-sized enterprises in the tourism sector (2008: EUR 1.5 million).

Also, the other federal ministries fund measures and projects in their respective policy fields and from their own budgets which benefit tourism in Germany. Furthermore, the businesses in the tourism sector are able to access funding from the federal government to support investment. Additional funding is available at Länder level for marketing Germany within the country and for direct tourism development.

Tourism-related policies and programmes

The federal cabinet adopted the *German Federal Government Guidelines on Tourism* in December 2008. The guidelines focus on the following areas:

- tourism as an important economic factor for economic growth and employment in Germany and its importance worldwide;
- further improvements in the policy environment for the tourism sector;
- development of sustainable tourism in Germany;

- optimal use of the opportunities offered by demographic change for the development of tourism;
- ongoing increases in the quality of tourism services;
- further improvement in the skills of those employed in the sector;
- the development of Germany as a "product" by expanding infrastructure, increasing innovation, and improving service and hospitality;
- ensuring that all people can access tourism; and
- improving the interplay between tourism policy and the tourism sector.

The *Guidelines on Tourism* highlight the major challenges to be mastered by the tourism sector in the coming years if it is to remain successful. One major signal from the *Guidelines on Tourism* is the appeal to commerce and government to turn the challenges of climate change and demographic change into opportunities for Germany as a travel destination. In view of the fact that the population is declining, the tourism sector needs to tailor its product to the particular needs of each guest. Health and wellness tourism, as well as accessible tourism for all, are issues for the future.

The federal government is therefore aiming to achieve an ongoing strengthening of the economic power of the many small, medium-sized and large companies in the tourism industry. The aim is to increase the number of arrivals from Germany and abroad and to increase the number of people employed in tourism.

Statistical profile

Table 4.52. **Germany: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Millions	96.3	99.1	101.7	105.4	108.1
Number of nights spent	Millions	293.4	295.7	298.3	307	313

1. Arrivals in accommodation facilities including camping sites with nine and more beds.
Source: Statistisches Bundesamt, 2008.

StatLink http://dx.doi.org/10.1787/766744815846

Table 4.53. **Germany: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Millions	20.1	21.5	23.5	24.4	24.9
Top 5 markets						
Netherlands	Millions	2.9	3.1	3.3	3.4	3.6
USA	Millions	1.9	1.9	2.1	2.1	2.0
United Kingdom	Millions	1.8	1.9	2.1	2.1	2.0
Switzerland	Millions	1.4	1.6	1.7	1.7	1.8
Italy	Millions	1.2	1.3	1.4	1.4	1.4
International travel receipts	Billion EUR	22.2	23.4	26.1	26.3	27.2

1. Arrivals in accommodation facilities including camping sites with nine and more beds.
Sources: Statistisches Bundesamt 2008, Deutsche Bundesbank, 2008.

StatLink http://dx.doi.org/10.1787/766753261735

Table 4.54. **Germany: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Millions	84.9	86.6	81.8	82.1	86.2
International travel expenditure	Billion EUR	57.5	59.8	58.9	60.6	61.9

1. Tourism trips with one or more overnight stays.

Sources: Survey on Travel Behaviour of German Travellers, Statistisches Bundesamt 2008 and Deutsche Bundesbank, 2008.

StatLink http://dx.doi.org/10.1787/766843876861

Table 4.55. **Germany: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Hotels[1]	Establishments	21 765	21 618	21 735	21 356	21 355
Restaurants[2]	Establishments	83 193	81 197	94 471	96 603	..
Travel agencies	Establishments	13 753	12 639	11 866	11 404	11 046

1. Hotels and similar establishments with nine and more beds.
2. Restaurants, cafes, ice cream parlours, snack bars.

Sources: Statistisches Bundesamt, *Annual Survey in the Hospitality Sector*, and the German Travel Association, 2008.

StatLink http://dx.doi.org/10.1787/767005085007

Table 4.56. **Germany: Employment in tourism**

	Units	2004		2005		2006		2007	
		Men	Women	Men	Women	Men	Women	Men	Women
Total (hotels and restaurants)	Thousands	342	515	359	523	420	571	426	607
of which:									
Hotel and restaurant owners/executives	Thousands	116		115		127		129	
Restaurant specialists, stewards/ stewardesses	Thousands	87		94		108		118	
Employment in hotels and restaurants share of total employment	Percentage	1.89		2.12		..		..	

Source: Statistisches Bundesamt, 2007.

StatLink http://dx.doi.org/10.1787/767044466087

Table 4.57. **Germany: Tourism in the national economy – Tourism Satellite Account**

2000

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million EUR	11 038	1 528	5 221
Food and beverage serving services	Million EUR	26 150	6 653	9 270
Passenger transport services	Million EUR	28 558	8 641	12 597
Travel agency, tour operator and tourist guide services	Million EUR	6 503	0	1 903
Cultural services	Million EUR	676	461	974
Recreation and other entertainment services	Million EUR	3 491	461	3 496
Other services	Million EUR	3 624	1 188	..
Goods	Million EUR	51 007	7 998	24 006
Total	Million EUR	131 047	26 930	57 467

Source: Tourism Satellite Account, 2003.

StatLink http://dx.doi.org/10.1787/767057373242

Greece

Tourism in the economy

According to recent assessments the contribution of tourism (direct and indirect impact) to the Greek economy represents 18% of GDP. The "hotels and restaurants" sector represents half of tourism activities and directly contributes 6.6% to GDP (2007). In 2008, the average tourist expenditure per capita was EUR 730, while in 2007 it was EUR 700. Moreover, the tourism sector creates approximately 700 000 jobs and also plays a decisive role in the development of the regions.

International tourist arrivals rose by approximately 8.4% in 2007 and by 8.5% in 2008. Total arrivals in 2008 were 18.8 million. The leading international origin markets for Greece in 2007 were the United Kingdom (15.2% of total arrivals), Germany (13.1%), Italy (6.7%), the Netherlands (4.8%) and France (4.4%). The top five markets thus accounted for 44.2% of all arrivals. In 2008 the tourism sector was estimated to have employed 7.3% of the Greek employed workforce.

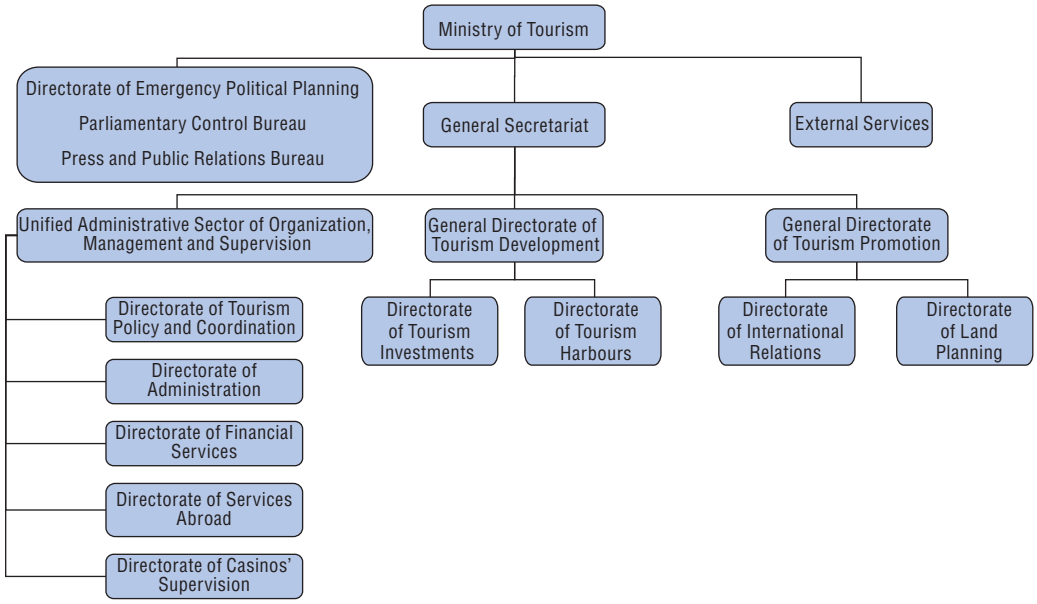
In order to deal with the prolonged economic crisis, the Greek government took a series of measures aimed at safeguarding liquidity in the market, keeping all tourism enterprises open and maintaining their share in the market. For instance, for 2009 Greece abolished airport charges in all its regional airports in order to stimulate traffic. In fact in the first half of 2009 there was a boost of domestic and inbound tourism with an increase of 40% in passenger arrivals. Furthermore, domestic tourism was encouraged through the increase by 41% in the number of those eligible for Social Tourism (Tourism For All Programme). Special assistance for small- and medium-sized enterprises, which have already received and are still receiving loans for start-up capital at subsidised interest rates up to EUR 350 000.

Tourism organisation

The Ministry of Tourism, established in 2004, is the competent authority for policy making and programming in tourism (Figure 4.11). The Ministry supervises the National Tourism Organisation, the Organisation for Education and Training, the Hotel Chamber of Greece and the Tourism Development Company. The National Tourism Organisation is responsible for implementing marketing programmes and for licensing hotels and tourism enterprises under the guidance of the Ministry of Tourism. It is also responsible for the promotion of Greece, advertising and communications policy and for arranging the country's participation in international exhibitions, conferences and events in Greece and abroad.

The regional tourism authorities come under the supervision of the National Tourism Organisation and are responsible for the implementation of tourism policy at the regional level.

Figure 4.11. **Greece: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2009.

Tourism budget

For 2009, the budget of the Ministry of Tourism was about EUR 131 million. The Greek National Tourism Organisation (GNTO) has a budget of about EUR 102 million (EUR 100 million for 2008) while the budget of the Organisation of Tourism Education and Training for 2009 was about EUR 22 million. The Greek National Tourism Organisation and the Organisation of Tourism Education and Training also receive funding from other sources.

Table 4.58. **Greece: The financing of tourism, 2008-09**

EUR thousands

	Regular budget	Casino receipts	Public investment programme		Total
			Co-funded by the EU	Nationally funded	
2008	21 149	3 000	46 578	32 796	103 523
2009	20 193	3 000	28 363	80 000	131 555

Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/767074220514

Tourism-related policies and programmes

Tourism is an important sector of the Greek economy and a priority sector in the national agenda. Greece has a rich cultural and natural heritage, which are important assets for the development of tourism. The challenge of current tourism planning in Greece is to develop a strategy which offers opportunities for investment and employment but also respects and enhances the country's rich endowment in the long-term and contributes to the broader development strategy of the country.

Greece is developing a ten-year strategy of which the main objectives are upgrading, diversifying and enriching the quality of the tourism product. Tourism is developed in a manner coherent with the national strategy for sustainable development.

The country's strategic position in the international competitive environment demands the promotion of Greece as a destination offering diverse experiences and contradictions, a destination for every visitor and for all year round.

Consequently, Greece is being projected as a place where unique and true experiences come to life. That, in fact, constitutes the strategy for the new international image of Greece, as a destination of international appeal. Nautical, cultural and countryside tourism, touring, health and wellness, MICE (Meetings, Incentives, Conferences, Events), luxury tourism, city breaks (Athens – Thessaloniki) and traditional beach tourism are all available to potential visitors to Greece. These nine strategic branches are the ones in which Greece will invest in the following years in order to dull the edges of seasonality and enhance the tourism product.

The private sector is actively involved in policy development in the sense that there is extensive communication and discussion about the problems and concerns of the Greek tourism community and how these can be solved. The Ministry of Tourism is currently promoting incentives for public – private partnerships, such as partnerships to develop large-scale events further.

The Ministry of Tourism has been instrumental in promoting greater co-operation, which has led to the creation of co-operative platforms among public agencies and international stakeholders responsible for the analysis of tourism.

Tourism policy: Legislative and regulatory environment

Given the current international economic climate, certain priorities of Greek tourism have been slightly modified and adapted to meet the changed market conditions.

Within this context substantial regulatory efforts have been undertaken recently, such as:

- a presidential decree on the technical specifications of camping sites;
- a ministerial decision issuing quotas and special skill requirements for hotel staff;
- a programme focusing on innovation, quality and ecology implemented through the 4th Community Support Framework for the co-financing of small and medium enterprises (SMEs) in order for them to receive an Ecolabel Certification;
- a 50% increase in the budget for the advertising and promotion of Greece worldwide;
- a considerable reduction in the taxes paid by the tourism enterprises to the local authorities; and
- the conversion of unemployment benefit into an employment benefit, meaning that the benefits previously paid to the unemployed will now be paid to enterprises that recruit the unemployed as listed in the records of the Greek Manpower Employment Organisation.

Through the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME), 80 000 small- and medium-sized businesses are being supported, providing them with low-interest rate loans worth EUR 9.5 billion.

Tenders for new actions in the context of the Operational Programme "Entrepreneurship/Competitiveness" of the National Strategic Reference Framework (ESPA), worth EUR 1.3 billion have already been invited. These actions seek to reinforce enterprises employing up to 50 persons, with special emphasis being given to bolstering entrepreneurship by young people and women and in areas most stricken by the crisis.

Thousands of jobs in small- and medium-sized businesses and in tourism enterprises are being subsidised. Regional airports and ports are being upgraded. A tender for the Kastelli Airport in Crete was launched in September 2009. The budget of the project amounts to EUR 1 billion, EUR 220 million of which is the state's participation. Kastelli airport is expected to be finished in 2015. Following the denationalisation of Olympic Airlines, the restructuring of the Hellenic Railways (OSE) is underway.

The global economic crisis has led Greek tourism into a degree of introspection. Specific measures and new promotional steps have been taken and are still being taken aiming to maintain and enhance internal tourism (resident and non-resident visitors). So far this appears to have had encouraging results.

Statistical profile

Table 4.59. **Greece: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	86 789	108 390	107 183	99 492	93 557
Collective accommodation establishments	Thousands	11 900	13 492	14 394	12 858	12 525
Private accommodation establishments	Thousands	74 889	94 899	92 788	86 634	81 032

Source: National Statistical Service of Greece, 2009.

StatLink http://dx.doi.org/10.1787/767105333776

Table 4.60. **Greece: Inbound tourism – International arrivals**

	Units	2003	2004	2005	2006	2007
Total international arrivals	Thousands	14 785	14 267	15 938	17 284	18 755
Top 5 markets						
United Kingdom	Thousands	3 008	2 870	2 719	2 616	2 619
Germany	Thousands	2 267	2 189	2 242	2 268	2 264
Italy	Thousands	866	898	1 129	1 188	1 157
France	Thousands	715	621	677	712	756
Netherlands	Thousands	636	612	666	782	828

Source: National Statistical Service of Greece, 2009.

StatLink http://dx.doi.org/10.1787/767127623342

Table 4.61. **Greece: Outbound tourism – International departures**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	894	1 096	1 037	1 067	1 265

Source: National Statistical Service of Greece, 2009.

StatLink http://dx.doi.org/10.1787/767142575655

Table 4.62. **Greece: Employment in tourism**

	Units	2006	2007	2008
Hotels and similar accommodation	Employees	62 718	72 636	67 169
Camping sites and other short-stay accommodation	Employees	4 828	4 869	7 358
Restaurants and mobile food service activities	Employees	132 512	132 324	69 260
Event catering and other food service activities	Employees	9 097	8 935	9 442
Beverage serving activities	Employees	89 779	92 693	161 479
Travel agency and tour operator activities	Employees	23 966	18 921	17 770
Tourism share of employment	Percentage	7.25	7.3	7.3

Source: National Statistical Service of Greece (*Labour Force Survey*), 2009.

StatLink http://dx.doi.org/10.1787/767154374317

Hungary

Tourism in the economy

Tourism contributes an estimated 5.3% of GDP (2006) and in that year the industry employed 355 000 people, 9.2% of the workforce. Foreign currency receipts from tourism totalled HUF 4.1 billion in 2008 showing an increase of 18.9%.

Some 39.6 million people visited the country in 2008, including excursionists. The main origin markets were Romania, the Slovak Republic, Austria, Serbia and Montenegro and Germany. Together these five countries accounted for 71% of total visitors. The most important markets for tourists staying overnight were Germany, Austria, the UK, the USA and Italy.

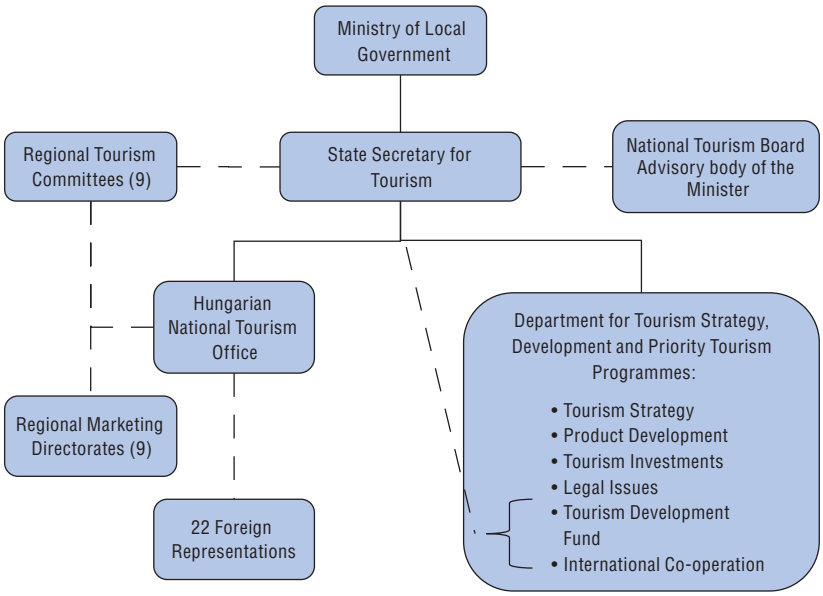
Domestic tourism accounted for 4.1 million trips and 10 million nights in 2008.

The holiday cheque system plays an important role in stimulating domestic tourism, reaching almost two million people in 2008. The National Holiday Foundation issued cheques worth HUF 42 billion, a 40% increase on 2007. The number of people benefitting from the cheques as part of the social support system reached 2 000 000.

Tourism organisation

The Ministry of Local Government has the lead responsability for tourism policy (Figure 4.12).

Figure 4.12. **Hungary: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Local Government, 2009.

Tourism budget

The Tourism Fund, allocated from the national budget, reached EUR 27 million in 2008, 0.027% of the national budget. Of this total, 71% was allocated to tourism marketing.

The National Development Plan for 2007-13 includes a provision of EUR 1.197 billion to be allocated to the regions mainly for tourism attractions, accommodation development and for the establishment of the destination management system. Tourism development projects will be realised through the Regional Operational Programmes, under which funds available for tourism development account for 4.7% of the total available EU funds.

The main measures for investment in 2007-08 in the tourism sector included the development of tourist attractions (such as thermal and health resorts, castles and fortresses, visitor-friendly reconstruction of museums, natural parks, visitor centres, theme and adventure parks), with an investment totalling EUR 280 million, and the development of commercial accommodation and related services with a total budget of EUR 370 million.

These programmes are set to continue in 2009-10, in addition to which there are plans for the development of destination management organisations which will attract EU financial support of EUR 20 million.

Tourism tax

Local governments are entitled to introduce any or all of the following: a property tax, communal tax, tourism tax or business tax. The tourism tax is one of the most conventional local taxes in Hungary. This can be area-based or it can be levied based on turnover (per capita accommodation fee). As from 2005, local governments have been empowered to increase the guest-night-based rate of tax if they deem it appropriate to do so.

Tourism-related policies and programmes

Legislative and regulatory environment

The discussion of the tourism law is at its final stage. The major aim of the tourism law is to set the general legal framework for tourism policy. It is to define the major responsibilities and tasks of the state and that of local governments, the modes of co-operation with professional organisations (such as the National Tourist Board). It also functions as a major framework law for entrepreneurs working in the tourism sector.

The law aims to create a sound legal background for the conscious development of tourism with the objective of promoting a tourist-friendly environment and a sound tourism policy in economic terms.

The adoption of the EU Directive on Services is also under discussion.

Issues related to industry competitiveness

In the National Development Strategy to 2013, EUR 1.178 billion will be available for tourism (including European, domestic, regional, local, private resources and co-financing), mainly for the development of tourism products, attractions, accommodation including the establishment of destination management systems and HR (Box 4.14).

One of the main objectives of the Hungarian National Tourist Office is to reduce the seasonality of inbound and domestic demand in order to help the sustainability of the sector. In the field of inbound tourism, the most successful measure was the Budapest

Winter Invitation Campaign that aims at inviting tourists to Budapest between the 1 November and 31 March. As far as domestic tourism is concerned, the Hungarian National Tourist Office has several initiatives with the regions and service providers (*e.g.* short stays in hotels) to help reduce seasonality. Early results show an increase of 5% in tourist demand for the first four months of the year.

Sustainability

For supporting sustainable businesses in Hungary, measures have been introduced to establish a supportive legal and policy environment which aims to orient businesses to incorporate sustainability principles in their operations. Sustainability is one of the horizontal objectives in the European Development Programmes.

Economic, social and environmental aspects of sustainable development are taken into consideration in the evaluation process of all applications for funding from the Regional Development Programmes of the National Development Plan. For the orientation of the members of the evaluating committees, an Evaluation Guideline and Criteria System was set out by the National Development Agency with the active participation of the State Secretariat for Tourism of the Ministry of Local Government.

Upon the initiative of the Ministry of Local Government, an Ecotourism Strategy has been developed in which specific attention is given to the so-called "Responsible Tourist Approach". Parallel to this initiative, the State Secretariat for Tourism proposed an in-house awareness raising campaign about responsible tourist behaviour within the Ministry. The first results were tested during 2009.

Human resource development

In the area of human resource development, tourism policy makers in co-operation with relevant government bodies analyse the results of a new structure of vocational training and higher education in the light of new labour market trends.

Co-operation with the tourism industry, consumers and other stakeholders

The State Secretariat for Tourism works in close co-operation with other government departments regarding tourism-related issues (*e.g.* with the Ministry of Culture for cultural tourism, the Ministry of Agriculture for rural tourism, the Ministry of Environment for ecotourism, etc.).

In order to strengthen regional and local co-operation, Regional Tourism Committees (RTCs) were established in 1998 in each region with the participation of local government representatives and tourism professionals. The nine regional committees have a consultative forum for discussing inter-regional issues, while the State Secretariat for Tourism works together with the Regional Marketing Directorates and Regional Tourism Committees on issues related to product development and innovation.

Development of a culture of evaluation

The use of the Tourism Fund is subject to regular examination by the Government Audit Office and the State Audit Office. In the case of the regional tourism fund as well as for money earmarked for major events, it is the intermediary body that is responsible for monitoring the implementation of the project and for the use of grants. The project

proposers are either requested to create a complete feasibility study or, in the case of minor projects, impact assessment forms are to be filled in.

The implementation of the National Development Strategy is supervised by the NTS Monitoring Committee. The Committee prepares a regular report on the implementation on a yearly basis, evaluating the following topics:

- economics, competitiveness, employment, product development, regional development, sustainability;
- quality of life; and
- demand and (product-specific) supply, competitors, trends and customer satisfaction.

Represented in the Monitoring Committee are members of the central and regional tourism administration, professional organisations and NGOs.

In addition, there are various other programmes involved in monitoring and evaluation, including the work of the National Tourist Office with the European Travel Commission, the World Tourism Organization and the University of London which are involved in a programme to set up guidelines for evaluating the marketing activities of destination management organisations.

The Hungarian National Tourist Office evaluates NTO marketing activities in co-operation with the Hungarian Central Statistical Office and the Hungarian Central Bank.

Box 4.14. **Promoting Hungarian gastronomy**

The promotion of heritage tourism is a national priority under the National Tourism Development Strategy. In order to promote Hungarian gastronomy and wine, the Hungarian National Tourist Office launches "Pigging-Out Thursday" each year, when restaurants offer 50% discount from their menus. "Pigging-Out Thursday" comes right after "Ash Wednesday", marking the beginning of the "Great Fast" before Easter. It evokes Christian and Hungarian folkloric traditions when one could "gourmandise" for the last time before the beginning of the Great Fast.

This marketing action is conducted in extended partnership with restaurants, local and national service providers and the professional organisations of the tourism industry. The event gives an opportunity for the restaurants and representatives of the catering industry to introduce and market themselves to the public. Its objective is to reach out to those who do not eat out regularly. Since 2006, there has been a growing participation each year from restaurants and representatives of the catering industry.

Within the framework of the year of Cultural Tourism in 2009, the event was combined with cultural festivities and events related to contemporary art and 21st century culture. This programme and its successful results indicate that there is a high demand for such actions, both from the industry and the consumer sides.

Tourism and transportation

One of the major areas of improvement in terms of the conditions for quality tourism supply is the development of transport communications (road, train, air transport, bicycle routes, water transport). Due to major highway construction, neighbouring countries are now more easily accessible for Hungary, while intercity rail networks have been

strengthened and the reconstruction and modernisation of railway carriages and stations has commenced.

Water transport is supported by the National Development Programme. A national bicycle route development programme has started, for which a development fund of EUR 200 million is available for investment to 2013. Between 2006 and 2008, a 167 kilometre bicycle route was financed by EU funds at a cost of EUR 20 million.

International and intra-regional activities

Hungary is an active member of the UNWTO and of the OECD Tourism Committee.

Upon joining the European Union in 2004, Hungary became entitled to contribute to the formation of the European Tourism Policy. From 2007, Hungarian regions have participated actively in a European initiative called the "European Destination of Excellence Programme". The immediate challenge for the country is to elaborate the Tourism Agenda for the European Presidency for 2011. According to the proposed plans, this will focus on the promotion of sustainable tourism and the role of tourism as a factor for improving quality of life. In this context, there will be an initiative to establish a European Code of Ethics for Ecotourists. In 2010 Pécs will be the European Capital of Culture together with Essen and Istanbul.

Hungary also co-operates closely with the Visegrad Countries (the Czech Republic, Poland and the Slovak Republic) in joint tourism promotion in overseas markets, especially in China, Japan and the USA. The country is also an active member of the Central European Initiative Working Group on Tourism and participates in a Joint Tourism Committee with neighbouring countries, meeting annually to discuss bilateral co-operation.

Statistical profile

Table 4.63. **Hungary: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight trips	Thousands	3 347	3 168	3 873	4 023	4 135
Number of nights spent	Thousands	8 391	8 958	9 606	9 958	9 965

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767154413765

Table 4.64. **Hungary: Inbound tourism**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	33 934	36 173	38 318	39 379	39 554
Top 5 markets						
Romania	Thousands	6 922	6 879	7 998	7 990	8 142
Slovak Republic	Thousands	5 112	6 769	7 380	7 805	8 079
Austria	Thousands	5 069	5 475	5 936	6 510	6 397
Serbia and Montenegro	Thousands	3 385	3 082	3 114	3 059	3 103
Germany	Thousands	2 954	3 056	3 090	2 927	2 278
Number of same-day visitors	Thousands	21 722	26 194	29 059	30 741	30 740
International travel receipts	Million HUF	821 800	864 288	970 535	930 985	1 087 361
International passenger transport receipts	Million HUF	24 668	45 715	73 261	64 062	65 648

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767220324142

Table 4.65. **Hungary: Outbound tourism**

	Units	2004	2005	2006	2007	2008
Number of tourist trips	Thousands	16 858	17 759	16 597	17 269	17 428
International travel expenditures	Million HUF	516 062	500 536	480 890	577 091	724 972
International passenger transport expenditures	Million HUF	24 406	27 349	32 320	36 956	43 002

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767248845076

Table 4.66. **Hungary: Enterprises in tourism**

	Units	2004	2005[1]	2006[1]	2007[1]
Total	Establishments	69 816	..	..	..
Accommodation and other services	Establishments	6 042			
Food and beverage serving services	Establishments	32 193	32 737	31 997	31 877
Passenger transport services	Establishments	12 624	..	..	..
Travel agency, tour operator and tourist guide services	Establishments	2 022	..	..	..
Cultural services	Establishments	12 156	..	..	..
Recreation and other entertainment services	Establishments	4 779	..	..	..

1. In 2005 and 2006, data available only for hotels. No data is available for 2008.

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767274835404

Table 4.67. **Hungary: Employment in tourism**

		2004		2005		2006	
	Units	Men	Women	Men	Women	Men	Women
Total	Employees	187 083	120 981	186 147	117 105	185 124	123 440
Accommodation and other services	Employees	13 137	17 497	16 039	17 372	15 009	18 997
Food and beverage serving services	Employees	51 072	57 161	50 629	55 200	50 379	58 185
Passenger transport services	Employees	95 762	18 098	96 435	17 305	97 440	19 249
Travel agency, tour operator and tourist guide services	Employees	2 385	5 445	2 478	4 245	1 892	5 487
Cultural services	Employees	19 145	19 009	15 621	18 118	16 207	16 854
Recreation and other entertainment services	Employees	5 583	3 771	4 945	4 865	4 197	4 668

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767322635604

Table 4.68. **Hungary: Tourism in the national economy – Tourism Satellite Account**

2006

	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption	Units	Tourism share of GDP
Accommodation services	Million HUF	68 636	184 962	253 598	Percentage	0.6
Food and beverage serving services	Million HUF	37 398	110 396	147 794	Percentage	0.7
Passenger transport services	Million HUF	65 471	93 286	158 757	Percentage	2.4
Travel agency, tour operator and tourist guide services	Million HUF	24 332	8 932	33 264	Percentage	0.1
Cultural services	Million HUF	3 473	13 262	16 735	Percentage	1
Recreational and other entertainment services	Million HUF	15 286	54 098	69 384	Percentage	0.4
Margin	Million HUF	26 096	24 318	50 414	Percentage	
Other services	Million HUF	5 593	56 687	62 280	Percentage	..
Goods	Million HUF	153 961	162 118	316 079	Percentage	..
Total	Million HUF	400 246	708 059	1 108 305	Percentage	5.3

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767361083012

Table 4.69. **Hungary: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Internal domestic tourism consumption share of final consumption	Percentage	42.4	49.6	37.1[1]	..	..
Tourism share of GDP	Percentage	5.5	5.3	5.3	..	..
Government revenue from tourism	Million EUR	3 265	3 433	3 599	2 652	4 101
Tourism share of employment	Percentage	8.3	7.9	9.2	..	..

1. Does not include inland consumption of residents concerning same-day trips.

Source: Ministry of Local Government, 2009.

StatLink http://dx.doi.org/10.1787/767407671185

Iceland

Tourism in the economy

International tourism in Iceland is one of the major contributors to the economy, accounting for 6.2% of GDP in 2004 and reaching 7.5% in 2008. The sector also accounted for 16.9% of export earnings in 2008. International tourist receipts were ISK 51 290 million in 2008. Growth has been erratic since 2004, with arrivals increasing by 39.3% in the five years to 2008 and international tourism receipts by 96.6%.

In terms of employment, tourism accounted for around 4.8% of total employment in 2007. Data show that total tourism sector employment reached almost 8 400 in 2007, the latest year for which figures are available. This represented an increase of 23% on 2004. There were some 1 200 tourism enterprises recorded in 2008.

The number of visitors from overseas has grown considerably over recent years, by 39.3% in the period 2004-08. The 502 000 foreign tourists recorded in 2008 spent 1.9 million guest nights, 55% of the total guest nights that year. The major overseas markets are the Nordic countries, the UK, the USA, Germany and France. These markets account for 60% of all overseas visitors in 2008.

Tourism organisation

Government responsibility for tourism rests with the Ministry of Industry, Energy and Tourism (Figure 4.13). The Icelandic Tourist Board (ITB) handles the implementation of tourism affairs for the ministry and has the following main responsibilities:

- issuing licences, registration and monitoring in order to ensure that requirements for operations are met;
- development, quality control, and organisational issues related to tourism, *i.e.* the implementation of a defined tourism strategy, the co-ordination of environmental and educational affairs, the dissemination of information, regional and local development, and international collaboration; and
- marketing and promotion of tourism services under the Minister's direction.

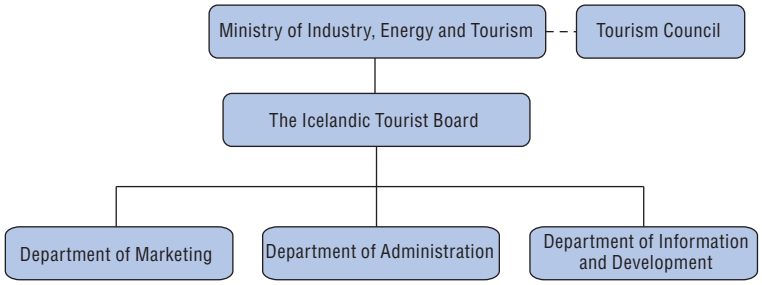
The Minister may, at his/her discretion, amend or extend the role and functions of the ITB including those related to individual projects under the Board's auspices. The ITB is authorised, upon obtaining the approval of the Minister, to assign to others the task of handling specific projects and acting as parties to collaborative projects, including acquiring ownership shares in companies operating in specific sectors.

The Minister of Industry, Energy and Tourism appoints the Icelandic Tourism Council. The job of the Council is to make recommendations to the Minister, at least once a year, on the marketing and promotion of services to tourists and to act as the Minister's advisor on

matters concerning tourism planning. The Council also comments on amendments to tourism-related legislation and regulations and on other matters assigned to it by the Minister, and on any other matters that it deems appropriate in the interests of the tourism industry.

The Council comprises ten representatives. The chairman and vice-chairman are appointed by the Minister without nomination, and the remainder are appointed by the Minister upon receipt of nominations from the following: the Icelandic Travel Industry Association, (three representatives); the Association of Local Authorities in Iceland, (two representatives); the Iceland Tourism Association, (two representatives), and the Trade Council of Iceland, (one representative). The term of appointment is for four years, although the chairman and vice-chairman are limited to the appointing Minister's tenure in office. The Director of the Icelandic Tourist Board and a representative of the Ministry attend Tourism Council meetings and have the right both to address the meetings and to present proposals.

Figure 4.13. **Iceland: Organisational chart of tourism bodies**



Source: OECD, adapted from Icelandic Tourist Board, 2009.

Tourism budget

The budget of the Icelandic Tourist Board and the budget allocated at the Ministry of Industry, Energy and Tourism for the tourism sector in 2009 is estimated ISK 872 million.

Tourism-related policies and programmes

The primary policy objectives in support of the tourism industry during the period 2006-15 are as follows:

- to ensure that Iceland's nature and wilderness, culture, and a spirit of professionalism prevails in the development of Icelandic tourism;
- to ensure the maintenance of the competitive position of the tourism industry while maximising its performance;
- to distribute tourism as widely as possible throughout the country to the benefit of residents and without exceeding carrying capacities; and
- to fortify and safeguard Iceland's image as a tourism destination.

Also, efforts are being made to realise the following goals:

- the operating conditions created for the tourism industry shall be comparable to international best practice in Iceland's main competitor countries;
- Iceland shall be in the forefront of environment-friendly tourism;

- the build-up of national parks shall be followed up with the promotion of tourism that integrates outdoor activities and nature conservation; and
- the responsibility of travellers and tourism companies with regard to environmental affairs shall be increased.

Statistical profile

Table 4.70. **Iceland: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnights stays	Thousands	651	683	738	777	792
Average length of stay	Days	1.58	1.58	1.58	1.58	1.57

Source: Statistics Iceland, 2009.

StatLink http://dx.doi.org/10.1787/767410330682

Table 4.71. **Iceland: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	360	374	422	485	502
Top 5 markets						
Nordic countries[1]	Thousands	94	93	103	119	119
United Kingdom	Thousands	60	58	67	73	70
United States	Thousands	52	58	56	52	41
Germany	Thousands	39	37	38	41	45
France	Thousands	21	20	21	23	26
Number of overnights stays	Thousands	1 479	1 551	1 719	1 868	1 925
Average length of stay	Days	1.86	1.88	1.88	1.89	1.88
International travel receipts[2]	Million ISK	26 079	25 752	31 078	34 550	51 290

1. Denmark, Norway, Sweden and Finland.
2. Excluding passenger fare.

Sources: Icelandic Tourist Board and Central Bank of Iceland, Statistics Iceland, 2009.

StatLink http://dx.doi.org/10.1787/767415830472

Table 4.72. **Iceland: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	356	364	440	460	414
International travel expenditure	Million ISK	48 747	61 540	75 477	84 329	91 749

1. Departures.
2. Including passenger fare.

Source: Statistics Iceland, 2009.

StatLink http://dx.doi.org/10.1787/767458143063

Table 4.73. **Iceland: Enterprises and employment in tourism**

	Enterprises					
	Units	2004	2005	2006	2007	2008
Travel agencies	Establishments	96	102	..	104	112
Recreation	Establishments	211	214	..	362	505
Hotels and guest houses	Establishments	300	319	..	304	301
Car rentals	Establishments	50	56	..	60	64
Tourist Information Centre	Establishments	44	46	..	29	34
Museums and galleries	Establishments	153	166	..	177	190
	Employment					
Total	Employees	6 814	7 923	8 211	8 397	..
Tourism share of employment	Percentage	4.3	4.8	4.7	4.8	..

Sources: Icelandic Tourist Board and Statistics Iceland, 2009.

StatLink http://dx.doi.org/10.1787/767501062000

Table 4.74. **Iceland: Tourism in the national economy – Tourism Satellite Account**

2006

	Units	Tourism industry output
Tourism characteristic industries	Million ISK	88 038
Accommodation services	Million ISK	11 500
Hotel services	Million ISK	5 585
Other accommodation services	Million ISK	5 915
Food and beverage serving services	Million ISK	10 690
Passenger transport services	Million ISK	58 144
Land passenger transport	Million ISK	4 227
Ocean passenger transport	Million ISK	1 934
Air passenger transport	Million ISK	49 150
Transport equipment rental	Million ISK	2 833
Travel agency services	Million ISK	7 705
Tourism connected industries	Million ISK	24 995
Automotive fuel retail and repairs	Million ISK	5 967
Other supportive transport activities	Million ISK	10 149
Cultural services	Million ISK	2 389
Recreation and entertainment	Million ISK	2 410
Miscellaneous tourism services	Million ISK	..
Miscellaneous tourism retail services	Million ISK	4 081
Total tourism output	Million ISK	113 034

Source: Statistics Iceland, 2009.

StatLink http://dx.doi.org/10.1787/767502865554

Table 4.75. **Iceland: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Tourism share of gross national product	Percentage	3.9	4.7	5.1	..	..
Tourism share of goods and services exports[1]	Percentage	18.1	19.5	19.0	16.9	16.9

1. The figures for 2007 and 2008 are estimates based on Tourism Satellite Account data from 2006.

Sources: Icelandic Tourist Board, Statistics Iceland, 2009.

StatLink http://dx.doi.org/10.1787/767525156856

Ireland

Tourism in the economy

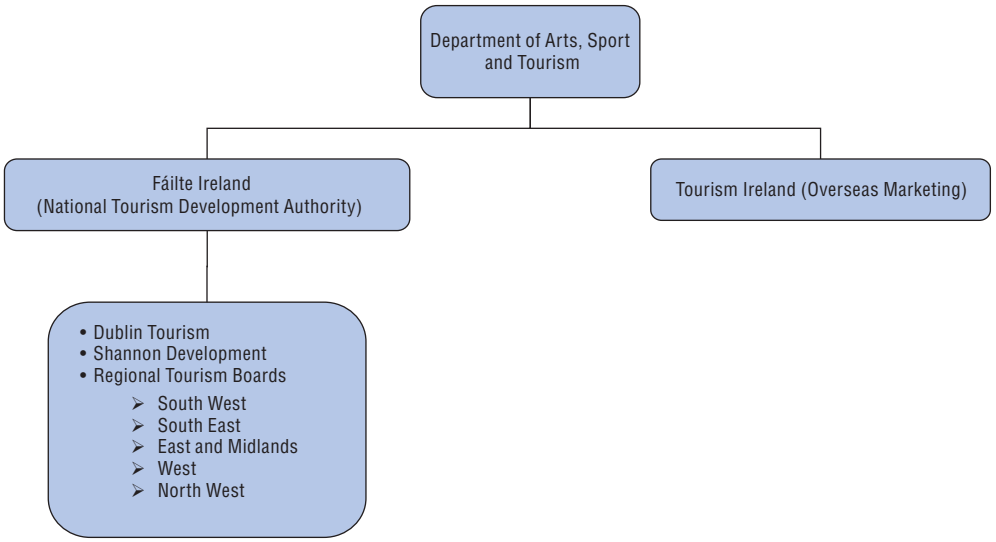
In the context of the exceptionally challenging conditions affecting nearly all of Ireland's main markets, overall visitor numbers held up quite well in 2008. According to figures published by the Central Statistics Office, there were 8.0 million overseas visitors to Ireland in 2008, a slight fall of 3.7% on the record performance in 2007. These visitors generated an estimated EUR 4.8 billion in service exports. Together with a projected EUR 1.5 billion generated by tourism spending by Irish residents (which grew strongly in recent years as the domestic economy and household incomes grew), Irish tourism is estimated to be worth at least EUR 6.3 billion in 2008 (equivalent to 4.1% of GNP). In employment terms, it is estimated that in 2008, the Irish tourism and hospitality industry sustained close to 250 000 jobs.

The combination of global recession and a particularly sharp downturn in the Irish economy, with household incomes expected to fall also, present an exceptionally challenging environment for the next few years.

Tourism organisation

National tourism policy is set by the Department of Arts, Sport and Tourism (Figure 4.14). Fáilte Ireland is the national tourism development authority with responsibility for tourism development (including enterprise and skills development,

Figure 4.14. **Ireland: Organisational chart of tourism bodies**



Source: OECD, adapted from Department of Arts, Sport and Tourism, 2009.

product development and standards) and domestic marketing. In 2006, Fáilte Ireland delegated certain functions to five regional tourism development boards, including directing the formulation of comprehensive tourism development strategies for each region, to cover all key aspects of tourism development including the product, enterprise support, training, marketing, infrastructure and environmental management needs of tourism in that region. Tourism Ireland, which was established under the framework of the Northern Ireland Peace Agreement as a subsidiary of the tourism agencies in the North and the South, has responsibility for marketing the island of Ireland overseas as a tourist destination.

Tourism budget

The overall budget for tourism in 2008 was EUR 169 million. This amount was allocated to the tourism agencies – Fáilte Ireland and Tourism Ireland – and includes specific funds for Product Development and Marketing and Promotion. Apart from private sector investment, the main source of funding is the general national tourism budget, funded by the Exchequer (taxation). Certain tax incentives for tourism-related developments have also been provided in recent years and some EU funding (Peace and Interreg) has also gone towards tourism-related activities.

There is an ongoing programme of value for money and policy reviews of public expenditure across departments. The Tourism Infrastructure Fund for publicly-owned Product Development was identified for such a review in 2009. A number of elements of tourism expenditure were previously EU co-financed and have been subject to evaluation within that framework. More generally, there is an ongoing cycle of policy analysis and development, monitoring and review within the overall Tourism Strategy Framework.

Tourism-related policies and programmes

Legislative and regulatory environment

The current strategy for Irish tourism is set out in *New Horizons for Irish Tourism: An Agenda for Action 2003-2012,* which was published in 2003. Conscious of the need for the strategic framework for tourism development to respond to the changing environment, the Minister for Arts, Sport and Tourism established a high-level "Tourism Renewal Group" in 2008 which has been tasked with reviewing and, where appropriate, renewing the current tourism strategy in order to ensure that it is focused for the short-term and that the tourism industry is well placed to benefit from the upturn when it comes (Box 4.15). The Group has consulted with industry groups and other relevant stakeholders to seek their views on the key strategic issues facing Irish tourism in the medium term, and on what the appropriate responses might be. The Group reported back in mid-2009.

Box 4.15. **Key recent policy developments**

The Minister for Arts, Sport and Tourism established a high-level "Tourism Renewal Group" to review and, where appropriate, renew Ireland's tourism strategy. The Group examined current tourism policy and programme priorities, in the light of the challenges facing the tourism sector and reported to the Minister in mid-2009 with a recommended Framework for Action. This set out key actions to be taken to assist in ensuring that tourism continues to be a major industry for Ireland and the strategies necessary to maintain the long-term sustainable growth of Irish tourism.

Market trends

Despite a challenging global environment, Ireland's overall visitor numbers held up well in 2008, making a vital contribution to employment, export earnings and tax receipts in the economy. There were 8.0 million overseas visitors to Ireland in 2008, a decrease of 3.7% on the 2007 figure, which was, in itself, a record year for Irish tourism. Expenditure by overseas visitors in 2008 was EUR 4 781 million (including carrier receipts and cross border expenditure), a decrease of 2.5% compared to 2007. With regard to domestic tourism in 2008, figures published by the Central Statistics Office show that domestic holiday trips and corresponding expenditure were broadly in line with 2007 figures. There were 7.9 million trips abroad by Irish residents representing a 2.1% increase on 2007 figures.

Competitiveness

Fáilte Ireland provides a broad range of support to tourism enterprises, large and small, to help improve competitiveness in the industry. It is continuing to implement its Human Resource Development Strategy "Competing through People". It has shifted its focus somewhat from training for individuals to training and capability for businesses (mainly SMEs) to ensure that businesses become more profitable, more efficient and more competitive. Fáilte Ireland provides businesses with interactive e-based facilities with which to assess their own enterprises' strengths and benchmark their performance against industry norms in key business areas such as energy management performance, guidance and self-audit tests on key environmental topics, and increasing profits (Box 4.16).

Box 4.16. **A recent successful programme**

During 2007/08 Tourism Ireland undertook a review of Tourism Brand Ireland. The results indicated that while the brand remains very motivating and attractive to visitors, it needed to differentiate itself even more strongly if overseas revenue and visitor numbers are to be delivered. Accordingly, Tourism Ireland has refreshed its brand communications with a new global campaign "Go Where Ireland Takes You". This aims to communicate engagement, spontaneity and fun, and showcases product experiences and things to see and do while holidaying in Ireland. The new brand campaign is the centrepiece of market communications for 2009.

Development of a culture of evaluation

The two tourism agencies, Fáilte Ireland and Tourism Ireland produce annual business plans which outline their plans, targets and objectives for the year. Achievement of these targets is regularly monitored in consultation with the Department of Arts, Sport and Tourism. In addition, Tourism Ireland undertakes regular reviews of Ireland's main overseas tourism markets to ensure that marketing strategies are best placed to maximise visitor numbers. A review of the mainland European market was undertaken in 2008.

While visitor number forecasting was previously done on an annual basis, due to the uncertain global economic climate, Tourism Ireland has now committed to providing quarterly communications with their up to date forecasts.

New challenges for tourism policy and programmes

The nature of the tourism mandate is such that there are a number of important strategic areas that require the co-operation of other departments and agencies to deliver on government policy – *e.g.* transport or environment-related issues. Accordingly, the Department of Arts, Sport and Tourism and the tourism agencies are working to ensure that the tourism agenda is accommodated in all the relevant policies and programmes that impact on tourism, through engagement and co-operation with other relevant departments and agencies. The Department of Arts, Sport and Tourism participates in relevant cross-departmental committees and is represented, *inter alia*, on working groups dealing with climate change and sustainable transport.

In 2007, Fáilte Ireland's Environment Unit published a three year action plan entitled *Tourism and the Environment: Fáilte Ireland's Environmental Action Plan 2007-2009*. This Action Plan provides an overview of the environmental challenges facing the tourism industry and outlines what the Environment Unit will do to help the industry face these challenges. In addition, a strategy document entitled *Facing the Challenges of Climate Change – Fáilte Ireland's Carbon Strategy Document* was published by Fáilte Ireland. This identifies key actions which will be taken to address the issues of climate change. The Environment Unit is currently carrying out and/or supporting a broad range of environmental research projects to develop a better understanding of the relationship between tourism and the environment.

Statistics and economic evaluation of tourism

A "First Steps" Tourism Satellite Account (TSA), published in August 2004, highlighted some "data gaps" which are gradually being addressed. In 2008, Fáilte Ireland commissioned a study which would build on the "First Steps" TSA in order to develop a dynamic economic model for the tourism sector that would allow economic impacts to be measured continuously using the most recent expenditure data available. The model is designed to capture the key attributes of tourism, demonstrate the direction and impact of the economic variables involved, and present a quantification of the associated economic impacts. Among the key indicators to be measured are:

- the value of tourism earnings and the impact on gross domestic product and gross value added;
- total direct and indirect employment supported by tourism expenditure;
- government revenue from tourism activities;
- tourism's share of internationally traded services and total exports; and
- measures of productivity, product innovation and expenditure on research and development.

In February 2008, the Central Statistics Office (CSO) launched the *Airport Pairings Database* (*www.tinyurl.com/2nypw8*). This database contains information on every direct flight in and out of nine Irish airports on a monthly basis. The database is dynamic, allowing users to break down monthly passenger numbers for each airport in the Republic of Ireland by any direct overseas route. Users can easily search for passenger numbers by airport, city or country. The data are published with a six month time lag in order to protect commercial sensitivities.

The CSO published for the first time in December 2008 a thematic report on tourism called *Tourism Trends 2007*. This report brought together statistics on tourism from other sources such as Fáilte Ireland, Eurostat, etc. The feedback from users on this report has been very positive and it is intended that it will become an annual report with the content being extended and enhanced all the time.

The *Passenger Card Inquiry* is a survey of a sample of incoming and outgoing passengers from pre-selected airline and ferry routes at Irish airports and sea ports. It collects details of the purpose of journey, country of residence, expenditure, length of stay (for passengers travelling into and out of Ireland), and type of accommodation used (for visitors to Ireland). A redesigned survey form will be introduced in 2009 which will enhance the statistics available especially in regard to destination data for travel within Ireland.

In January 2009, the CSO set up a Tourism Statistics Liaison Group comprising representatives from the key producers and users of tourism statistics. The Group will play a key role in assessing the needs and priorities of key national users of statistics on tourism in addition to facilitating the exchange of information.

Statistical profile

Table 4.76. **Ireland: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Thousands	7 001	7 173	7 310	7 942	8 339
Number of nights spent	Thousands	24 189	24 607	24 203	26 328	26 195

1. Trips.
Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767530177255

Table 4.77. **Ireland: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	6 953	7 333	7 999	8 332	8 026
Same-day trips[2]	Thousands	349	367	424	422	551
International travel receipts[3]	Million EUR	3 432	3 689	4 030	4 176	4 095
International passenger transport receipts	Million EUR	634	583	663	726	686

1. Trips.
2. Overseas same day only.
3. Excluding international fares.
Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767533152457

Table 4.78. **Ireland: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	5 661	6 384	7 125	8 036	8 244
International travel expenditure	Million EUR	4 179	4 773	5 318	6 163	6 912
International passenger transport expenditure	Million EUR	610	629	732	821	816

1. Including Northern Ireland.
Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767541328433

Table 4.79. **Ireland: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Hotels	Establishments	846	854	812	857	907
Guesthouses	Establishments	461	448	409	387	360
Farmhouses and town and country homes[1]	Establishments	3 278	3 161	3 110	2 872	2 680
Self catering	Group schemes	178	177	195	227	243
University accommodation	Establishments	13	13	13	15	16
Hostels	Establishments	175	167	147	138	135

1. Includes specialist and pub accommodation.
Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767542630617

Table 4.80. **Ireland: Employment in tourism**[1]

	Units	2004	2005	2006	2007	2008
Total	Thousands	116.1	120.4	126.7	138.4	133.0

1. Central Statistics Office official count of direct employment in tourism, which includes hotels, restaurants, bars, canteens and catering.
Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767606343102

Table 4.81. **Ireland: Tourism in the national economy – Tourism Satellite Account**

2000

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million EUR	228	672
Food and beverage serving services	Million EUR	983	932
Passenger transport services	Million EUR	762	1 062
Travel agency, tour operator and tourist guide services	Million EUR	155	12
Cultural services	Million EUR	209	197
Other services	Million EUR	179	169
Goods[1]	Million EUR	626	593
Total	Million EUR	3 142	3 637

1. Including profit margins.
Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767606681450

Table 4.82. **Ireland: Other economic indicators**

	2000
Internal domestic tourism consumption in % of final consumption	3.4
Tourism GDP in % of GDP	2.9

Source: Department of Arts, Sport and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/767653031301

Italy

Tourism in the economy

In 2007 tourism contributed 4.8% of Italian GDP, and domestic tourism accounted for 7% of final consumption in the country. Some 9.7% of Italians workers are employed in the tourism industry which employed 1.246 million people in 2008 (3rd quarter), according to national figures. This represents a small fall in total tourism sector employment on 2007 (of 1.6%), although it was 11.9% greater than the total in 2004.

Tourism organisation

The Italian government authority responsible for tourism is the Presidency of the Council of Ministers which includes the Department for Development and Competitiveness of Tourism (*Dipartimento per lo Sviluppo e la Competitività del Turismo*), which has a Minister without portfolio with specific responsibility for tourism (Figure 4.15).

The Department of Tourism carries out the following tasks:

- in co-ordination with regions and autonomous provinces, elaborates and defines national tourism policies;
- adopts measures for the tourism sector, as well as for the planning and management of structural funds;
- supervises the national tourist office – ENIT – (Figure 4.15), ACI (*Automobil Club Italia*) and CAI (*Club Alpino Italiano*);
- provides aids and incentives to develop tourism demand;
- promotes investment both in Italy and abroad;
- delivers certifications and authorisations to foreign professionals; and
- manages relations with international organisations and participates in the elaboration and adoption of EU legislation.

The Italian State Tourism Agency (ENIT – *Ente Nazionale Italiano per iI Turismo*) is under the supervision of the Department for Tourism. Regions and other stakeholders are represented on the executive board. It pursues the objective of promoting Italy as a destination and its natural and cultural heritage. It also carries out studies and publications and develops marketing and promotion strategies aimed at supporting the Italian tourist sector, in co-ordination with local authorities and other stakeholders.

The Constitution empowers Italy's regions to play an essential role in the field of the tourism through several key activities such as:

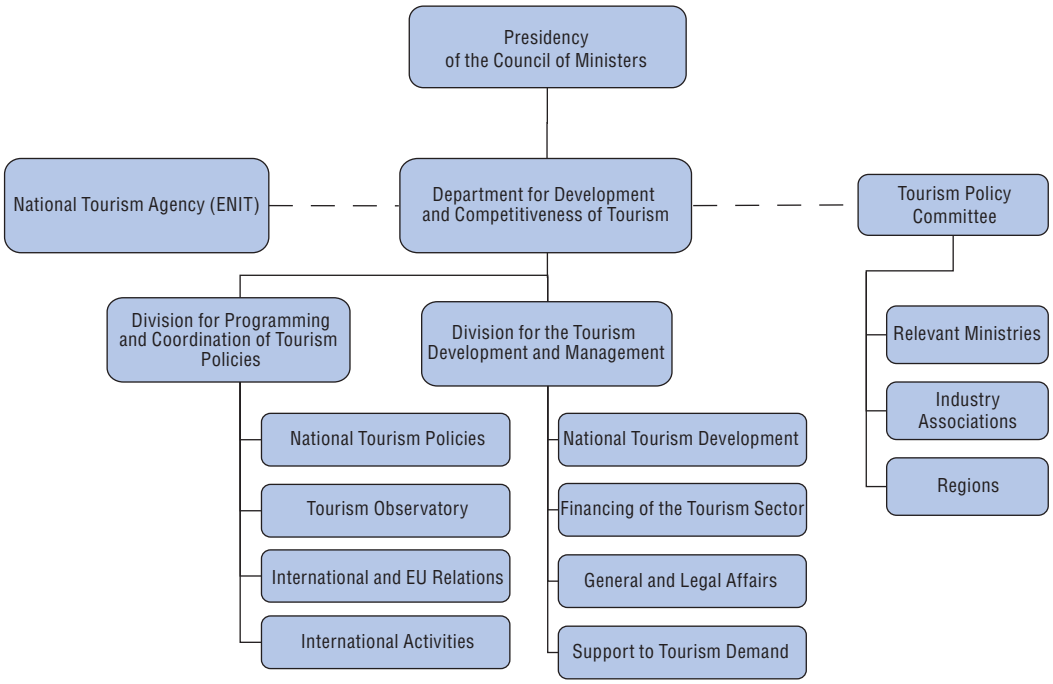
- managing European Structural Funds;
- programming and developing tourism activities at regional and local levels;

- promoting strategic marketing activities;
- performing tasks related to the regional tourism structures; and
- performing tasks related to enterprises and tourism professions.

Provinces and municipalities contribute to the improvement of the quality of tourism supply. Their national organisations are: UPI (*Unione delle Province Italiane*) and ANCI (*Associazione Nazionale dei Comuni Italiani*).

The Tourism Policy Committee is a co-ordinating body whose main task is to identify, in a common vision, the areas of intervention for drafting guidelines, both at national and regional level, and to promote initiatives in the framework of shared strategies, aimed at the development of the tourism sector. It is chaired by the Minister without portfolio. Represented on the Committee are the Ministries of Foreign Affairs, Economy and Finance, Economic Development, Innovation in the Public Administration, Environment, Transport, Regional Affairs, as well as the representatives of the regions, the provinces, the municipalities and of the relevant associations at national level in the field of the tourism.

Figure 4.15. **Italy: Organisational chart of tourism bodies**



Source: OECD, adapted from Department for Development and Competitiveness of Tourism, 2009.

Tourism budget

In 2009 the budget for the National Tourism Administration was EUR 76.5 million of which EUR 33.5 million was earmarked for the operations of the National Tourism Organisation (ENIT). Regions are also fully responsible for the financial resources they allocate to the sector. Latest data provided by monitoring centres refer to 2006, when the 20 Italian regions in aggregate spent EUR 1.81 billion on promoting their respective territories.

Tourism-related policies and programmes

National strategy for tourism

Upon taking office in May 2008, the Secretary of State for Tourism announced the guidelines for a *National Strategy to Enhance the Development of Tourism in Italy*. This comprises:

- setting up a task-force to promote Italy as a destination, through strong marketing and communication;
- enhancing the interaction between national and regional/local administrations so as to face the challenges of logistics, infrastructure and service and transport networks;
- signing strategic agreements with key international tour operators;
- ensuring the business-oriented management of major cultural and sporting events;
- improving the level of professional training;
- supporting enterprises willing to include the new ICT in their development planning; and
- re-organising the National Observatory of Tourism, with the aims of enhancing the reliability of data and collecting and disseminating more timely information.

The Department of Tourism is responsible for the implementation of the strategy at the national and inter-regional levels, while regions are responsible at regional and local levels. In order to strengthen co-operation, an *Agreement for Synergistic Promotion in Tourism* was signed between the central government and the regions. A number of specific committees were put in place to develop a multi-annual strategic plan. The strategy was launched in May 2008 and implementation started in 2009.

The fully re-organised Tourism National Observatory is meant to monitor the implementation of the strategy, step by step.

Legislation

The most important law regulating tourism in Italy dates from 29 March 2001 and resulted in a reform of the whole sector. In 2006, the overall responsibility for tourism at the national level was conferred to the Presidency of the Council of Ministers; the Department of Tourism was established in the same year.

As already mentioned, each of the 20 Italian regions has its own laws and regulations in the field of the tourism: according to the basic principle of subsidiarity, all follow the principles set out both by the EU and national Italian legislation. In particular, a 2002 government decree adopted the agreement signed between the central state and the regions and autonomous provinces on the harmonisation, promotion and development of the tourism sector, reaffirming the principle that the regions should comply with commitments undertaken by the central authority.

In the face to the current economic downturn, the Secretary of State for Tourism signed a decree on "holiday vouchers" to benefit low income families in early 2009. Vouchers can be used from the 6 January until the first week of July, and from the first week of September until the 20 December, and provide grants to the value of between 20% and 45% of the average cost of a family holiday, based on criteria such as annual income and family size.

Programmes and projects

Box 4.17. **MOTUS Initiative**

Last year about 1 000 young people from southern Italy received training and found employment thanks to the MOTUS Initiative, which was launched jointly by the Ministry for Economic Development and the Department of Tourism of the Presidency of the Council of Ministers, with the specific aims of providing services of excellence for the tourism industry and training highly skilled professionals able to manage those services. The initiative reached – through universities, high-schools and job centres – 968 unemployed or disadvantaged young people from six regions of southern Italy: Basilicata, Calabria, Campania, Puglia, Sardinia and Sicily.

It ensured companies academic, advisory and organisational support along the whole training period, in particular as for the analysis of needs, identification of skill gaps, transfer of expertise and information networking. It also provided students with up-to-date skills which resulted for the majority of them in the opportunity to get a qualified job in the sector. Students were also ensured scholarships and other forms of reimbursement for accommodation, transport and insurance costs. The whole initiative produced a considerable increase in the quality and competitiveness of 259 companies, 159 of which are operating in southern Italy, while contributing to reduce unemployment rates in those regions.

Box 4.18. **Inter-regional projects**

Several initiatives are carried out every year in the framework of social policies and economic recovery plans, financed by national and EU funds. For example, the MOTUS Initiative has the specific aims of providing services of excellence for the tourism industry and training highly skilled professionals, in order to benefit young people from southern Italy. A Committee for the Enhancement of Education and Training in Tourism has also been set up.

Some inter-regional projects have been co-financed by the Department of Tourism and the Regions, such as:

- hospitality in the villages (Campania, Basilicata, Puglia etc.);
- Mediterranean food and wine (Calabria, Sicily, Puglia); and
- tourism in the countryside (Lombardy, Sicily and other regions).

Further inter-regional projects contribute to improving the performance of the tourist enterprises and infrastructure, and to minimising resource usage and the production of waste, for example:

- promoting the quality of tourism systems (Piemonte, Liguria, Lombardy);
- assessing and monitoring the quality of hotels (Piemonte, Lombardy); and
- improving the quality of tourism supply (Abruzzo, Marche, Umbria).

There are also inter-regional projects with the specific objectives of enhancing the natural and cultural heritage:

- promoting cultural tourism (Lombardia, Emilia Romagna, Liguria, Piemonte);
- developing tourist and cultural routes (Lazio, Emilia Romagna, Marche etc.); and
- developing and upgrading mountain destinations (Toscana, Emilia Romagna).

These projects are foreseen by the "Tourism Framework Law" No. 135 of 29 March 2001, which, through the Local Tourist Systems (*Sistemi Turistici Locali*), aims at encouraging new forms of tourist development of the territory, following the principle of subsidiarity.

Reaction to the economic and financial crisis affecting tourism and stabilising measures

In October 2008, at the High Level Meeting organised by OECD in collaboration with the Italian Department of Tourism, the Secretary of State for Tourism announced the following measures to cope with the international economic crisis:

- systemic planning of all tourism resources, to enhance co-operation between public bodies and private companies and improve overall competitiveness;
- better and simpler regulations, to promote the development of new facilities and to upgrade areas already equipped with basic services;
- the further differentiation of supply, on the basis of the goods and services that a given market segment or a local area can provide;
- upgrading professional training, and the creation of new specialised courses; and
- forming consortia of small enterprises to articulate the provision of services in the tourism sector more effectively and improve their organisation.

Stabilising measures adopted by the Italian government are the following:

- social help to lower income families for travelling in Italy in the off-peak season: the measure includes special discounts allowing families to go on holidays while keeping the hotel industry working during the low and mid-season; and
- marketing partnership with France and Spain relying on common travel products to be offered, as a unique destination, on emerging and long-haul markets.

The government has negotiated with five major Italian banks terms of access to credit facilities for SMEs operating in the tourism sector, up to a total amount of EUR 1.6 billion.

Statistical profile

Table 4.83. **Italy: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	98 120	107 100	107 895	112 369	122 938
Number of nights spent	Thousands	644 989	676 243	719 763	689 313	706 650

Source: Italian Institute of Statistics (ISTAT), 2009.

StatLink http://dx.doi.org/10.1787/767708053060

Table 4.84. **Italy: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	59 483	60 220	67 456	71 200	71 683
Top 5 markets						
Germany	Thousands	11 997	11 059	10 835	11 521	11 596
Switzerland	Thousands	9 490	8 703	10 293	11 157	12 195
France	Thousands	8 262	8 434	10 328	9 913	10 139
Austria	Thousands	5 576	5 939	6 367	6 818	6 611
United Kingdom	Thousands	3 822	4 226	4 514	4 808	4 129
International travel receipts	Million EUR	28 665	28 453	30 368	31 121	31 107

Source: Bank of Italy, 2009.

StatLink http://dx.doi.org/10.1787/767728577237

Table 4.85. **Italy: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	43 335	46 030	49 128	52 517	57 359
International travel expenditure	Million EUR	16 515	18 001	18 399	19 952	20 848

Source: Bank of Italy, 2009.

StatLink http://dx.doi.org/10.1787/767747605033

Table 4.86. **Italy: Enterprises and employment in tourism**

	Units	2004	2005	2006	2007	2008
Number of enterprises (hotels and restaurants)	Establishments	259 324	266 869	269 606	280 399	..
Tourism employment (hotels and restaurants)	Employees	1 031 585	1 073 316	1 110 855	1 192 638	1 113 000
Of which:						
Self-employed	Employees	420 633	429 201	435 136	449 121	..
Employees	Employees	610 952	644 115	675 719	743 517	..

Source: Italian Institute of Statistics (ISTAT), 2009.

StatLink http://dx.doi.org/10.1787/767881175343

Table 4.87. **Italy: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Tourism share of GDP	Percentage	5.1	4.9	..	4.8	..
Domestic tourism share of final consumption	Percentage	7	7	7	7	..
Employment in tourism (hotels and restaurants)	Thousands	1 113	1 140	1 162	1 266	1 246 (Q3)
Tourism share of employment	Percentage	9.4	9.7	..	9.7	..

Sources: International Center of Studies on the Tourist Economy (CISET) and Italian Institute of Statistics (ISTAT), 2009.

StatLink http://dx.doi.org/10.1787/768022033555

Japan

Tourism in the economy

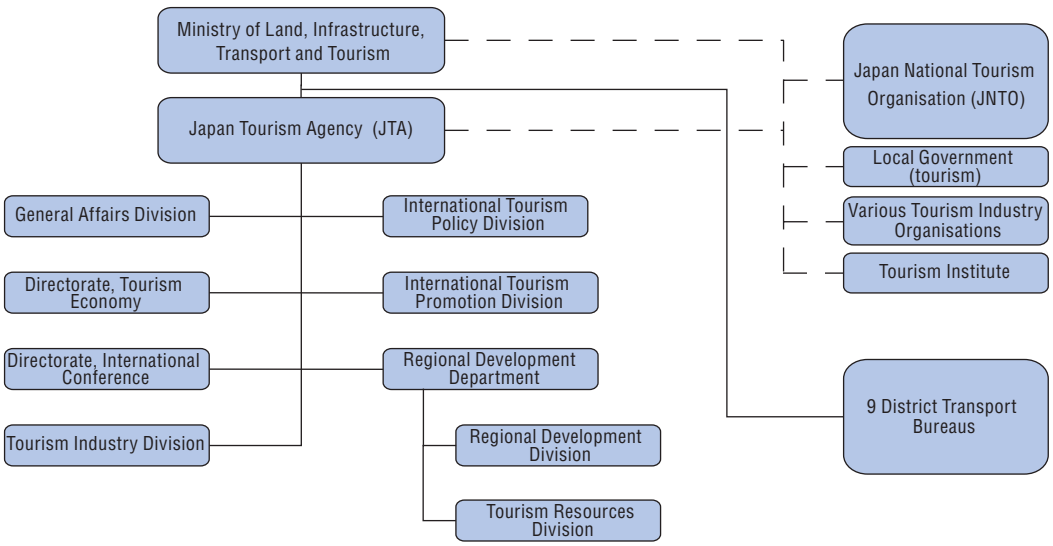
Tourism is one of the major sectors in the country's economy. During fiscal year 2007, it is estimated that JPY 23.5 trillion, including JPY 1.5 trillion spent by visitors to Japan from overseas, were spent on travel in Japan. The Japanese spent JPY 4.3 trillion on travel overseas, and it is estimated that they spent a total of JPY 26.4 trillion (excluding JPY 1.5 trillion spent by visitors to Japan from overseas) on travel during the year.

The ripple effects of spending on travel in fiscal year 2007 were worth JPY 53.1 trillion or 5.6% of GDP, based on the 2000 input-output table. Travel spending also created 4.41 million jobs, equivalent to 6.9% of the number of persons employed in fiscal year 2006. Tax revenue effects are estimated to be worth JPY 5.1 trillion or 5.4% of the expected amount of (national and local) tax revenue for fiscal year 2007.

Tourism organisation

Japan's tourism policy is now administered by the Japan Tourism Agency, which was established within the Ministry of Land, Infrastructure, Transport and Tourism in October 2008 (Figure 4.16). The Japan Tourism Agency will enable the development of Japan as an important tourism destination in co-operation with the public and private sectors. The Agency also represents the government of Japan, strengthening diplomatic efforts and the capability to publicise the country effectively as a tourism destination. The Agency is headed by a Commissioner.

Figure 4.16. **Japan: Organisational chart of tourism bodies**



Source: OECD, adapted from Japan Tourism Agency, 2009.

Tourism budget

The government budget 2008 related to tourism (comprising the budgets of the Ministry of Land, Infrastructure, Transport and Tourism, but not including the budgets for community promotion and infrastructure construction) provides total resources of some JPY 6.33 billion. This covers the Visit Japan Campaign (JPY 3.45 billion) and subsidies for the Japan National Tourism Organisation (JPY 2.0 billion).

The budget of JNTO amounts to approximately JPY 3.6 billion, of which JPY 2 billion comes as government subsidies, JPY 360 million from contributions and convention support, JPY 860 million from project income, and JPY 350 million from donations.

Tourism-related policies and programmes

Legislative and regulatory environment

The National Tourism Promotion Basic Law came into force in January 2007. This new law positions tourism as a major pillar of nation-building efforts in the 21st century. Based on this, in June 2007 the government produced the *National Tourism Promotion Basic Plan* (Box 4.19), which includes goals to be attained and basic policies for making Japan a tourism nation.

Box 4.19. **Recent key policy developments**

The National Tourism Promotion Basic Plan sets out basic policies and goals for making Japan into a tourism nation. The plan prescribes the policies and measures that should be taken in a comprehensive and systematic manner, identified by the government in the National Tourism Promotion Basic Law. The government is promoting the measures toward a tourism nation based on this basic plan.

The basic goals of the plan are:

- increase the number of overseas visitors to 10 million by 2010, with a long-term goal of equalling the number of Japanese overseas travellers (8.35 million in 2007);
- increase the number of international conferences held in Japan by over 50% by 2011, with the aim of becoming the top host nation of international conferences in Asia (216 conferences in 2007);
- increase the duration of Japanese domestic travel by 1 night per person by 2010, to 4 nights annually (2.44 nights in 2008);
- increase the number of Japanese overseas travellers to 20 million by 2010, with the aim of promoting mutual international exchange (17.3 million in 2007); and
- increase domestic travel spending to JPY 30 trillion by 2010, through the creation of new demand brought about by an improved environment for smooth travel, and diverse service offerings through increased productivity in the tourism industry (JPY 23.5 trillion in 2007).

Market trends

Regarding domestic tourism, the frequency of overnight domestic trips per head of population in 2008 is estimated to be 1.55, and the number of overnight stays on domestic trips per head is estimated at 2.44. Both figures have been stagnant recently, while the value of domestic travel spending has been declining. It was estimated to be JPY 20.2 trillion in 2007.

Japan is implementing the Visit Japan Campaign, involving both the public and private sectors. The aim of this campaign is to increase the number of inbound visitors to 10 million per year by 2010. Due to the significant appreciation of the yen and the global financial crisis in late 2008, the number of inbound visitors remains steady at 8.35 million in 2008, the same as in the previous year.

The Japanese government has been working to expand bilateral international exchange, with the objective of reaching the 20 million mark for outbound Japanese travellers in 2010 as one of the main targets for the realisation of a tourism-based nation. In pursuit of this aim, such measures as promoting tourism exchange years with other countries and enhancing the strategic development of tourism destinations for Japanese overseas tourists are being promoted systematically in co-operation with the public and private sectors.

The Prime Minister's policy statement indicates that "the number of major international conferences hosted in Japan should be increased by 50% in the next five years to make Japan the largest conference-hosting nation in Asia". As a result, the "Visit Japan Campaign" now has a new item on its agenda: to attract more international conferences.

Issues related to industry competitiveness

In the field of human resources, the entry capacity of the nation's tourism-related schools and faculties/departments has increased by 1 665 places in the past five years. These are spread over 16 departments within various tertiary educational institutions. In fiscal year 2007, the nation's educational institutions offered 3 520 places to future tourism students, in 34 departments within 33 colleges. The Japanese government has set up a "Cross-Sector Review Council on the Training of Tourism-Related Human Resources", through which it will study measures for training human resources in the tourist sector and share information thereon.

A "Working Group for the Utilisation of Internship Programmes" has also been launched in order to discuss the challenges and solutions associated with enhancing the acceptance of intern students from tourism-related schools by tourism-related industries.

Enhancing the international competitiveness of tourism destinations, the Japanese government supports activities aimed at boosting local tourism in concert with relevant local stakeholders, such as private organisations, local governments, tourism-related people, and residents.

New challenges for tourism policy and programmes

The *Proposal for Reaching 20 Million Overseas Visitors a Year by 2020 – Creating an Attractive Japan through Hospitality* was compiled as a mid- and long-term strategy for inbound tourism to realise the vision of making Japan into a tourism-based nation. This proposal includes three main pillars: overseas promotion (establishing the Japan brand); improving hospitality and accommodation systems; and attracting international conferences and events.

The actions to achieve this have been defined as:

- **Overseas promotion:** Establish and develop the Japan brand built around the country's diversity; promote Japan as a desirable, high-quality premium destination that delivers extraordinary travel memories and better-than-expected satisfaction and value (Box 4.20).

- **Improve hospitality and accommodation systems:** To realise a nation of "hospitality", make travel for foreigners in Japan more convenient by improving visa issuance (such as the granting of individual tourist visas for Chinese nationals for travel without a tour conductor), immigration checks, signage and information, and accommodation systems for foreign visitors.
- **Attract international conferences and events:** Expand the scope of policy covering international conventions to MICE (meetings, incentives, conferences, events and exhibitions).

Box 4.20. **One recent successful programme**

The public and private sectors are working together to promote the Visit Japan Campaign, which publicises Japan's tourism appeals abroad while developing and supporting attractive tourism products in Japan. Japan is conducting promotional activities targeting the 12 nations and regions (Korea, Taiwan, China, Hong Kong (China), Thailand, Singapore, the United States, Canada, the United Kingdom, Germany, France and Australia) that send a large number of visitors to Japan, designating them as priority markets. Between 2003, when the Visit Japan Campaign was launched, and 2007, the number of foreigners visiting Japan increased by 3.14 million (of whom 90% came for tourism purposes), whereas it had previously taken 17 years to achieve a similar increase.

Japan designated 2010 as Visit Japan Year, and is conducting intensive promotion to enhance the campaign.

Statistical profile

Table 4.88. **Japan: Domestic overnight tourism**

	Units	2004	2005	2006	2007
Domestic tourism expenditure	Billion JPY	16.6	16.4	15.7	15.3

Source: Japan National Tourism Organisation.

StatLink http://dx.doi.org/10.1787/768035382043

Table 4.89. **Japan: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	6 138	6 728	7 334	8 347	8 351
Top 5 markets						
Korea	Thousands	1 588	1 747	2 117	2 601	2 382
Taiwan	Thousands	1 081	1 275	1 309	1 385	1 390
China	Thousands	616	653	812	942	1 000
United States	Thousands	760	822	817	816	768
Hong Kong (China)	Thousands	300	299	352	432	550
International travel receipts	100 billion JPY	12.2	13.7	9.8	11.0	11.2
International passenger transport receipts	100 billion JPY	3.3	3.4	3.5	3.6	3.1

Sources: Japan National Tourism Organisation, Bank of Japan.

StatLink http://dx.doi.org/10.1787/768064650534

Table 4.90. **Japan: Outbound tourism – Number of trips and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	16 831	17 404	17 535	17 295	15 987
International travel expenditure	100 billion JPY	41.4	41.4	31.3	31.2	28.8
International passenger transport expenditure	100 billion JPY	10.7	11.6	12.5	12.6	11.5

Sources: Ministry of Justice, Bank of Japan.

StatLink http://dx.doi.org/10.1787/768072247056

Table 4.91. **Japan: Enterprises and employment in tourism**

	Units	2004	2005	2006
Enterprises in tourism, *of which:*	Establishments	77 682	75 259	73 856
Western-style hotels	Establishments	8 811	8 990	9 165
Japanese-style hotels	Establishments	58 003	55 567	54 070
Travel agencies	Establishments	10 868	10 702	10 621
Tourism employment (travel agencies)	Employees	93 448	110 640	116 128

Sources: Ministry of Health, Labour and Welfare; Ministry of Land, Infrastructure and Transport.

StatLink http://dx.doi.org/10.1787/768078755021

Table 4.92. **Japan: Tourism in the national economy – Tourism Satellite Account**

2007

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Billion JPY	3 138	541	2 285
Food and beverage serving services	Billion JPY	2 185	198	1 034
Passenger transport services	Billion JPY	5 976	385	2 957
Travel agency, tour operator and tourist guide services	Billion JPY	598	0	380
Cultural services	Billion JPY	216	3	138
Recreation and other entertainment services	Billion JPY	428	34	321
Other services	Billion JPY	905	0	624
Goods[1]	Billion JPY	2 580	37	1 829
Total	Billion JPY	16 027	1 198	9 569

1. Comprises connected products only.

Source: Ministry of Land, Infrastructure and Transport.

StatLink http://dx.doi.org/10.1787/768112763342

Table 4.93. **Japan: Other economic indicators**

	Units	Effects	2004	2005	2006	2007	2008
Tourism share of GDP	Percentage	Direct effect	2.4	2.4	2.3	2.3	..
		Ripple effect[1]	5.6	5.8	5.6	5.6	..
Tourism share of employment	Percentage	Direct effect	3.6	3.6	3.4	3.3	..
		Ripple effect[1]	7.3	7.4	6.9	6.9	..
Tourism share of services exports	Percentage		14.7	14.1	9.8	9.6	9.3
Government revenue from tourism	Billion JPY	Direct effect	1 913	1 983	1 980	1 988	..
		Ripple effect[1]	4 806	5 003	4 954	5 055	..

1. Includes direct and indirect effects.

Sources: Japan System of National Accounts, *Studies of the Economic Effects of the Travel and Tourism Industries for Travel Spending*, *Balance of Payments*.

StatLink http://dx.doi.org/10.1787/768114610857

Korea

Tourism in the economy

The total number of foreign inbound tourists in 2008 was 6.89 million, an increase of 6.9% compared to the previous year. The number of outbound tourists was 12.0 million, a decrease of 10%. The decrease is believed to be due to the economic recession and a high exchange rate, which led to an overall decrease in international travel. Of the total foreign inbound tourists in 2008, travellers from Japan comprised the highest percentage at 34.5%, followed by those from China at 16.6%, from the US at 8.9%, and from Taiwan at 4.6%.

Based on the Tourism Satellite Account, the total value added by the tourism industry was KRW 17.6 trillion in 2004, 2.26% of Korea's gross domestic product (GDP). The total number of employees in the tourism sector is 852 500, which accounts for 5.04% of the total employees in Korea. As of 2008, tourism receipts showed a significant increase of 48% at USD 9.02 billion compared with the previous year. Tourism expenditures showed a decrease of 25.4% at USD 12.64 billion. In October 2008, Korea's tourism account balance swung into the black for the first time in over seven years as a weaker won brought down spending on overseas travel. The tourism account surplus reached USD 370 million in October, a turnaround from a deficit of USD 390 million in September. It was the first surplus since April 2001 when the travel account logged a surplus of USD 30.4 million. As a result, the total deficit in tourism decreased to USD 3.6 billion, a decrease of USD 7.2 billion compared to the previous year.

Due to the continued depreciation of the won, a cumulative tourism account balance in the January-August period in 2009 recorded a surplus of USD 420 million. The depreciation of the won led Koreans to reduce their expenditures on overseas trips and studies abroad while more foreigners travelled to Korea.

Tourism organisation

In February 2008, the Ministry of Culture and Tourism (MCT) was renamed the Ministry of Culture, Sports and Tourism (MCST) as part of the revision in the National Government Organisation Act (Figure 4.17). Within the Ministry of Culture, Sports and Tourism, the Tourism Industry Bureau is mainly responsible for tourism policy and development. It is divided into three divisions:

- Tourism Policy Division.
- Tourism Promotion Division.
- International Tourism Division.

The Tourism and Leisure Planning Office is also linked to the Tourism Industry Bureau. It is divided into two divisions and one team:

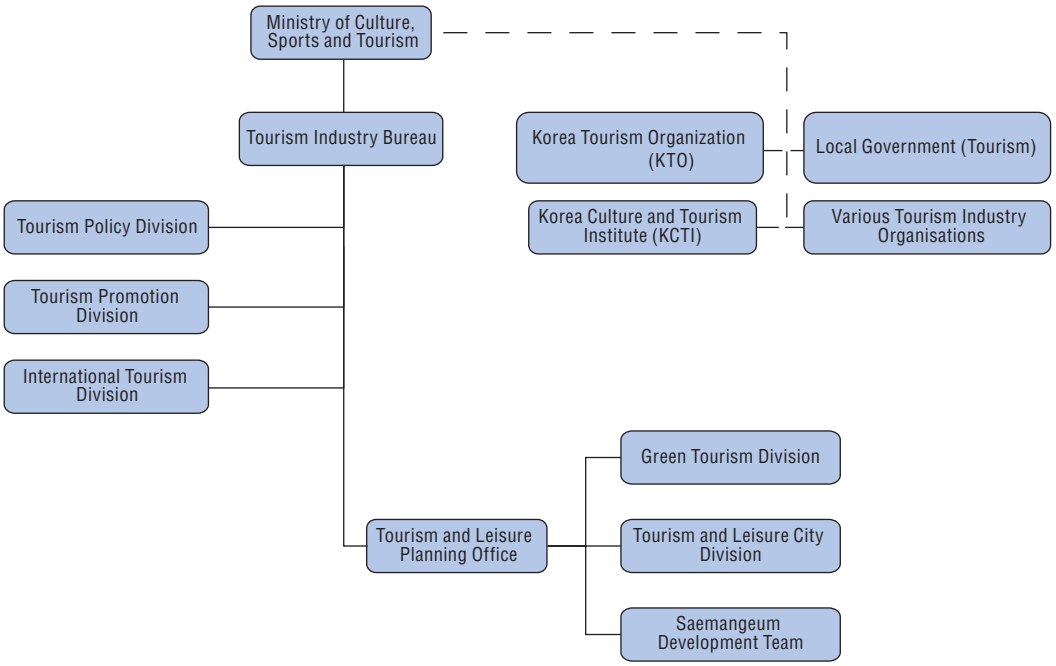
- Green Tourism Division.

- Tourism and Leisure City Division.
- Saemangeum Development Team.

The main functions of the MCST in the field of tourism are:

- enhancing the tourism industry and creating a foundation for it to become one of the nation's strategic industries;
- developing tourism resources (accommodations, tourist information systems, tourist amenities, entertainment facilities, tourist souvenirs, traditional Korean cuisine, etc.) as tourist attractions and special regional development;
- managing issues pertaining to casinos and fostering MICE (Meeting, Incentive, Convention, Exhibition/Event) industry;
- strengthening strategic marketing, international public relations, and international co-operation in tourism; and
- creating tourism and leisure cities of the future.

Figure 4.17. **Korea: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Culture, Sports and Tourism, 2009.

The Korea Tourism Organisation (KTO) has the vision to become a "global public enterprise that promotes Korea as an attractive travel destination". The KTO has 27 overseas offices and is responsible for overseas tourism marketing. The KTO's main functions are:

- promoting overseas tourism;
- helping to make Korea a destination for the international meetings, incentives, conventions, and exhibitions (MICE) industry;
- providing a travel information and resources service;
- co-operating with local governments and the tourism industry;

- promoting the satisfaction levels of international tourists;
- promoting tourism between North and South Korea;
- attracting investment to promote tourism development; and
- developing a workforce specialising in tourism.

The Korea Culture and Tourism Institute (KCTI), a research institute affiliated to the MCST, was established to study and research areas in tourism and culture in order to develop tourism and culture policies systematically. The major research areas are:

- analysis of international and domestic trends in the tourism industry;
- development of tourism industry policy and tourism resources;
- measurement of the socio-economic impacts of tourism;
- production and analysis of tourism statistics;
- training and specialisation of human resources in the tourism industry; and
- promotion of the IT transformation of the tourism industry.

There are various business organisations established so that the Korean tourism industry can achieve healthy growth and strengthen its rights and interests. Korea Tourism Association (KTA) and Korea Association of Travel Agents (KATA) are among the key representative organisations.

Tourism budget

The budget for tourism is comprised of general accounting, Tourism Promotion and Development Funds, and special accounting for balanced national development. In 2008, a budget of KRW 40.18 billion was allotted for general accounting, KRW 638.84 billion for tourism promotion and development funds, and KRW 220.03 billion for special accounting for balanced national development.

The budget for general accounting is used to invest in the infrastructure to promote tourism, such as policies for the development of tourism resources and businesses to encourage international inbound tourism and the development of tourism and leisure cities. Tourism Promotion and Development Funds are operated as public funds to develop the tourism industry efficiently and contribute to an increase in international inbound tourism revenues.

Special accounting for balanced national development is used for the development of a regionally based travel industry, including such aspects as:

- travel destination development;
- establishment of convention centres;
- cultural and travel resources development;
- eco-friendly travel resources development;
- Confucianism-themed tourism development;
- support to the construction of access roads to enterprise cities;
- development of tourist spots and culture tour programmes in *Jeju-do;* and
- tourism development in the areas of the southern coast belt, *Jirisan*, and the western coast.

Tourism-related policies and programmes

The 2008 Korean tourism policies are intended to strengthen the competitive edge of the tourism industry by the implementation of the 1st and 2nd tourism competitive enforcement plans. The *1st Stage Policy for Tax Reduction and Ease of Regulations* was confirmed in March 2008, and the *2nd Stage Policy to Strengthen the Tourism Industry* was announced in December 2008.

As part of the policy to strengthen the tourism industry, projects include:

- presentation of plans for tax reduction and easing regulations in the tourism industry;
- increase in eco/green themed tourism resources, such as marshlands;
- development of sophisticated tourism products and services that best showcase the characteristics of Korea; and
- creation of a national brand image of goodwill, safety and convenience.

In 2008, there was also an official declaration of the "2010-2012 Visit Korea Year". The MCST expects to increase awareness of the "Visit Korea Year" through such initiatives as building an efficient partnership between the private and public sectors. The intended result of this operation is to emphasise a positive image of Korean tourism as well as to increase its competitive edge. The campaign is expected to contribute to achieve the goal of attracting ten million foreign tourists by 2013 (Box 4.21).

Box 4.21. **2010-2012 Visit Korea Year**

Promotional strategies for the Visit Korea Year include:

- increasing awareness of Korea's brand image – "Korea Sparkling";
- developing tour packages to attract international inbound tourists;
- global/international promotion;
- encouraging participation in the tourism sector by Korean citizens; and
- promoting a more advanced and sophisticated attitude towards travel.

The Ministry of Culture, Sports and Tourism has agreed a memorandum with the City of Seoul and the Visit Korea Foundation Committee that outlines operational plans, led by the establishment of an effective partnership between the private and the public sector to promote "Visit Korea Year" successfully in 2010. Further plans for joint promotion include the Hallyu (Korean wave) Festival, Korea-China-Japan Invitational Lantern Parade, Korea Grand Sale, co-marketing with global companies led by the private sector, and a national hospitality campaign.

This programme is expected to strengthen the competitive edge of Korean tourism internationally as well as successfully reaching the goal of attracting 10 million international inbound tourists. The programme's success will provide an opportunity to enhance the brand image of Korean tourism.

In order to respond effectively to the changes in the climate and higher oil prices, the MCST has changed the paradigm of the tourism and leisure city development programme to a culture-centred city that is eco-friendly. This will help promote policies to increase environment-friendly facilities for tourism.

The MCST has also established a programme to develop the Peace Life Zone (PLZ) as a tourism resource (Box 4.22). The PLZ includes the de-militarized zone (DMZ), the civilian restriction line area, and its vicinity. These areas have re-instated themselves naturally since the end of the Korean War, fostering renewed interest in the variety of organisms living within this ecosystem. These tourism developments encourage "Low Carbon Green Growth" in the tourism industry.

Box 4.22. **"Low Carbon Green Growth" in tourism programmes**

Peace Life Zone (PLZ) as a tourism resource

The Peace Life Zone (PLZ) includes an area in the de-militarized zone and the civilian restricted line and its vicinity, all of which represent ecological restoration. It is a space full of life and peace within the Korean Peninsula. There has been renewed interest in this area for the variety of organisms in its ecosystem that experienced self-reinstatement following the Korean War.

Although interest in the area among both domestic and international tourists has been steadily increasing over the years, there has been no systematised management of the area as a tourist destination and resource. By connecting the PLZ with tourism projects between South and North Korea, South-North Korea tour packages will become more interesting. Further development of different and unique tour packages will follow.

Initiatives of Low Carbon Green Growth to the tourism industry

"Low Carbon Green Growth" is an important new paradigm for the country's development, a theme that has also been adopted by the tourism industry in an effort to align itself with the nation's overall plans. The objective is to achieve a "Low Carbon" tourism industry effectively and to present a clear direction for the future. The goal is to drive basic changes in the tourism industry through the application of eco-friendly technologies from the manufacturing sector and by the application of changes to the tourism industry's organisational structure.

As part of a mid/long-term plan to increase the effectiveness of the "Low Carbon Green Growth" measure, the initiatives include execution of basic research, selection of an exemplary model and establishment of monitoring system, development of a framework of action, and development of a feasible short/long-term plan to address the different stages in the mitigation and adaption policies related to carbon emissions. The application of "Low Carbon Green Growth" policy to the tourism industry is expected to create a new paradigm in the industry and to place Korea in a leading position in dealing with these issues within the global tourism industry.

The government's number one priority out of all the 36 projects of the "Green New Deal" – an ambitious project designed to create 960 000 jobs by investing USD 38 billion in green growth plans over the next four years – is the restoration of the nation's four major rivers (the Han, Nakdong and Yeongsan Rivers). When this project, mainly carried out by the MCST, is completed, the rivers will have not only more water-control facilities but also newer green infrastructure, including eco-parks and a 1 297 kilometre bike path. Almost KRW 20 trillion will be spent on the project and 280 000 people will gain new jobs during these tough times. The government also plans to use the restored rivers as central points for re-invigorating regional economies. The restoration of the four rivers will also boost the tourism and leisure industries in the regions.

Another initiative in the strategy is to enhance business-to-business (B2B) e-commerce standardisation in the tourism sector (Box 4.23). The standardisation of B2B e-commerce transactions will lead to greater efficiency and innovation in the business processes of the travel industry.

Box 4.23. **B2B e-Commerce standardisation and e-Marketplace**

The goal of the Mid- to Long-Term Information and Strategic Plan for B2B e-Commerce Standardisation in the national tourism industry is to stimulate the travel industry and firmly establish fair and competitive online market practices. It will do this through the creation of an infrastructure for e-commerce and a certification system for tour packages.

Once the B2B e-commerce structure is established, various business transactions that had been conducted offline between travel agencies, hotels, airlines, etc., will be made online through the Internet. This will help streamline management operations as it will result in a considerable reduction in business costs for the tourism industry. It will also generate efficient work processes through interactive real-time communications.

The structural innovation of business processes will lead to clean business transaction practices as well as to innovation in distribution and sales. It is hoped that the end product will be an increase in the competitive edge of the Korean travel industry.

To stimulate and promote policies to strengthen domestic tourism, the MCST is trying to create a positive environment and infrastructure for domestic travel. This will attract Korean nationals and increase opportunities to experience Korea's history, culture, and nature. The government also implements welfare travel programmes that provide opportunities for the less privileged to travel domestically. The welfare travel programme is geared towards children, senior citizens, the handicapped and migrant workers.

As the host country for the next G20 Summit in November 2010, Korea will exert its best effort to bring up the tourism issues on the table of the world leaders in line with the second T20 Tourism Ministers' Meeting. Initiated by the Tourism Ministry of South Africa, the first T20 Tourism Ministers' Meeting will be held on 22 to 24 February 2010 to discuss the valuable contribution of travel and tourism to the economic stimuli required for the global economy's recovery and long-term "green" transformation. The MCST will try its best to express the need to explore the synergies between strengthened economic co-operation in the G20, and the tourism sector's efforts to build resilience, stimulate new growth, and support the shift to a greener economy in collaboration with T20 tourism ministers. Through this expression, Korea hopes that tourism could be further mainstreamed in global economic decision making.

Statistical profile

Table 4.94. **Korea: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	234 127	240 187	248 608	294 339	267 009

Source: Ministry of Culture, Sports and Tourism, *Domestic Visitor Survey*, 2008.

StatLink http://dx.doi.org/10.1787/768148382503

Table 4.95. **Korea: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	5 818	6 023	6 155	6 448	6 891
Top 5 markets						
Japan	Thousands	2 443	2 440	2 339	2 336	2 378
China	Thousands	627	710	897	1 069	1 168
United States	Thousands	511	531	556	587	610
Chinese Taipei	Thousands	305	351	338	335	320
Hong Kong (China)	Thousands	103	166	143	140	160
International travel receipts	Million USD	6 053	5 793	5 760	6 094	9 017

Source: Korea Tourism Organisation, *Tourism Market Trend*, 2009.

StatLink http://dx.doi.org/10.1787/768205440516

Table 4.96. **Korea: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	8 826	10 080	11 610	13 325	11 996
International travel expenditure	Million USD	9 856	12 025	14 336	16 950	12 641

1. Departures.

Source: Korea Tourism Organisation, *Tourism Market Trend*, 2009.

StatLink http://dx.doi.org/10.1787/768313241064

Table 4.97. **Korea: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Number of enterprises in tourism[1]	Establishments	11 421	12 480	13 499	13 632	15 818
of which:						
Travel agencies	Establishments	9 036	9 596	10 474	10 681	12 003
Tourist lodging[2]	Establishments	685	1 104	731	775	814
Casinos	Establishments	14	17	17	17	17
Convention businesses	Establishments	134	147	195	155	241
Amusement park	Establishments	201	234	161	163	217

1. Includes only tourism accommodations registered by the Ministry of Culture, Sports and Tourism.
2. The total number of tourism accommodations (including those non-registered) was 31 913 in 2007.

Source: Ministry of Culture, Sports and Tourism, *Tourism Annual Report*, 2008.

StatLink http://dx.doi.org/10.1787/768363168334

Table 4.98. **Korea: Employment in tourism**

2008

	Units	Men	Women	Total
Accommodation services	Full time equivalent jobs	31 398	35 980	67 378
Food and beverage serving industry	Full time equivalent jobs	211 794	242 699	454 493
Railways passenger transport	Full time equivalent jobs	5 015	5 747	10 762
Road passenger transport	Full time equivalent jobs	117 722	134 901	252 623
Water passenger transport	Full time equivalent jobs	7 093	8 127	15 220
Air passenger transport	Full time equivalent jobs	6 715	7 695	14 410
Transport assistance service	Full time equivalent jobs	19 532	22 383	41 915
Transport equipment rental	Full time equivalent jobs	4 558	5 223	9 781
Travel agencies and reservation services industry	Full time equivalent jobs	14 338	16 430	30 768
Cultural industry	Full time equivalent jobs	20 530	23 767	44 057
Sports and recreational industry	Full time equivalent jobs	33 696	38 612	72 308
Total	Full time equivalent jobs	472 391	541 564	1 013 715

Source: Ministry of Culture, Sports and Tourism, *Tourism Annual Report*, 2008.

StatLink http://dx.doi.org/10.1787/768435818160

Table 4.99. **Korea: Tourism in the national economy – Tourism Satellite Account**

2004

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million KRW	1 766 524	1 744 956
Food and beverage serving services	Million KRW	5 507 521	2 040 209
Passenger transport services	Million KRW	3 636 373	2 433 480
Travel agency, tour operator and tourist guide services	Million KRW	183 040	189 804
Cultural services	Million KRW	297 952	89 123
Recreation and other entertainment services	Million KRW	1 484 161	290 077
Other services	Million KRW	2 327 640	689 069
Goods	Million KRW	3 546 464	1 525 815
Total	Million KRW	18 749 675	9 002 533

Source: Ministry of Culture, Sports and Tourism, Tourism Satellite Account, 2004.

StatLink http://dx.doi.org/10.1787/768456830006

Table 4.100. **Korea: Other economic indicators**

	Units	2004	Units	2004
Tourism demand				
Private consumption expenditure	Billion KRW	18 750	Percentage	4.68
Export	Billion KRW	9 003	Percentage	2.62
Import	Billion KRW	12 169	Percentage	3.93
Government expenditure	Billion KRW	1 763	Percentage	1.91
Tourism supply				
Value-added	Billion KRW	17 606	Percentage	2.26
Employment	Billion KRW	852	Percentage	5.04
Fixed capital formation	Billion KRW	8 282	Percentage	4.54
GDP	Billion KRW	67 580 000	Percentage	6.60

Source: Ministry of Culture, Sports and Tourism, Tourism Satellite Account, 2004.

StatLink http://dx.doi.org/10.1787/768531246222

Luxembourg

Tourism in the economy

The tourism industry is estimated to account for 2.9% of gross domestic product (EUR 8 billion) and employs 7 000 workers, 3.9% of the total labour market.

International tourist arrivals grew by 4.7% over the period 2004-07, the main origin market being the Netherlands (sending on average 200 000 tourists a year over the period).

There has been a slight decline in the number of private firms operating in the tourism sector (a 10% fall in the number of hotels, travel agencies and campsites was registered over the period 2004-08).

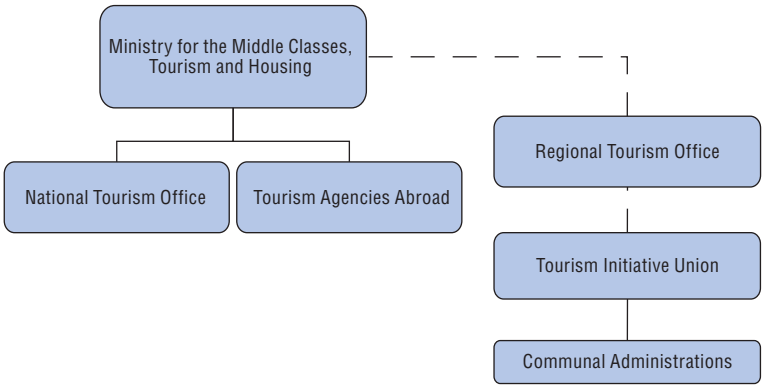
Organisation of the tourism sector

In the course of 2008, the Ministry of Tourism set up the first Regional Tourism Offices (RTOs) which work with the main actors in the tourism sector in a given region with a view to improving professional standards and the co-ordination of activities (Figure 4.18).

The day-to-day running of the RTOs is entrusted to a Director appointed by the Board and approved by the Tourism Minister.

The financial resources available to RTOs include annual subsidies from central government and the communes, the subscription dues of members and all other revenues apart from income from commercial operations.

Figure 4.18. **Luxembourg: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for the Middle Classes, Tourism and Housing, 2009.

Tourism budget

The 2008 budget for the Ministry of Tourism amounted to EUR 14.3 million, which included a special "8th Five-Year Programme for Tourism Infrastructure 2008-2011" of

EUR 7.5 million. The 2008 budget for the National Tourism Office was EUR 3.086 million (including a subsidy of EUR 1.913 million from the Ministry of Tourism).

Tourism-related policies and programmes

Since 1973, the government's tourism policy has been based on a series of successive five-year plans aimed at creating or improving tourism infrastructure in the Grand Duchy.

The eighth five-year programme 2008-12 will have a budget of EUR 50.3 million, a nominal increase of 34% on the previous programme (Box 4.24).

The Act of 11 March 2008 and related regulations continue the efforts to transpose into law the recommendations made in the 2001 study by the European Tourism Institute (ETI) which had noted that the organisation of activities, training and marketing in the tourism sector lagged behind international best practice.

Box 4.24. **Innovations in the new five-year plan**

The 7th five-year programme was used to fund preliminary studies preceding the creation of the new professional structures that had been recommended. The 8th programme will target the start-up of Regional Tourism Offices whose primary role will be to:

- streamline and co-ordinate the actions of regional actors;
- reorganise the available labour force;
- create new tourism products;
- stimulate the sector to create products and major events;
- enhance regional tourism marketing;
- advise and assist its members in their tourism activities; and
- capitalise on the natural, cultural and tourism assets of the region.

The new programme will be used not only to support the creation and extension of infrastructure projects, but also to provide financial support for the management of the most important of these projects. In this respect, subsidies of up to 15% of the total cost of investments will be provided, up to a maximum of EUR 2.9 million. Since it is felt that voluntary schemes have now reached their limits, the aim of this measure is to improve the professionalism of managerial practices and the promotion of the most important tourism infrastructure.

The draft Act is innovative in that it allows subsidies to be given to investment in service quality certification programmes recognised by the Ministry of Tourism. The scheme currently targeted is the "Oekolabel".

Statistical Profile

Table 4.101. **Luxembourg: Domestic overnight tourism**

	Units	2008
Number of nights spent	Thousands	3 527
Arrivals	Thousands	1 172

Source: Central Service of Statistics and Economic Studies (STATEC), 2009.

StatLink http://dx.doi.org/10.1787/768570472727

Table 4.102. **Luxembourg: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	937	977	970	981	938
Top 4 markets						
Netherlands	Thousands	245	232	217	203	190
Belgium	Thousands	186	191	186	191	177
Germany	Thousands	115	124	123	135	124
France	Thousands	84	98	104	107	110
International travel receipts	Million EUR	2 940	2 904	2 891	2 935	3 047

Source: Central Service of Statistics and Economic Studies (STATEC), 2007.

StatLink http://dx.doi.org/10.1787/768570537683

Table 4.103. **Luxembourg: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of departures	Millions	282	287	285	307	329
International travel expenditures	Million EUR	2 351	2 398	2 493	2 538	2 598

Source: Central Service of Statistics and Economic Studies (STATEC), 2007.

StatLink http://dx.doi.org/10.1787/768584032061

Table 4.104. **Luxembourg: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Hotels, hostels and pensions	Establishments	297	293	286	280	270
Travel agencies	Establishments	98	97	93	88	82
Campsites	Establishments	105	101	100	98	97
Total	Establishments	500	491	479	466	449

Source: Central Service of Statistics and Economic Studies (STATEC), 2007.

StatLink http://dx.doi.org/10.1787/768588736164

Mexico

Tourism in the economy

According to the Tourism Satellite Account (TSA) for 2006 (the latest year for which data are available), tourism accounted for 8.2% of GNP and employed 2 420 000 people, 6.7% of total employment. In that same year, the share of domestic tourism consumption in final consumption in the economy was 18%, with a gross value added of USD 74 263 million.

The number of tourism enterprises in Mexico, according to the 2004 census is 273 747. A new census is underway in 2009 with results planned for publication in early 2010.

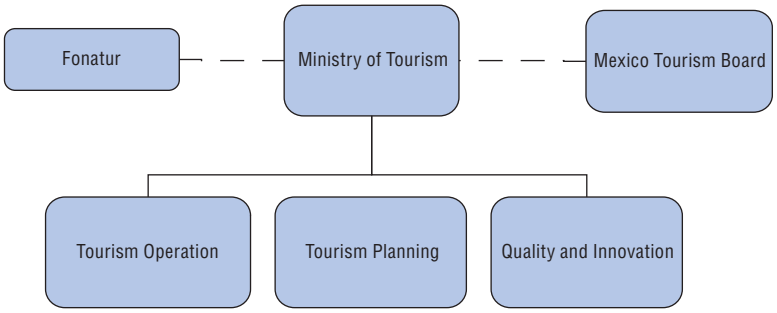
Tourism organisation

Administrative organisation

The Ministry of Tourism in Mexico is the leading organisation in the federal government with a mandate to design, co-ordinate and implement tourism policy (Figure 4.19). Specific aspects of this policy are outlined in detail by each administration which in Mexico changes every six years, following presidential elections. During the first semester of every new administration, a National Development Plan and individual plans for economic sectors such as tourism are set out by the Executive.

The Ministry maintains what is now by law (General Tourism Law, 2009) a National Registry of all tourism service providers, organises and publishes the country's statistics related to tourism, and negotiates international agreements for the promotion of investment and of Mexico's tourism. Moreover, since 2007, the Ministry of Tourism has been a full member of both the Economic and Competitiveness Cabinet and of the Infrastructure and Tourism Cabinet within the federal government.

Figure 4.19. **Mexico: Organisation chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2009.

The National Fund to Promote Tourism, Fonatur, identifies prospective, large-scale tourism development projects, advises state governments and supports their planning programmes for local tourism development projects, participates in the building of basic infrastructure in tourism destinations, and is charged with attracting private investment for the development of tourism destinations.

Territorial organisation

Twenty-six of the thirty-one states in the country and the federal district have included tourism as an important area of government responsibility, including a cabinet-level position within each governor's cabinet. All 32 federal entities match federal funds with resources of their own, both to implement annual public investment programmes for the enhancement of local tourism infrastructure, and for tourism promotion campaigns in Mexico and abroad.

Organisation and links between the national tourism authority and the provinces/regions

The new General Tourism Law of 2009 establishes the basis for co-ordination between federal, state and local authorities, and defines the principal responsibilities and functions for each level of government. State legislatures are due to pass new tourism laws to comply with the 2009 Law.

The Ministry, Fonatur and the Mexican Tourism Board work closely with the 32 federal entities, both within Mexico and in international activities. In 2007, the National Association of Governors set up a Task Force for Tourism. Fonatur, and the Mexican Tourism Board are independent entities and work closely together under the co-ordination of the Ministry of Tourism.

Tourism budget

The 2008 budget for the Ministry of Tourism was USD 307.5 million. In 2008, the Ministry spent USD 105.5 million to encourage states and municipalities to provide matching funds for a total public works investment of USD 245.5 million targeted to improve local tourism infrastructure and the image of tourism destinations. In 2009, the Ministry allocated USD 134.1 million for this purpose and will generate total investments of USD 307.7 million in public works. Inland destinations that concentrate the wealth of Mexico's cultural heritage are the major recipients of these funds.

The Mexican Tourism Board (National Tourism Organisation) received USD 27.6 million of operational funds in 2008. Congress allocates these funds to the Ministry for transfer to the Board. Its promotional campaigns are mainly funded through the "Non-Immigrant Duty" paid by all foreigners upon entering the country. In 2008, the Board's budget for promotion reached USD 138 million. Additionally, a 2% tax is added to the hotel bill of every tourist, and these funds are used by state and local governments, together with business contributions, to match investments they make jointly with the Board for the promotion of tourism destinations. It should be noted that a significant proportion of the Mexican Tourism Board's budget is now spent in these co-operative arrangements that engender a larger overall investment in promotional campaigns.

Fonatur's budget has been on the rise during the present administration, reaching USD 425.8 million in 2008. Of this total, USD 105 million is transferred to Fonatur by the Ministry of Tourism, mostly for public works in tourism destinations that are different from

the investment programme carried out with the local governments. Fonatur itself invests an additional USD 137 million of the funds it received directly from Congress, for a total investment in public works worth USD 242 million. In contrast to public works investments carried out by the Ministry, practically all of Fonatur's investments take place in coastal regions.

The Ministry has developed a methodology to measure the impacts as well as the return on investment that results from public spending for tourism promotion. This is part of the ongoing effort to evaluate the performance of public spending in tourism.

Tourism-related policies and programmes

Legislative and regulatory environment

The Federal Congress passed a New General Tourism Law in 2009 that has three major components:

- the Ministry of Tourism now has a strong voice as well as equal standing with other ministries regarding decisions that have an impact on the tourism sector (migration policies, building roads to tourism destinations, negotiations for international air travel routes, sustainability of beaches and tourist destinations, and others);
- a major process for establishing clearly the type of tourism projects that can be built along the coasts of Mexico and in other regions of the country is underway; the Ministry is incorporating a new specialised unit to work jointly with the Ministry of Environment, and with the Ministry of Social Development (Sedesol) that publicises national land use guidelines; and
- a new basis for co-ordination between the three levels of government as part of the New Law previously mentioned.

Analysis of domestic/inbound/outbound tourism

The number of overnight stays increased by 39% during 2004-08. This is a major indicator of the growth of domestic tourism which in Mexico accounts for 87% of total tourism consumption. The hit that the tourism sector took in 2009 as a result of the global economic crisis, the impacts of combating drug traffic, and the influenza H1N1, confirm the critical role played by domestic tourism in the national tourism economy.

International tourism receipts in 2008 were USD 13.289 million, up from USD 12.176 million in 2006 when they accounted for 53.4% per cent of the total value of service exports.

Tourist arrivals (excluding day excursionists) totalled 22.64 million in 2008, compared to 21.35 million in 2006 and 21.37 million in 2007. The dominant markets for Mexico are the USA and Canada, which accounted for 85% of all overnight visitors in each of these three years.

Competitiveness

Migration and visa policies have been further liberalised with a view to expanding significantly the number of tourists and businessmen interested in visiting Mexico. Visas are now generally extended for a period of ten years, and the process to obtain them has been shortened. A pilot programme was introduced in June 2009 for visa applications on line in the Russian Federation market, with a view to expanding this programme in the future to other countries.

Under the leadership of the Ministry of Tourism, the federal government in the second half of 2009 introduced a new public policy to encourage the development of medical tourism – a new market segment. Mexico is well positioned to take advantage of its standing as a neighbour of one of the largest markets in the world, the United States, which is engaged in a national debate about substantive health care reforms (Box 4.25).

Box 4.25. **Medical tourism and travel**

The government of Mexico is pursuing an ambitious programme to diversify the tourism market and raise significantly the level of tourism and fiscal revenues. Policies have been defined with the objective of developing medical tourism and travel. Mexico aims to realise fully the competitive advantages arising from high quality medical facilities, much lower costs for medical services, greater integration of the service sector in North America, and cultural affinity with the population of Hispanic origin in the United States – where a debate on healthcare reform is underway.

To accomplish these goals, the government and the private sector are working together to enhance the quality of medical services further, to attract new private investment for infrastructure, including in areas where US and Canadian citizens purchase second residences, to offer incentives for the production of medical equipment in local plants, and to prepare specialised travel agencies that offer all services to the potential medical tourist.

Sustainable tourism

Huatulco, a seaside resort in the state of Oaxaca, is the first sun and beach destination in Latin America to receive the "Green Globe Certificate". As a result of a citizen initiative, a local Green Team was set up to lead efforts toward achieving full sustainability of all tourism-related activities; for example, campaigns have been initiated for the proper management of solid waste, the maintenance of clean beaches and community awareness, as well as the incorporation of SMEs to work in these programmes.

A Sustainable Tourism Certificate Programme was instituted nationwide, with 400 businesses registered so far, including two of Mexico´s leading hotel chains, Grupo Posadas and Grupo Palace Resorts. The programme is run in conjunction with the Office of the Attorney General for Environmental Protection, pursuing full compliance with environmental regulations and the implementation of best practices.

Human resources

Together with the Ministry of Education and state governments, the Ministry of Tourism is committed to fostering leading educational and training centres both for entry-level, unskilled workers and middle management in the industry. The first such centre opened in 2008 in the Cancun-Riviera Maya region (Quintana Roo state), and the second was due to open in 2009 in the central state of Guanajuato. This is critical to enhance competitiveness on a long-term basis.

Co-operation with the tourism industry, consumers and other stakeholders

Both the Ministry and Fonatur work closely with the tourism industry to facilitate investments. While private investment totalled USD 13 100 million from 2001 to 2006, registered investments reached USD 8 105 million in 2007-08, with a further

USD 2 000 million estimated for 2009 (the year having been damaged by the global financial crisis).

In the aftermath of the influenza outbreak in the spring of 2009, the federal government invested USD 90 million in promotion programmes to help the tourism sector to recover. Credit facilities of USD 154 million were earmarked by the National Development Bank (NAFIN), particularly for SMEs in the tourism sector, to compensate for adverse market trends. Also, the government worked with both SMEs and large enterprises to offer attractive deals in order to strengthen demand for travel and to bolster the domestic tourism market (Box 4.26).

Box 4.26. **Information technology in tourism SMEs**

The Ministry of Tourism jointly with the Ministry of Economics is developing a programme to improve the use of information technology (IT) in tourism SMEs. Companies will have a window to world markets and the government aims to strengthen "unique experiences" in tourist destinations.

This programme includes government financing options to acquire computer equipment and enable Internet connections, acquire training to use the technological platform of *www.visitmexico.com* to develop their own web pages, and manage reservations and sales on line.

During the next two years, this programme aims to provide SMEs with training courses on line, as well as to develop more information and market intelligence tools to enhance decision making.

Development of a culture of evaluation

The Ministry of Tourism is engaged in a systematic effort to gather more comprehensive information and to develop performance indicators that reflect the state of the tourism industry more accurately. Particular emphasis has been placed on evaluating the impacts, including the return on investment, of public resources allocated to tourism promotion. The full results of this initiative were expected by the end of 2009.

New challenges for tourism policy and programmes to address them

Refurbishing the beach-front at Cancun and Riviera Maya

This project is an example of the consequences of unchecked growth in the tourism sector for several decades. Many hotels and businesses were built too close to the ocean in this region with the result that when hurricane Gilbert hit in 1988, the width of beaches was reduced by half, to thirty meters on average. Both the state and local governments and the business sectors failed to come through with matching funds that would trigger a federal government fund to bring back the sand. Thus, when hurricane Wilma hit in 2005, hotels found that the ocean was right at their foundations threatening to weaken their structures.

The Vicente Fox Administration invested USD 23 million to restore the coastline to its 1998 position. A new agreement was then worked out in 2009 to invest USD 80 million, with participation of the three levels of government and businesses. This includes a long-

term plan for the preservation of the coastline. Local governments allocated USD 27.4 million for this project.

This is the kind of problems that the New General Tourism Law is designed to prevent in future.

Tourism and culture

Building on efforts to bring together tourism and culture (which included hosting the OECD Seminar on Culture and Tourism at Morelia and Mexico City in January 2009), Mexico remains committed to working with four neighbouring nations in Central America that share a common heritage traced back to the Mayan culture in order to develop fully a tourist product and enhance community development. Mexico recently completed its term as President of the "Organización Mundo Maya" which is now presided over the government of Guatemala. The challenge is to enhance this kind of multi-regional co-operation to bring the constituencies of culture and tourism closer together.

Statistical profile

Table 4.105. **Mexico: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	94 581	98 230	94 360	123 381	131 244

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/768612484334

Table 4.106. **Mexico: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	20 618	21 915	21 353	21 370	22 637
Top 5 markets						
United States	Thousands	..	17 906	17 512	17 244	18 034
Canada	Thousands	..	675	785	953	1 145
United Kingdom	Thousands	..	231	260	286	313
Spain	Thousands	..	204	262	280	286
France	Thousands	..	160	173	192	209
Number of same-day visitors	Thousands	78 632	81 231	76 348	70 810	68 825
International travel receipts	Million MXN	121 838	128 632	132 715	140 447	147 903
International passenger transport receipts	Million MXN	9 192	10 876	12 568	12 417	15 039

Sources: Ministry of Tourism, National Bank, Migration Institute (SIOM), 2009.

StatLink http://dx.doi.org/10.1787/768664407830

Table 4.107. **Mexico: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	12 495	13 305	14 002	15 083	14 450
International travel expenditure	Million MXN	78 539	82 828	88 374	91 521	94 890
International passenger transport expenditure	Million MXN	12 146	14 709	13 962	15 909	18 480

Sources: Ministry of Tourism, National Bank, 2009.

StatLink http://dx.doi.org/10.1787/768671804127

Table 4.108. **Mexico: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Accommodation services	Establishments	13 060	13 751	14 410	14 963	15 800
Food and beverage serving services	Establishments	29 837	30 503	30 884	32 885	33 588
Travel agency, tour operator and tourist guide services	Establishments	4 675	4 742	5 342	5 128	5 528

Sources: Ministry of Tourism, Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/768707304225

Table 4.109. **Mexico: Employment in tourism**

	Units	2005	2006	2007
Accommodation services	Employees	188 637	186 012	188 183
Food and beverage serving services	Employees	887 367	876 463	880 985
Passenger transport services	Employees	441 424	441 519	453 727
Travel agency, tour operator and tourist guide services	Employees	15 579	15 859	16 552
Recreation and other entertainment services[1]	Employees	22 431	22 442	22 974
Other services	Employees	585 422	600 927	664 037
Goods	Employees	286 514	290 506	292 085
Total tourism	Employees	2 427 374	2 433 728	2 518 543
Total Mexico	Employees	35 200 237	36 176 526	36 655 751
Tourism share of total employment	Percentage	6.90	6.73	6.87

1. Cultural services are included in recreation and entertainment.
Source: Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/768718365170

Table 4.110. **Mexico: Tourism in the national economy – Tourism consumption**

2007

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism gross value added
Accommodation services	Million MXN	139 982.7	21 750.9	103 986.0
Food and beverage serving services	Million MXN	105 096.3	54 745.8	91 664.6
Passenger transport services	Million MXN	346 651.6	29 880.5	220 765.2
Travel agency, tour operator and tourist guide services	Million MXN	12 516.6	3 519.1	8 111.1
Recreation and other entertainment services[1]	Million MXN	8 380.2	6 201.9	11 095.0
Other services	Million MXN	237 479.8	25 069.7	332 494.4
Goods	Million MXN	278 862.3	35 098.4	98 071.9
Total	Million MXN	1 128 969.5	176 266.2	866 188.3

1. Cultural services are included in recreation and entertainment.
Source: Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/768723074755

Table 4.111. **Mexico: Other economic indicators**

	Units	2004	2005	2006	2007
Domestic tourism consumption share of final consumption	Percentage	18.1	18.0	18.0	17.7
Tourism share of GVA	Percentage	8.6	8.4	8.1	8.1
Tourism share of total taxes on products	Percentage	16.9	19.2	21.8	20.6

Source: Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/768761253577

Netherlands

Tourism in the economy

The tourism industry in the Netherlands is as other countries heavily dependent on the economy in general. As a result of the recession the first signs of decline in the tourism sector appeared in 2008 in line with worldwide trends. In contrast to 2007 inbound tourism in the Netherlands declined in 2008 with 0.9 million tourists. In 2008, the four leading visiting countries were the United Kingdom, Germany, Belgium and France. Together they accounted still for 6.0 million or 60% of the total.

Domestic tourism is also important. In 2007, there were 17.6 million overnight stays by Dutch nationals, accounting for almost 96 million nights in the country's tourism accommodation.

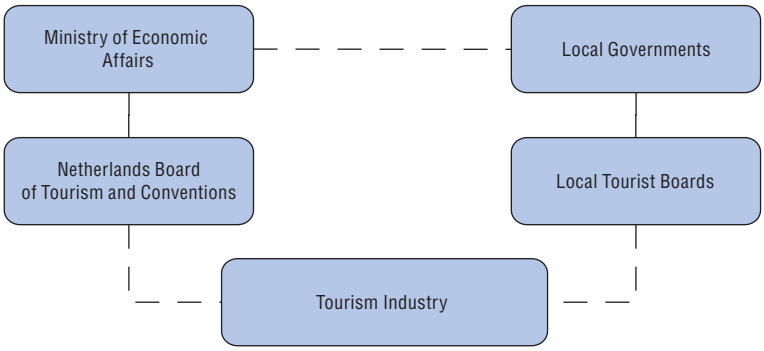
In 2007, Dutch and foreign tourists together spent EUR 35.5 billion, of which almost EUR 14 billion was spent by foreigners visiting the country. The Dutch made 17.6 million outbound trips in 2007, spending EUR 11.1 billion (and thus the country achieved a positive balance of some EUR 2.8 billion on the tourism account). Added value amounted to EUR 17.1 billion or 3.0% of GDP. Direct tourism employment in 2007 totalled 247 000, 3.7% of the labour force. Direct plus indirect employment was estimated at 394 000 people in 2007.

Tourism organisation

The Ministry of Economic Affairs is responsible for tourism policy. The ministry aims to increase the competitiveness of the tourism industry mainly by marketing and promotion (Figure 4.20).

The ministry has commissioned the Netherlands Bureau for Tourism and Conventions (NBTC) to increase inbound tourism through marketing and promotion. The budget available for the years 2008-10 is EUR 50 million.

Figure 4.20. **Netherlands: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economic Affairs, 2009.

Local governments are responsible for marketing and promotion of local destinations, and focus both on domestic and international tourism markets.

Tourism budget

The 2009 tourism budget of the Ministry of Economic Affairs is EUR 17.5 million, of which EUR 16.7 million is intended for the NBTC. The remaining EUR 800 000 is invested in generic measures to increase the competitiveness of the tourist industry.

In addition to the EUR 17.5 million budget, the tourism industry is able to make use of a number of regional development and innovation programmes which the Ministry of Economic Affairs co-ordinates (*e.g.* Peaks in the Delta, the European Structural Funds and the Innovation Vouchers). The Ministry of Economic Affairs subsidises SMEs which "purchase" knowledge at a university or higher education institution with the help of Innovation vouchers.

Tourism-related policies and programmes

In 2008, the Minister for Foreign Trade presented a new policy letter (Tourism Letter) for the years 2008-10.

In this letter, the Minister announced the targets for the NBTC for the years of 2008-10, which are:

- to achieve an increase of inbound tourism of 2% per year;
- to achieve an increase of inbound city trips of 4% per year; and
- to achieve a market share of international conventions in Belgium, Denmark, Germany, the Netherlands and the UK of 19%.

The magnitude of the economic recession became fully visible in the second half of 2008, since when inbound tourism decreased. The Ministry Economic Affairs and NBTC monitor the effects of the crisis and the consequences for the targets above on a quarterly basis.

Box 4.27. **Holland Art Cities: A cultural extravaganza showcasing more art and culture per square mile than any other country on earth**

The Ministry for Foreign Affairs has the ambition to organise a leading international event every two years, defined as an event that attracts additional foreign visits to the Netherlands.

In 2009 and 2010, the four largest cities in Holland will be taking part in a large-scale art and cultural event called "Holland Art Cities". The top ten museums in Amsterdam, Rotterdam, The Hague and Utrecht will join forces to put together an unprecedented art spectacle. Works of Rembrandt, Van Gogh, Vermeer and many other masters are on display. Also the (re)opening of the Amsterdam Museum of the Hermitage took place in 2009, and that of the Stedelijk Museum is planned for 2010.

Statistical profile

Table 4.112. **Netherlands: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2009
Number of overnight stays	Thousands	17 979	17 314	17 794	17 594	17 450
Number of nights spent	Thousands	101 379	95 683	98 356	95 566	91 830

Source: Statistics Netherlands, 2009.

StatLink http://dx.doi.org/10.1787/768763242020

Table 4.113. **Netherlands: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	9 646	10 012	10 739	11 008	10 104
Top 5 markets						
Germany	Thousands	2 649	2 570	2 812	2 833	2 669
Belgium	Thousands	811	917	991	1 101	1 109
United Kingdom	Thousands	1 760	1 853	1 913	1 903	1 639
France	Thousands	510	527	608	613	575
United States	Thousands	1 132	1 222	1 325	1 274	1 068
International travel receipts	Million EUR	13 211	12 996	13 560	13 912	14 777

Source: Statistics Netherlands, 2009.

StatLink http://dx.doi.org/10.1787/768784733535

Table 4.114. **Netherlands: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	17 173	17 086	16 752	17 556	18 458
International travel expenditure	Million EUR	10 120	10 260	10 415	11 105	12 550

Source: Statistics Netherlands, 2009.

StatLink http://dx.doi.org/10.1787/768807467024

Table 4.115. **Netherlands: Employment in tourism**

	Units	2004	2005	2006	2007	2008
Hotels	Thousands	31	31	31	32	31
Restaurants	Thousands	92	92	94	96	..
Tour operators	Thousands	31	30	31	31	..
Travel agencies	Thousands	21	21	21	22	..
Others	Thousands	63	64	65	66	..
Total	Thousands	237	237	241	247	..
Tourism share of employment	Percentage	3.7	3.7	3.7	3.7	3.7

Source: Statistics Netherlands, 2009.

StatLink http://dx.doi.org/10.1787/768810710818

Table 4.116. **Netherlands: Tourism in the national economy – Tourism Satellite Account**

2007

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million EUR	1 859	873	2 054
Food and beverage serving services	Million EUR	8 763	963	3 614
Passenger transport services	Million EUR	4 003	1 444	3 447
Travel agency, tour operator and tourist guide services	Million EUR	1 059	1	862
Cultural services	Million EUR	1 239	202	1 200
Recreation and other entertainment services	Million EUR	2 123	94	1 275
Other services and goods	Million EUR	4 251	2 961	2 015
Total excluding VAT	Million EUR	23 297	6 538	14 467
VAT	Million EUR	1 573	601	..
Total including VAT	Million EUR	24 870	7 139	..

Source: Statistics Netherlands, 2009.

StatLink http://dx.doi.org/10.1787/768820383502

Table 4.117. **Netherlands: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Internal domestic tourism consumption share of final consumption	Percentage	12.8	12.6	12.9	13.2	13.1
Tourism share of GDP	Percentage	3.0	3.0	3.0	3.0	2.9

Source: Statistics Netherlands, 2009.

StatLink http://dx.doi.org/10.1787/768828413165

New Zealand

Tourism in the economy

International tourism makes a major contribution to the New Zealand economy, contributing 16.4% of New Zealand's total export earnings. International tourism receipts reached NZD 9.3 billion in the year-ended March 2009 and is forecast to increase by 4.7% per year to 2015, with international visitor arrivals rising by 2.5% per year. Tourism growth has implications for the physical infrastructure, investment intentions and the skills and talents required of the workforce. All of these need to be of sufficient quality and quantity to support the sector, particularly in peak periods.

Domestic tourists' expenditure reached NZD 12.4 billion in the year ending March 2009, and is forecast to increase by 3% per year to 2015. Tourism directly and indirectly contributes NZD 15 billion or some 9.1% to New Zealand's GDP, and supports 9.6% of the total workforce.

Employment in the tourism industry has risen steadily since 2002, by 12.7% in the period to 2009. Tourist arrivals have reached 2.4 million, of which Australia accounts for about 43%. Growth has been steady since 2001, with an increase of some 28% in arrivals in the period 2001-08.

Tourism organisation

The Ministry of Tourism, a semi-autonomous ministry within the Ministry of Economic Development, handles national tourism policy, including the monitoring of Tourism New Zealand (TNZ), the provision of research and statistics, and land and property management of tourism concessions (Figure 4.21).

TNZ is the marketing agency responsible for marketing New Zealand overseas as a tourism destination and for capability development of the tourism industry onshore, through, for instance, a national quality assurance scheme.

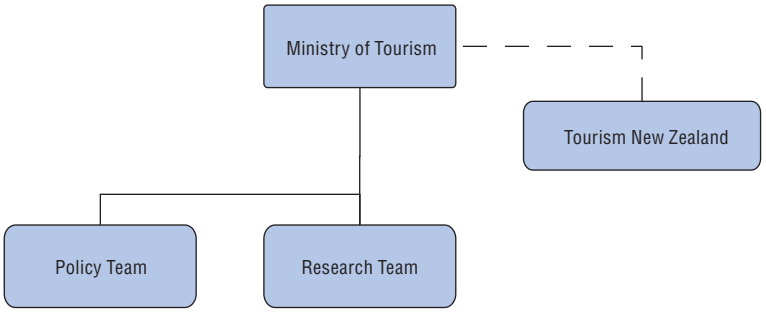
There are 29 Regional Tourism Organisations (RTOs), owned and operated by New Zealand's local and regional governments and supported by the tourism industry. RTOs market New Zealand's regional destinations.

The New Zealand Tourism Strategy 2015 (NZTS 2015) was launched in November 2007. It guides the tourism sector's vision, values and direction. As with the 2010 Strategy, the development of NZTS 2015 has been a combined effort between the private sector and government. It has been informed by extensive consultation with industry groups, local government, central government and interest groups.

In 2008, the NZTS 2015 Implementation Plan was developed by the Tourism Industry Association, Ministry of Tourism and Tourism New Zealand. Ninety-two actions have been identified and a mix of central and local government, regional bodies

and private sector tourism organisations and operators now have responsibility for implementing the activities.

Figure 4.21. **New Zealand: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2009.

Tourism budget

The Ministry of Tourism has an annual budget of NZD 8.7 million for 2009/10, while Tourism New Zealand has an annual budget of NZD 69 million for that year. In addition, the Ministry of Tourism administers the following special funds for 2009/10:

- NZTS 2015 initiatives to a total of NZD 1.6 million.
- Tourism Facilities Grants Programme worth NZD 0.267 million.
- Wairakei Infrastructure fund to the value of NZD 0.025 million.

The main source of funding for tourism is from consolidated funds, *i.e.* the general budget.

The Ministry of Tourism provides advice on government's purchase of services from TNZ, and the New Zealand Maori Arts and Crafts Institute. Monitoring and reporting to the Minister on the financial and non-financial performance of TNZ is provided annually via the Statement of Intent, the Memorandum of Understanding, the Output Agreement and the Annual Report. Other reporting is carried out quarterly and as required.

Tourism-related policies and programmes

In the area of legislation and regulation, attention has been paid to the implementation of the Approved Destination Scheme (ADS) for China. Analysis of domestic, inbound and outbound tourism trends is on-going, while quality issues are controlled under the Qualmark (quality assurance) Scheme operated by TNZ.

Issues relating to sustainable tourism come under programmes such as the Sustainable Tourism Advisers in Regions (STAR) Programme (Box 4.28), Carbon Footprinting (which develops tools to assist tourism businesses to measure and reduce their carbon footprint), Environmental Indicators (monitoring the visitor experience and tourism sector's impact on the environment), the Tourism Demand Subsidy Scheme (subsidising infrastructure in small communities with high tourism flows) and the Climate Change Working Group (comprising tourism industry and relevant government agencies representatives to work on a plan for tourism and climate change).

In the area of human resources, programmes are active in Tourism Essential Skills Training (the KiaOraMai Programme), the Tourism and Hospitality Workforce and Skills Strategy 2006 (implementation as identified in the NZTS 2015), and the Maori Tourism

Box 4.28. **The Sustainable Tourism Advisers in Regions (STAR) Programme**

This programme provides tourism operators with tools for improving their environmental performance in nine regions in New Zealand. The project contributes to an important outcome of the New Zealand Tourism Strategy 2015 – "that the tourism sector takes a leading role in protecting and enhancing New Zealand's environment." The aim is to help operators to improve business sustainability and ensure that more tourism operators visibly deliver on New Zealand 100% Pure New Zealand brand promise.

The objectives of STAR are to:

- provide tourism operators with clear advice and tools for improving their environmental performance;
- encourage operators to monitor and improve their resource efficiency;
- help operators to choose actions which they and their staff are proud of and can narrate a story about to their visitors;
- assist operators to improve their contribution to the local community through involvement in local community or conservation projects;
- prove the value of sustainable advisory services to operators;
- encourage the uptake of Qualmark accreditation; and
- help Qualmark licence holders to achieve Qualmark Enviro-Gold, Enviro-Silver or Enviro-Bronze Certification as part of their overall Qualmark Assessment.

Box 4.29. **Business Capability Mentoring Programme for Maori cultural tourism businesses**

The objective of this programme is to assist Maori cultural tourism businesses to be profitable and sustainable. A trained assessor will use a structured process and appropriate tools to identify the business capability needs of participating businesses. This will include at least one visit to the site of the business by the assessor. The assessor will work with the participating business to create a business development plan identifying each business' capability needs. The business development plan will also set out actions required to address those capability needs. Each participating business will be assigned a trained mentor who will provide guidance and support on a one-on-one basis with the business toward achieving the goals in the business development plan. The mentor will evaluate progress with the business as the programme progresses, and make any amendments to the business development plan as required. A goal of the programme is to help more Maori cultural tourism businesses gain recognised tourism accreditation, particularly Qualmark accreditation. The programme also aims to find opportunities to support the continual development and improvement of that business, such as involvement in more advanced programmes, or opportunities to participate in international marketing initiatives.

Mentoring Programme (Box 4.29). In addition, the Ministry of Tourism works closely with the tourism industry and other stakeholders in its policy programmes to promote co-operation between the industry, consumers and other stakeholders.

The development of a culture of evaluation, based on the benchmarking of performance, targets and indicators is important, and includes the monitoring and

evaluation of Tourism New Zealand, the refinement of marketing performance indicators and a process of regular reporting on policy programmes.

There are various policies and programmes aimed at new challenges in the tourism sector, including the International Air Transport Connections Project, seeking to ensure that New Zealand is in a position to respond in a co-ordinated manner to threats to existing priority air transport connections, to develop shared (cross-government) goals for air transport connections, and to implement actions to achieve those goals. Action is also being taken on Trans-Tasman travel, to improve passenger facilitation between Australia and New Zealand borders.

Internationally, New Zealand is active in the Asia Pacific Economic Co-operation (APEC), the Australian Standing Committee on Tourism (ASCOT) and the World Tourism Organization (UNWTO). In the general area of tourism statistics, New Zealand's Tourism Satellite Account is one component of the core tourism dataset, providing economic information for understanding and monitoring the levels and impact of tourism activity in New Zealand. The Tourism Satellite Account in New Zealand is well developed and consistent with the guidelines of the WTO.

Among new tools under development is the Tourism Industry Monitor (TIM), an industry initiative led by the Ministry of Tourism, the Tourism Industry Association, Tourism New Zealand and the New Zealand Hotel Council. The purpose of the TIM is to provide individual tourism businesses with regular, up-to-date information on the performance of the tourism sector, including the outlook for the next three months. The information is designed to help individual businesses understand the current tourism environment, benchmark their performance against the wider market, and plan for the future with greater confidence.

The Ministry of Tourism has also started to access and analyse electronic transaction data collected and processed by tourism operators in New Zealand. This is leading the development of a nationwide Convention and Incentive Survey conducted on an ongoing basis.

Statistical profile

Table 4.118. **New Zealand: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	15 055	14 263	14 739	14 896	15 064
Number of nights spent	Thousands	47 266	42 114	43 971	44 352	44 545

Source: Domestic Travel Survey, Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/768836715160

Table 4.119. **New Zealand: Inbound tourism – International arrivals and receipts**[1]

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	2 348	2 383	2 422	2 466	2 459
Top 5 markets						
Australia	Thousands	857	876	905	951	977
United Kingdom	Thousands	284	307	295	293	285
United States	Thousands	218	215	226	216	212
China	Thousands	84	88	106	121	112
Japan	Thousands	165	155	136	122	102
Number of same-day visitors	Thousands	62	70	65	70	76
International travel receipts	Million NZD	7 640	7 389	7 345	7 396	7 131

1. Excludes international airfares.
Sources: International Travel and Migration and Balance of Payments, Statistics New Zealand, 2009.

StatLink http://dx.doi.org/10.1787/768841464708

Table 4.120. **New Zealand: Outbound tourism – International departures and expenditure**[1]

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	1 730	1 868	1 861	1 978	1 965
International travel expenditure	Million NZD	3 361	3 801	3 912	4 177	4 202

1. Excludes international airfares.
Sources: International Travel and Migration and Balance of Payments, Statistics New Zealand, 2009.

StatLink http://dx.doi.org/10.1787/768878717777

Table 4.121. **New Zealand: Employment in tourism**[1]

	Units	2004	2005	2006	2007	2008	2009
Total	Thousands	172	174	178	181	184	185
Accommodation	Thousands	15	14	..	..	..	..
Restaurants and cafes	Thousands	19	19	..	..	..	..
Tour operators/travel agencies	Thousands	6	6	..	..	..	..
Tourism share of employment	Percentage	9.9	9.7	9.6	9.6	9.7	9.6

1. Year-ended March.
Source: Tourism Satellite Account, Statistics New Zealand, 2009.

StatLink http://dx.doi.org/10.1787/770053207365

Table 4.122. **New Zealand: Tourism in the national economy – Tourism Satellite Account**[1]

2007

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million NZD	833	1 103
Food and beverage serving services	Million NZD	1 037	1 458
Air passenger transport	Million NZD	1 765	2 299
Other passenger transport	Million NZD	1 466	806
Retail sales – fuel and other automotive products	Million NZD	1 920	319
Retail sales – other	Million NZD	3 096	1 463
Other tourism products	Million NZD	1 348	1 231
Goods and services tax	Million NZD	960	633
Total	Million NZD	12 424	9 313

1. Year-ended March.
Source: Tourism Satellite Account, Statistics New Zealand, 2009.

StatLink http://dx.doi.org/10.1787/770086477842

Table 4.123. **New Zealand: Other economic indicators**[1]

	Units	2004	2005	2006	2007	2008	2009
Domestic tourism consumption share of final consumption	Percentage	56.03	55.61	55.85	55.96	56.30	57.16
Tourism GDP	Million NZD	17 629	18 552	19 396	20 397	21 511	21 737
Tourism share of GDP	Percentage	9.6	9.3	9.3	9.3	9.2	9.1

1. Year-ended March.

Source: Tourism Satellite Account, Statistics New Zealand, 2009.

StatLink http://dx.doi.org/10.1787/770155865286

Norway

Tourism in the economy

Tourism accounted for 3.2% of GDP and 6.2% of total employment in 2008. Compared to the previous year (2007), tourism employment in 2008 grew by 2.1% from 135 200 to 138 000 full-time equivalent persons (employees and self-employed).

Total tourism consumption in Norway was NOK 108 billion in 2008. Domestic tourists consume NOK 76 billion, foreign tourists NOK 32 billion.

In 2007, there were 12 380 firms in the tourism sector, mostly small enterprises of 1-10 employees. Data on the volume of domestic overnight tourism show there has been a small increase of 0.6% in 2008 on 2007 to 20.5 million overnight stays in all collective accommodation establishments. The leading international market for Norway is Sweden, which accounted for 20% of total arrivals with at least one overnight stay in 2008, followed by Germany with 17%.

Trip purpose surveys have shown that most tourists travel to Norway to experience unspoilt nature and high environmental standards, followed by the Norwegian culture and way of life. Other important factors that make tourists choose Norway are quietness and calmness, value for money, safety, well-being and hospitality.

Tourism organisation

The publicly-owned company Innovation Norway is Norway's national tourism organisation (Figure 4.22). Innovation Norway is in charge of the promotion of Norway as a tourism destination abroad and for the development of the tourism sector within Norway's borders. The company has its headquarters in Oslo and regional offices in all 19 counties in Norway, in addition to offices in 33 countries worldwide. Some of the offices abroad are co-located with Norwegian embassies. A number of other ministries co-operate with Innovation Norway to promote different tourism-related initiatives within the country. Additional public funding is provided through these ministries.

Innovation Norway runs a number of tourism projects nationwide in co-operation with regional offices, different national, regional or local organisations and travel destinations.

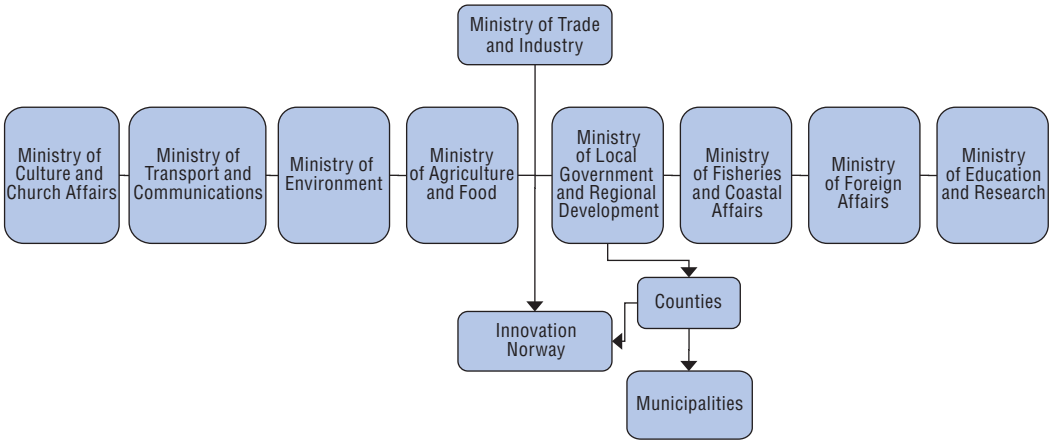
At local level, most municipalities in Norway operate tourism information offices.

Organisation and links between the national tourism authority and the provinces/ regions

At the national level, the overarching responsibility for tourism policy lies with the Ministry of Trade and Industry. Responsibility for other associated policy areas remain with the individual relevant ministries. Each year a lump sum is proposed by the Ministry of Trade and Industry and sanctioned by Parliament to promote Norway as a tourism destination and to strengthen the competitiveness of the Norwegian travel and tourism industry.

After approval by Parliament of the state budget, the Ministry of Trade and Industry instructs Innovation Norway on the major lines of tourism policy that are to be followed during the coming year. It is left up to Innovation Norway to initiate the action required to put these policies into effect and to instruct their regional offices and offices abroad to follow the priorities given by the ministry.

Figure 4.22. **Norway: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Trade and Industry, 2009.

Tourism budget

The main source of funding for tourism promotion and development is the annual state budget. However, when marketing Norway as a tourism destination abroad, the value of public funds spent should be matched/co-funded by the travel and tourism industry. In 2008, the grant from the state budget was NOK 215 million; in 2009, this rose to NOK 235 million.

There are no direct tourism-related taxes in Norway.

Tourism-related policies and programmes

In December 2007, the Ministry of Trade and Industry launched a National Strategy for the Tourism Industry. The work was carried out in close co-operation with the tourism industry and tourism-related organisations.

The government's National Strategy for the Tourism Industry has "valuable experiences" as a vision, and the following three main objectives:

- *Greater wealth creation in the tourism industry.* All investment in tourism must be based on the general goal of increasing wealth creation in the tourism industry, especially by improving industry co-operation and collaboration between the relevant players. A greater focus on innovation and training will increase the need for networks and collaboration on all levels. In addition, the co-ordinated marketing of Norway as a destination will require good collaboration between players involved in the industry and the government.
- *Sustainable rural communities through year-round jobs in tourism.* The tourism industry is an important industry in rural areas and helps to maintain attractive communities. However, the industry is subject to major seasonal variations, which are most keenly felt

in rural areas. More year-round jobs will promote better quality and more stable populations and workforces in rural Norway.

- *Norway – A sustainable destination.* Sustainable tourism means that the development of the industry must promote sustainable local communities, good, stable jobs and economically viable tourism companies, while keeping a firm focus on the environment. Tourism must also aspire to ensure low emissions of greenhouse gases and waste and protect the natural and cultural landscape. The government's definition of the concept of sustainable tourism also includes social responsibilities.

Areas of particular focus include innovation, sustainable tourism, quality, expertise, destination development, marketing and the organisation of the tourism sector.

Statistical profile

Table 4.124. **Norway: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Thousands	17 832	18 628	19 567	20 338	20 449

1. Collective establishments.
Source: Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770203685765

Table 4.125. **Norway: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007[1]	2008[1]
Total international arrivals	Thousands	5 844	6 409	7 044	5 891	6 166
Same-day visitors	Thousands	1 154	1 254	1 299	1 269	1 345
International travel receipts	Million NOK	21 138	22 516	24 205	26 103	26 688

1. Preliminary figures.
Sources: Institute of Transport Economics, Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770215455437

Table 4.126. **Norway: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007[1]	2008[1]
Number of tourism trips	Millions	5.95	6.15	6.79	7.11	7.60
International travel expenditure	Million NOK	59 420	67 381	75 002	80 192	91 491

1. Preliminary figures.
Source: Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770227373552

Table 4.127. **Norway: Enterprises in tourism**

	Units	2004	2005	2006	2007
Hotels	Establishments	2 594	2 642	2 693	2 784
Restaurants	Establishments	7 536	7 431	7 426	7 906
Tour operators	Establishments	366	371	392	414
Travel agencies	Establishments	397	424	442	438
Others[1]	Establishments	441	557	678	838
Total	Establishments	11 334	11 425	11 631	12 380

1. Estimates are for number of enterprises classified to tourism industries as defined in the TSA, as of December.
Source: Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770281054208

Table 4.128. **Norway: Employment in tourism**

	Units	2004	2005	2006	2007[1]	2008[1]
Hotels and restaurants	Thousands	53.6	53.4	56.3	58.1	59.5
Transport via railways, tramway and suburban transport	Thousands	7.4	7.1	6.3	6.3	6.2
Scheduled motor bus transport and taxi operation	Thousands	20.6	21.6	21.7	22.1	22.7
Sea and coastal water passenger transport abroad	Thousands	2.0	2.0	2.0	2.1	2.2
Inland water transport	Thousands	7.6	7.5	7.2	7.4	7.5
Air transport	Thousands	11.3	9.9	8.7	8.7	8.6
Activities of travel agencies	Thousands	4.4	4.5	4.4	4.5	4.7
Rental of transport equipment	Thousands	1.0	1.2	1.4	1.5	1.6
Motion picture, other entertainment, news agencies and cultural activities	Thousands	21.0	21.4	22.5	23.1	23.6
Sporting and other recreational activities	Thousands	1.7	1.7	1.4	1.4	1.4
Total employment in tourism industries	Thousands	130.6	130.3	132.0	135.2	138.0
Tourism industries' share of total employment	Percentage	6.7	6.5	6.4	6.3	6.2

1. Preliminary figures.
Sources: Tourism Satellite Accounts, Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770286367411

Table 4.129. **Norway: Tourism in the national economy – Tourism Satellite Account**

2008

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism value added
Accommodation services	Million NOK	7 533	4 147	34 517[1]
Food and beverage serving services	Million NOK	9 905	5 366	
Passenger transport services	Million NOK	27 603	7 172	24 559
Travel agency, tour operator and tourist guide services	Million NOK	10 942	198	6 065
Cultural services	Million NOK	1 926[2]	814[2]	14 634
Recreation and other entertainment services	Million NOK			1 065
Goods and other services	Million NOK	18 446	13 923	..
Total	Million NOK	76 355	31 622	80 839

1. Includes accommodation and food and beverage serving services.
2. Includes cultural services and recreation and other entertainment services.
Sources: Tourism Satellite Accounts, Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770313658886

Table 4.130. **Norway: Other economic indicators**

	Units	2004	2005	2006	2007[1]	2008[1]
Internal domestic tourism consumption share of final consumption	Percentage	11	11.3	11.4	11.5	11.4
Tourism share of GDP	Percentage	3.3	3.2	3.3	3.4	3.2

1. Preliminary figures.
Sources: National Accounts and Tourism Satellite Accounts, Statistics Norway, 2009.

StatLink http://dx.doi.org/10.1787/770354852253

Poland

Tourism in the economy

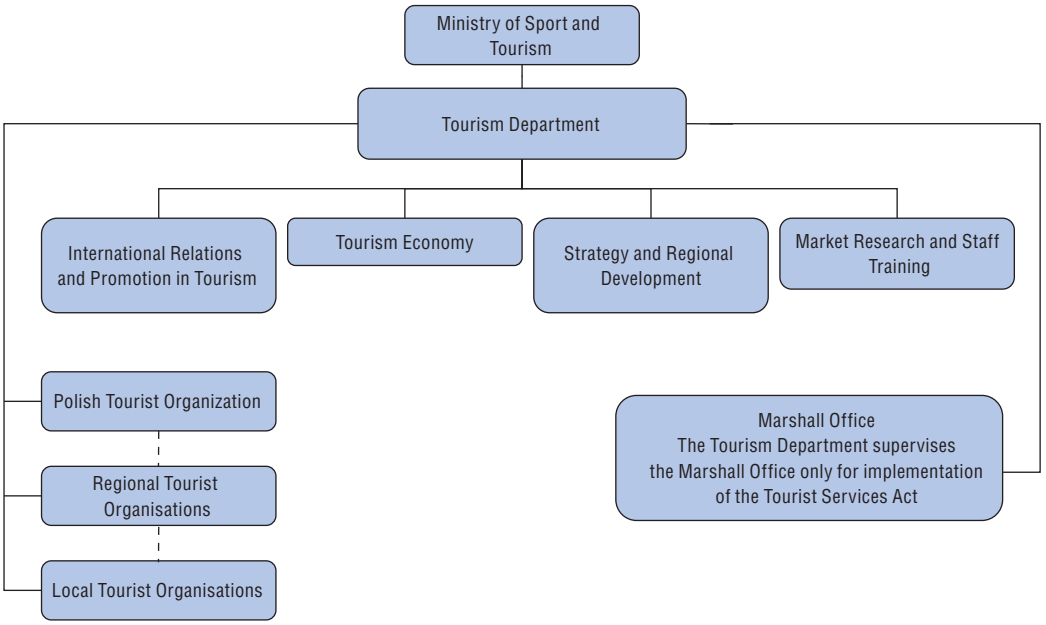
The share of tourism in GDP in 2008 was 6%. The expenditure of foreigners in Poland in 2008 was estimated at PLN 28.1 billion, while that of Polish residents in Poland was estimated at PLN 23.9 billion. The expenditure of Polish residents abroad was PLN 22.5 billion. The total value of the tourism economy was estimated at PLN 76.1 billion. In 2008 tourism exports were PLN 23.5 billion, 4.7% of total Polish exports.

Tourism organisation

Tourism is managed as an independent section of the government and deals mainly with tourism infrastructure development, the mechanisms of market regulation and the recognition of the qualifications of regulated professions (such as tourist guides). Since 2007, tourism has come within the scope of the Ministry of Sport and Tourism. Tourism-related issues are dealt with by the Tourism Department within the Ministry (Figure 4.23).

The promotion of tourism in Poland is conducted at the central level by the Polish Tourist Organisation (PTO), at the regional level by Regional Tourist Organisations (RTOs), and at the local level by Local Tourist Organisations (LTOs).

Figure 4.23. **Poland: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Sport and Tourism, 2009.

At the local level, the *voivod* (a Palatine) is the representative of government in *voivodships* (Palatinate regions), and is responsible for the implementation of government policy, adjusting detailed policy objectives to local conditions and overseeing the implementation of policy. The primary role in tourism development is played by local government (commune, district, marshals), at two levels: *i*) all public affairs of a local or regional level which are not reserved by law for other entities (known as "own tasks"); and *ii*) the execution of tasks prescribed in the framework of general government administration ("commissioned tasks"). In this second group, the communes and marshals are responsible for implementing the 1997 Act governing tourism services.

Tourism budget

In 2008 the budget of the National Tourism Administration was PLN 5.447 million, and for the National Tourism Organisation it was PLN 40.0 million

In addition, structural funds covering the period 2007-13 are available in part for special projects in the tourism sector, such as infrastructure development and the enhancement of tourism services. The national *Innovative Economy* Operational Programme – Priority 6 *Polish economy on the international market* has as its objective the enhancement of the brand of Poland through the promotion of the country as an attractive destination for both tourists and investors, and as a good place to establish businesses.

Projects connected with tourism can also be supported by the *Eastern Poland Development* Operational Programme to be implemented in 5 regions: Lubelski, Podkarpacki, Podlaski, Swietokrzyski and Warmińsko-mazurski. Financial support will be provided for joint promotional campaigns of these 5 regions aimed at attracting tourists and investors. Sustainable tourism development is a special category and will be used to develop bicycle routes and for projects to construct and modernise fair and convention/ conference infrastructure.

Tourism will be also supported by the Operational Programme for *European Territorial Co-operation, especially* in the *Poland-Czech Republic* and *Poland-Slovak Republic*. Tourism will also benefit from funds promoting co-operation with Baltic countries' and between Poland and German regions (Länder).

The *Infrastructure and Environment* Operational Programme focuses on maintaining and improving cultural sites and monuments and will also favour the further development of tourism.

Tourism projects are strongly supported in all 16 Regional Operational Programmes that provide support for the construction and modernisation of tourism infrastructure, *e.g.* tourism accommodation establishments, and recreational, spa, tourist information and public tourism infrastructure (tourism trails) as well as tourism promotion.

Tourism-related policies and programmes

Some amendments were made in 2008 to the 1997 Act on Tourism Services, simplifying and updating a number of procedures.

Regarding tourism statistics, according to the Institute of Tourism data there were 60 million arrivals in 2008, 9% down on 2007 or which some 13 million will be overnight visitors. A decrease is foreseen for visitors from Belarus, the Russian Federation, Ukraine (of 30% on 2007 levels), and from the EU (down 2%). Increases are predicted from the Czech Republic and the Slovak Republic (by 9% and 21% respectively). The Institute of Tourism

estimated that there were 50.2 million departures abroad in 2008, 5.6% more than in 2007. In 2008, domestic travel was at the same level as in 2007, that is 34.9 million domestic travels.

A key document in Poland is the *Directions for Tourism Development until 2015* (Box 4.30). This deals with three areas – competitiveness issues, sustainable tourism and human resources.

Under competitiveness issues, measures are recommended for:

- creating innovative and competitive products meeting the requirements of sustainable development;
- stimulating co-operation between numerous entities, including at the inter-regional level, for integrating the tourism product;
- supporting the types of tourism with the highest chances of success in the light of market conditions and their own assets; and
- implementing and promoting modern solutions in support of tourism industry quality.

Box 4.30. **Key priorities of "Directions for Tourism Development until 2015"**

- **Highly competitive tourism product:** creation and development of competitive tourist products; development of tourism infrastructure; supporting tourist entrepreneurship and organisations; development of different types of tourism.
- **Development of human resources contributing to tourism development:** developing education in the field of tourism; supporting social tourism; training professional tourism staff.
- **Marketing support:** improving the tourism information and reservation system; improving marketing.
- **Shaping tourism space:** complying with accessibility and sustainability requirements during tourism planning.

Implied in the implementation of these tasks is the constant monitoring of the needs of tourists, market trends, the country's competitive position and the need to adjust the tourism product to reflect changing market conditions.

Under sustainable tourism development, the document recommends measures for sustainable regional development, focusing on environmental protection, increasing absorptive capacities by means of renovating, rebuilding and developing relevant infrastructure, and increasing the communications available to tourism regions.

Dealing with human resources, the document recognises the importance of constant staff to meet the needs of tourism development and to ensure an appropriate quality of service. To achieve this, measures are recommended to:

- raise the qualifications of management and operational personnel;
- introduce a professional qualifications system; and
- educate social personnel.

In addition to preparing staff for servicing tourist traffic, another equally important issue is to educate the recipients of tourist services more widely in order to increase their

interest in spending their free time actively and using cultural and environmental resources in a conscientious and responsible way.

As in previous years, the Minister for Tourism co-operated with social organisations (non-governmental organisations or NGOs) such as foundations, associations and other organisations engaged in tourism activity. This typically takes the following forms:

- meetings with representatives of these organisations to establish joint efforts for the development of the tourism economy;
- co-financing tourism development; and
- consultations on draft legal regulations and strategy documents.

In developing a monitoring and evaluation system for the tourism sector, indicators such as the share of tourism in GDP, inbound and outbound tourism and foreign expenditure in Poland are monitored. There is also an Inter-ministerial Committee for co-ordinating the tasks of the government related to tourism development.

Directions for tourism development until 2015

New challenges for tourism policy and programmes include addressing the issues of tourism and transportation, tourism and the environment, tourism and migration, tourism and climate change, and international and intra-regional activities. On the statistical front, work is based on Tourism Satellite Accounts and there are new analytical tools and new data sets under development.

Statistical profile

Table 4.131. **Poland: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	11 812	12 287	13 199	14 560	15 477
Number of nights spent	Thousands	37 344	38 076	40 680	44 036	46 387

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770361022547

Table 4.132. **Poland: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	61 918	64 606	65 115	66 208	59 935
Number of same-day visitors in hotels and similar establishments	Thousands	47 628	49 406	49 445	51 233	46 975
International travel receipts	Million PLN	21 032	20 342	22 409	29 081	28 075

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770402120525

Table 4.133. **Poland: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	6 300	6 200	7 300	6 900	7 600
International travel expenditure	Million PLN	17 397	18 043	22 403	21 393	22 487

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770421575672

Table 4.134. **Poland: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
All collective accommodation	Establishments	6 972	6 723	6 694	6 718	6 857
Hotels and similar	Establishments	2 139	2 200	2 301	2 443	2 642
Restaurants and catering in accommodation	Establishments	7 045	6 873	6 876	7 196	7 548
Restaurants and catering	Establishments	..	11 872	12 223	12 308	13 947
Tour operators, travel agencies	Establishments	2 839	2 627	2 689	2 839	2 920

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770448520534

Table 4.135. **Poland: Employment in tourism**

	Units	2004	2005	2006	2007
Tour operators, travel agencies	Employees	..	..	..	95 395
Hotels, restaurants	Employees	217 738	220 967	230 375	241 764
Hotels, restaurants (in full-time equivalents)	Employees	141 635	147 328	152 560	163 330

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770515357875

Table 4.136. **Poland: Tourism in the national economy – Tourism Satellite Account**

2005

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million PLN	2 199	3 507	3 111
Food and beverage serving services	Million PLN	2 200	2 935	1 729
Passenger transport services	Million PLN	1 297	1 746	2 029
Travel agency, tour operator and tourist guide services	Million PLN	853	442	1 650
Cultural services[1]	Million PLN	437	1 383	700
Other services	Million PLN	263	2 875	8 644
Goods	Million PLN	3 808	6 388	..
Total	Million PLN	11 057	19 276	17 863

1. Includes cultural and recreational services.

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770582256188

Table 4.137. **Poland: Other economic indicators**

	Units	2005
Tourism share of GDP	Percentage	2.06

Source: Ministry of Sport and Tourism, Tourism Department, 2009.

StatLink http://dx.doi.org/10.1787/770586575264

Portugal

Tourism in the economy

According to the Portuguese Tourism Satellite Account (TSA), tourism consumption contributed 10.5% to GDP in 2008 (it represented 10.5% in 2007 and 9.7% in 2006). The TSA estimates that employment in tourism-characteristic industries/activities represented around 8% of total employment in 2007.

The *Cross-Border Movements Survey* shows total visitors of some 23.8 million in 2007, 5.4% up on the 22.6 million recorded in the previous year (figures include same day visitors).

Tourism receipts totalled EUR 7.4 billion in 2008 compared with EUR 6.7 billion in 2006.

Tourism organisation

At the national level and as part of a general public administration reform, all centrally-organised tourism bodies were merged in 2007 into a single body, Turismo de Portugal I.P., the National Tourism Authority (NTA) (Figure 4.24).

Under the aegis of the Secretary of State for Tourism and the Ministry of Economy and Innovation, the NTA is responsible for the promotion, valorisation and sustainability of tourism activities, under a specific umbrella approach, namely: enhancing and developing tourism infrastructure; developing training opportunities; supporting investment in the sector; co-ordinating the promotion of Portugal as a tourism destination – both internally and externally; and regulating and inspecting gambling activities.

At the regional level, the legislation relating to the responsibilities of Portugal's tourism regions also underwent revision. Eleven Regional Tourism Bodies (*Entidades Regionais de Turismo* – ERTs) were created to oversee regional tourism development in the country. These act as management bodies with financial and administrative autonomy and are geographically defined in accordance with the five regional areas that reflect territorial units used for statistical purposes under NUTS 2 (Norte, Centro, Lisboa e Vale do Tejo, Alentejo and Algarve) and with the six tourism development poles (Douro, Serra da Estrela, Leiria-Fátima, Oeste, Litoral Alentejano e Alqueva).

ERTs are responsible for adding value and promoting the sustainable development of tourism resources, acting as primary communications interfaces with the NTA. Their main responsibilities are to: contribute to national and regional tourism policy; ensure the development and valorisation of tourism products and resources; monitor the tourism product; and promote the regions in the domestic market while co-operating with both the NTA and the seven Regional Agencies for Tourism Development (ARPTs) in the external promotion of regional destinations.

In the autonomous regions of Madeira and Açores the Regional Directorates contribute to ensuring the implementation of tourism policy as defined by the autonomous regional

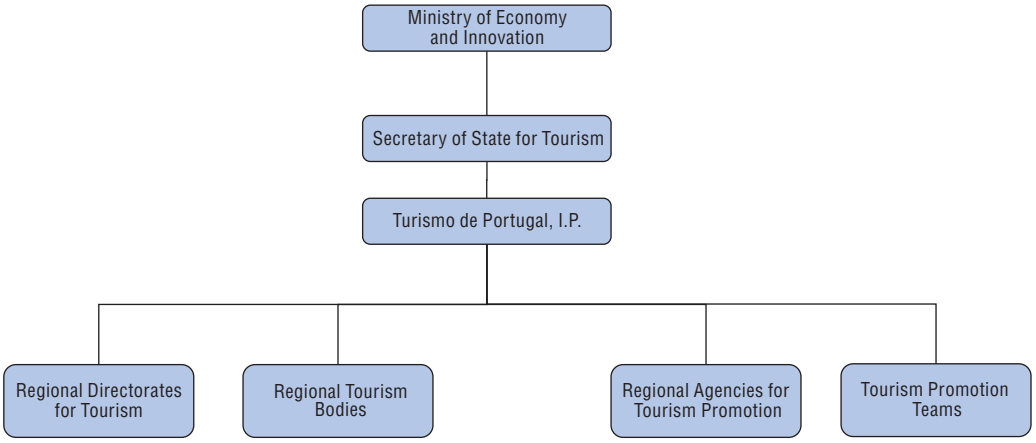
governments. Their main responsibilities are to: contribute to regional tourism policy; foster the development of the tourism product; and ensure the co-operation from the regions both with national and international bodies and the NTA.

The seven ARPTs correspond geographically to the seven promotional destinations in international markets (Porto e Norte, Centro de Portugal, Lisboa Região, Alentejo, Algarve Açores and Madeira). These are private associations drawn both from the public and private sectors that have a formal protocol (contract) with Turismo de Portugal I.P. Their main responsibilities are to: elaborate and execute the regional tourism promotional plans in accordance with their contract with the NTA; consolidate international promotion; and reinforce the strategic umbrella approach.

The NTA has a network of 16 Tourism Promotion Teams abroad, covering 22 international outbound markets. These teams belong to AICEP – Global Portugal Business Development Agency (that in 2004 was the agency responsible for international tourism promotion and still holds a huge network of offices abroad; Turismo de Portugal I.P. has a formal contract with AICEP to use this international network in 22 markets). The tourism teams works at AICEP offices abroad, but are funded by and directly report to Turismo de Portugal I.P. Their main responsibilities are to: develop and implement international tourism actions and marketing campaigns; and enhance operational efficiency.

With this international promotional structure, the Portuguese brand is managed by Turismo de Portugal I.P., and the regional brands by the ARPTs. Domestic promotion and development is co-ordinated with the eleven Regional Tourism Bodies (ERTs).

Figure 4.24. **Portugal: Organisational chart of tourism bodies**



Source: OECD, adapted from Turismo de Portugal, 2009.

Tourism budget

NTA funding comes from gambling receipts/taxes, not directly from state/government budget, and also from EU structural programmes/frameworks. The total budget for marketing and promotion in 2008 was approximately EUR 50 million, of which EUR 14 million goes directly to Regional Agencies for Tourism Promotion (ARPTs).

Tourism-related policies and programmes

Turismo de Portugal I. P. adopted the government programme SIMPLEX that aims to simplify and eliminate red tape in public administration services, providing an online platform for the classification of accommodation, and a new legal framework for companies engaged in leisure and outdoor activities and water tourism operators.

A variety of programmes exist dealing with the competitiveness of the tourism industry. For example, Turismo de Portugal I.P. has its own network of 17 hospitality and tourism schools, providing training, and certification for students and professionals in the tourism sector. This network was re-structured and the curricula were revised in order to prepare young people for their first job and to enable professionals to increase skills, gain certificates and obtain qualifications. A variety of linkages are maintained with institutions such as Florida University, ISCTE (*Instituto Superior de Ciências do Trabalho e da Empresa* – a public university acting in the domains of education, research and providing community services), Algarve University and ESHT (*Escola Superior de Hotelaria e Turismo do Estoril* – Estoril Hospitality and Tourism school) and the *École Hôtelière de Lausanne*. New hospitality and tourism schools have been opened in Portalegre, Caldas da Rainha and Óbidos.

Incentive programmes include QREN – National Strategic Reference Framework (2007-13), providing financial incentives integrated into the Structural Funds and the Cohesion Fund for investment in tourism of a corporate and infrastructure-related nature, Tourism Investment Credit, Bank Protocols (2007-09), dealing with investments of a corporate nature for new products, destinations and tourism development sites, and the PIT – Tourism Intervention Programme (2007-09), dealing with public investment in new products, destinations and tourism development sites provided for in the National Strategic Plan for Tourism, and the promotion of events that contribute towards Portugal's reputation as a tourism destination (Box 4.31).

Portugal has implemented the Tourism Satellite Account for the reference year 2000 and will now publish TSA data on a regular basis. In addition, the country has developed a new methodology to evaluate the weight of each of the main tourism products in the country's tourism earnings.

Box 4.31. **The National Strategic Plan for Tourism – PENT**

This is a governmental initiative, under the aegis of the Ministry of Economy and Innovation. Until 2015 it will form the support framework for the sustained growth of tourism and act as an orientation guideline for the National Tourism Authority. PENT defines a stable path of action, involving all parties, with clear targets and objectives, that will enable tourism to provide a decisive contribution to the well-being of the Portuguese population, through wealth generation, job creation, and an inherent capacity to promote territorial cohesion.

PENT's implementation programme includes the successful execution of the strategic development guidelines, demanding a pro-active approach from both the public and private sectors. Its implementation plan is structured around five action lines: *i)* territory, destinations and products; *ii)* brands and markets; *iii)* enhancing resources; *iv)* distribution and sales; and *v)* innovation and knowledge.

These action lines are based on 11 projects which encompass interventions over the entire tourism sector value chain.

Strategic development of the tourism sector covers a number of areas, such as outbound markets (a commitment to attracting tourists from 20 international outbound markets and developing domestic tourism), product strategy (consolidating and developing ten strategic tourism products), guidelines for the regions and for tourism development poles, strengthening air access to key tourism destinations, developing a national events calendar, promoting local traditions, improving the urban landscape, and enhancing the quality of service, human resources, promotion, the provision of information and the national tourism brand.

Statistical profile

Table 4.138. **Portugal: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	11 139	11 647	12 350	12 968	13 024
Average length of stay	Days	2.2	2.1	2.1	2.0	2.1

Sources: INE – National Institute of Statistics, *Cross-Border Movements Survey*, 2007 and Banco de Portugal.

StatLink http://dx.doi.org/10.1787/770610345351

Table 4.139. **Portugal: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	21 109	21 164	22 572	23 732	..
Top 5 markets						..
Spain	Thousands	2 514	2 370	2 497	23 661	..
United Kingdom	Thousands	2 052	2 089	2 254	2 326	..
France	Thousands	1 598	1 560	1 501	1 859	..
Germany	Thousands	1 047	1 075	1 191	1 212	..
Netherlands	Thousands	470	478	515	526	..
Number of same-day visitors	Thousands	10 470	10 552	11 290	11 411	..
International travel receipts	Million EUR	6 195	6 199	6 672	7 402	7 440

1. Number of visitors.

Sources: INE – National Institute of Statistics, *Cross-Border Movements Survey*, 2007 and Banco de Portugal.

StatLink http://dx.doi.org/10.1787/770621762710

Table 4.140. **Portugal: Outbound Tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	17 138	18 107	18 376	20 989	..
International travel expenditure	Million EUR	2 225	2 454	2 658	2 869	2 939

1. Departures, including same-day visitors.

Sources: INE – National Institute of Statistics, *Cross-Border Movements Survey*, 2007.

StatLink http://dx.doi.org/10.1787/770634583303

Table 4.141. **Portugal: Enterprises in tourism**

	Units	2004	2005	2006
Hotels and restaurants	Establishments	83 013	85 561	87 478
Tour operators, travel agencies	Establishments	..	3 389	3 522
Tourism characteristic activities	Establishments	399 656	406 648	..
Tourism share of employment	Percentage	7.8	8.0	..

Sources: INE – National Institute of Statistics, *Hotels and Similar Establishments Survey*, *Structural Business Survey*, 2007.

StatLink http://dx.doi.org/10.1787/770656024561

Table 4.142. **Portugal: Employment in tourism**

	Units	2004	2005	2006
Hotels and restaurants	Employees	269 715	270 295	275 977
Tour operators, travel agencies	Employees	39 527	40 564	41 795
Tourism characteristic activities	Employees	388 228	399 656	406 648

Sources: INE – National Institute of Statistics, *Hotels and Similar Establishments Survey*, *Structural Business Survey*, 2007.

StatLink http://dx.doi.org/10.1787/770677026085

Table 4.143. **Portugal: Tourism in the National Economy – Tourism Satellite Account**

2006

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Thousands EUR	596 410	1 910 537
Food and beverage serving services	Thousands EUR	275 291	2 255 976
Passenger transport services	Thousands EUR	1 046 847	1 959 068
Travel agency, tour operator and tourist guide services	Thousands EUR	392 209	37 925
Cultural services	Thousands EUR	381 885	297 573
Other services	Thousands EUR	169 809	56 880
Total characteristic products	Thousands EUR	2 862 451	6 517 960

Sources: Statistics Portugal – The Portuguese Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/770746324148

Table 4.144. **Portugal: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Tourism Consumption share of GDP	Percentage	9.3	9.4	9.7	10.5	10.5
Internal tourism consumption	Billion EUR	13.4	14.0	15.1	17.1	17.5

Sources: Statistics Portugal – The Portuguese Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/770771272444

Slovak Republic

Tourism in the economy

In both 2007 and 2008, tourism accounted for 2.7% of GDP and contributed 28.7% of the country's export revenue, a level that has remained steady over recent years. The tourism sector in 2005-07 employed just over 4% of the workforce.

In 2008, total international arrivals at hotels and similar establishments were 1 767 000, having risen by 26.1% from the 2004 level of 1 401 000, an average annual rate of 6.0%. The five leading markets (Czech Republic, Poland, Germany, Hungary and Austria) accounted for 66% of arrivals in 2008, and the value of tourism exports stood at USD 2 583.7 million (EUR 1 762.6 million) in 2008.

Outbound tourism has been growing more slowly, however, at an annual average rate of 3.8% over the same period to reach 4 079 000 in 2008. Tourism imports as represented by Slovakian residents travelling abroad amounted to USD 2 150.9 million (EUR 1 467.3 million), thus leaving a surplus on the tourism account of some USD 432.8 million (EUR 295.3 million) in 2008.

The number of tourists (accommodated visitors: domestic and foreign) increased by 8.1% in 2008 on the previous year, and rose to more than 4 million.

Tourism organisation

Responsibility for tourism in the Slovak Republic rests with the Tourism Section of the Ministry of Economy (Figure 4.25). The main tasks of the Tourism Section are to:

- determine national tourism policy;
- develop tourism strategies and concepts;
- draft legislative regulations in tourism;
- analyse and evaluate the conditions of the tourism industry;
- collect statistical data on tourism;
- provide small- and medium-sized enterprises in tourism with appropriate support;
- carry out tasks connected with the preparation of territorial plans and tourism projects;
- represent the interests of the Slovak Republic in international tourism organisations and associations;
- carry out international and cross-border co-operation in the field of tourism; and
- take responsibility for the preparation and fulfilment of international bilateral and multilateral agreements in tourism, and develop bilateral contacts.

The promotion and marketing of the Slovak Republic as a tourism destination is the core responsibility of the Slovak Tourist Board (STB). The STB was set up by the Ministry of Economy in 1995 as a non-commercial, state-funded organisation specialising in the

marketing and promotion of the tourism industry. The STB currently has eight representative offices abroad – in the Czech Republic, the Netherlands, Germany, Poland, Austria, the Russian Federation, Hungary and China.

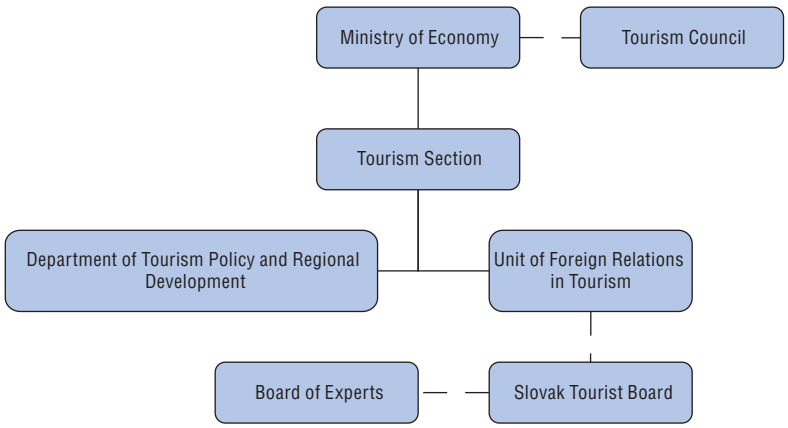
The STB carries out the national marketing and promotion of the country as a tourism destination, provides information on tourism in the Slovak Republic, contributes to the positive image of the Slovak Republic abroad and implements the EU Structural Funds in the tourist industry.

The Tourism Council of the Ministry of Economy is an inter-departmental co-ordinating body dealing with issues that are outside the core competence of the Ministry of Economy, such as transport infrastructure, spa resorts, visa policy, the professional education system, preserved monuments, and protective measures adopted in preserved areas.

At the regional level and as a result of public service reform in 2001, tourism responsibilities were devolved from the local civil service (district and regional offices) to eight self-governing bodies in the regional governments (Bratislava, Trnava, Nitra, Trenčín, Žilina, Banská Bystrica, Prešov, Košice) and municipalities. Local government in municipalities and towns plays an important role in the development of tourism within their areas and in co-ordinating entities concerned with tourism development issues.

Tourism associations as professional entities also contribute to the development of tourism at local and regional level, mainly in the fields of quality improvement, expanding the range of tourism products and services, professional training, the application of quality standards and the communication of best practices.

Figure 4.25. **Slovak Republic: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy, 2009.

Tourism budget

Tourism budgets for 2007 and 2008 are set forth in Table 4.145.

The Slovak Republic will be able to use EU funds throughout the duration of the National Strategic Reference Framework until 2013. Within the Sectoral Operational Programme – *Industry and Services*, the European Commission approved approximately EUR 63 million for the period 2004-07 for tourism development and the promotion of Slovak tourism. Support from Structural Funds was centred on the improvement of infrastructure for tourism and the renovation of cultural and historical monuments, establishing educational trails and the development of bicycle tracks. Funds were also

Table 4.145. **Slovak Republic: The financing of tourism, 2007-08**

		2007		2008	
		State budget	EU Structural funds	State budget	EU Structural funds
Ministerial tourism budget	Thousands SKK	3 450	..	3 221	..
Slovak Tourist Board	Thousands SKK	123 195	75 692	260 097	59 391
Entrepreneurial support in tourism	Thousands SKK	354 768	762 164	108 798	240 804
Total	Thousands SKK	481 413	837 856	372 116	300 195

Source: Ministry of Economy.

StatLink http://dx.doi.org/10.1787/770772050348

available for the support of business activities in tourism, and are used for constructing facilities such as accommodation and catering establishments and swimming pools.

During the programme period 2008-13, the Slovak Republic may use European funds totalling EUR 172.6 million for the support of business activities in tourism, the development of tourism information services, and the presentation of the regions and the country as a whole within the Operational Programme – *Competitiveness and Economic Growth*.

Tourism-related policies and programmes

Legislative and regulatory environment

National tourism legislation is harmonised with EU legislation. The main laws in force govern package tours and the conditions of doing business by travel offices and travel agencies. A decree of the Ministry of Economy regulates the categorisation and grading of accommodation facilities, while other important legislation includes a new Act on Investment Aid (2008). This allows for the provision of regional investment and employment aid for investment or expansion projects in industrial production, technology centres, strategic service centres, and tourism complexes.

Market trends

Visitors to the country come predominantly for winter sports, mountain vacations at lakeside resorts, spa vacations, wellness stays, and guided tours. In terms of tourist entities, in 2007, there were 3 182 facilities providing accommodation services (2 490 in 2006), offering in total 56 525 rooms with 146 655 beds. The total number of tourism enterprises in 2007 was 19 801, an increase of 1.5% on the previous year.

In 2008, 3 434 facilities provided accommodation services in the Slovak Republic, in total offering 58 182 rooms with 151 991 beds.

The number of employees in tourism (accommodation establishments, restaurants and catering) was 152 800 in 2007, representing 7.1% of the total workforce.

In 2008, foreign tourism receipts continued to grow, and were EUR 1 762.6 million, 19.7% (28.3%) higher than in previous year 2007. Slovak citizens' foreign exchange expenditure on travel abroad for the same period amounted to EUR 1 467.3 million, 31.4% (40.9%) higher than in the previous year. The balance on the tourism account thus remained some EUR 295.3 million in surplus, a drop of 17.1% (11.1%) on the previous year.

According to the preliminary statistics released by the National Bank of Slovakia, foreign exchange receipts from inbound tourism reached EUR 329.3 million for the first

three months of 2009 (January-March), which is a decline by 7.8% in comparison with the previous year (EUR 357.2 million in 2008).

Foreign exchange expenditures of Slovak citizens recorded in the same period (January-March 2009) were EUR 328.1 million, an increase of 17.1% compared to the previous year (EUR 280.3 in 2008). The balance of international tourism is still positive (EUR 1.1 million) but decreased by 98.5% compared to the previous year (EUR 76.9 million in 2008).

Competitiveness and sustainability

The New Tourism Development Strategy to 2013 (Box 4.32) aims to create a supporting environment for environmentally friendly forms of tourism, such as establishing cycle tracks (local, regional and international) and basic cycling infrastructure, supporting the development of tourism in rural areas, eco-tourism, mountain sports, agrotourism, support of water-sports and sailing, horseback riding and golf, increasing the standards of campsites, renewing the network of marked tourist paths and creating more resting places and shelters.

The Ministry of Economy has also started to prepare "regional tourism development centres" which are focused on building the capacities of regional tourism management structures. The aim of this project is to improve destination management, create regional products, establish an expert team within each self-governing region, improve the management and co-ordination of tourism on a regional level, and connect the private and public sectors more effectively.

The State Nature Protection Agency is developing a project of six programmes to complete the zoning of natural parks in the Slovak Republic as well as determining the principles of further utilisation of protected areas. Additionally, the Agency has built up or renovated 13 information centres for nature protection with the aim of improving information systems in protected areas and ensuring that visitors do not adversely affect the natural environment. Five additional information centres are planned, together with the expansion of another 22 centres.

Human resources

The Ministry of Education is currently working on a bill on professional education. The aim of the bill is to co-ordinate professional education and to create appropriate conditions for both employers and unions to participate in professional education.

Transport

A programme for the modernisation of the railway system has been drawn up covering the period 2007-10, with a particular emphasis on decreasing the negative environmental impact of the transport system.

In recent years, air traffic has grown strongly in the Slovak Republic, with passenger traffic at Bratislava airport exceeding two million in 2007 (compared with 293 000 in 2001). Growth continued in 2008, and the airport is now preparing a new terminal that will increase its annual capacity to 5 million passengers. The airport intends to start using the new terminal in 2012, with further development planned for 2014.

International and inter-regional activities

The Czech-Slovak Working Group for Tourism was established in 2008, based on the recommendations of the Inter-governmental Commission for Cross-Border Co-operation between the Czech Republic and the Slovak Republic. This represents an initiative of both ministries in charge of tourism – the Ministry for Regional Development of the Czech Republic and the Ministry of Economy of the Slovak Republic. The main objectives of the working group are:

- to increase the attraction of cross-border regions for domestic and foreign tourism;
- to increase the quality of services rendered and the competitiveness of tourism; and
- to create conditions for the exchange of information, experience, knowledge, know-how and tools for the development of tourism in cross-border regions.

Statistics and economic evaluation of tourism

The Slovak government states in its manifesto its intention to establish a Tourism Satellite Account in order to quantify tourism's results and its contribution to GDP.

The current situation in the development of the TSA in the Slovak Republic is that demand-side tables for the years 2003 to 2006 are available, supply-side data for 2005 have been prepared, employment data in 2005 and 2006 are available and gross fixed capital formation for 2005 have been compiled. An estimate of the service fees of tour operators has also been prepared.

Box 4.32. **National tourism strategy**

On 9 May 2007, the government of the Slovak Republic adopted a resolution that outlines the *New Strategy for Development of Tourism in the Slovak Republic until 2013*. The strategic objectives of the tourism industry are to use the potential of the Slovak Republic to a greater extent, eliminate regional disparities, and create new jobs.

The development of tourism in the Slovak Republic needs to be aimed at summer tourism, waterside activities, spa and health tourism, winter tourism and winter sports, urban and cultural tourism, rural tourism, and agrotourism.

The second important tourism development document in the Slovak Republic is the State Tourism Policy, which received government approval on 19 September 2007. The fundamental aim of the Policy is to win new markets and satisfy the needs of domestic and foreign visitors through the tourism industry in a sustainable environment, so that the quality of life of the local population improves and the national economy benefits as much as possible.

The Ministry of Economy has also drawn up a *Handout on Investment in Tourism,* the aim of which is to inform and attract foreign investors to the tourism sector.

On 1 January 2009, the Slovak Republic adopted the euro, thereby becoming the 16th country in the euro area.

Statistical profile

Table 4.146. **Slovak Republic: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Thousands	7 121	6 470	6 447	6 810	6 687
Number of nights spent	Thousands	31 509	27 987	28 561	29 326	29 242

1. Same-day visitors excluded.

Source: Statistical Office of the Slovak Republic, 2009.

StatLink http://dx.doi.org/10.1787/770776320508

Table 4.147. **Slovak Republic: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Number of arrivals at border[1]	Thousands	26 415	29 396	30 592	32 624	..
Number of visitors (TSA)[2]	Thousands	14 334	16 849	17 781	18 975	19 204
Number of tourists in hotels and similar establishments[3]	Thousands	1 401	1 515	1 612	1 684	1 767
Top 5 markets						
Czech Republic	Thousands	419	425	455	491	537
Poland	Thousands	179	198	224	244	308
Germany	Thousands	188	194	190	176	165
Hungary	Thousands	111	122	122	94	90
Austria	Thousands	56	56	61	63	62
Number of same-day visitors	Thousands	4 730	5 291	5 583	5 740	6 186
International travel receipts	Million SKK	29 070	37 529	44 985	49 751	55 153
International passenger transport receipts	Million SKK	892	2 328	4 037	8 112	8 927

1. Only until 2007.
2. Including transit and same-day visitors (TSA).
3. Accommodation statistics.

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2009.

StatLink http://dx.doi.org/10.1787/770777352651

Table 4.148. **Slovak Republic: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	3 511	3 327	3 503	3 937	4 079
International travel expenditure	Million SKK	24 032	26 235	31 349	37 721	45 913
International passenger transport expenditure	Million SKK	4 912	8 769	5 299	7 351	9 230

1. Excluding same-day visitors.

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2009.

StatLink http://dx.doi.org/10.1787/770808124315

Table 4.149. **Slovak Republic: Enterprises in tourism**

	Units	2004	2005	2006	2007
Total	Establishments	19 839	20 254	19 504	19 801
Hotels	Establishments	710	729	741	761
Restaurants	Establishments	..	..	..	..
Tour operators	Establishments	845	790	786	794
Travel agencies	Establishments	374	420	425	437
Others	Establishments	..	..	..	..

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2009.

StatLink http://dx.doi.org/10.1787/770808640445

Table 4.150. **Slovak Republic: Employment in tourism**[1]

	Units	2005	2006	2007
Total	FTE, Thousands	112.9	114.4	113.1
Hotels	FTE, Thousands	18.4	18.8	18.6
Restaurants	FTE, Thousands	44.4	43.8	42.9
Tour operators and travel agencies	FTE, Thousands	4.0	4.4	4.4
Others	FTE, Thousands	46.1	47.4	47.2
Tourism employment in percentage of total employment	Percentage	5.5	5.5	5.3

1. Number of full-time equivalent jobs in tourism characteristic enterprises (TSA).
Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2009.

StatLink http://dx.doi.org/10.1787/770844703661

Table 4.151. **Slovak Republic: Tourism in the national economy – Tourism consumption**

2005

	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption
Accommodation services	Million SKK	8 226.7	8 753.2	16 979.9
Food and beverage serving services	Million SKK	5 717.4	10 257.5	15 974.9
Passenger transport services	Million SKK	13 154.1	7 886.2	21 040.3
Travel agency, tour operator and tourist guide services	Million SKK	2 230.2	148.9	2 379.1
Other tourism services (cultural services, recreation, other entertainment services and other tourism services)	Million SKK	5 375.1	3 134.7	8 509.8
Other connected tourism goods and services	Million SKK	5 745.4	21 025.3	26 770.7
Total	Million SKK	40 448.9	51 205.8	91 654.7

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2009.

StatLink http://dx.doi.org/10.1787/770848237613

Table 4.152. **Slovak Republic: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Internal tourism consumption	Million SKK	89 335	91 655	99 310	107 916	..
Inbound tourism consumption	Million SKK	46 250	51 206	56 604	60 802	..
Domestic tourism consumption	Million SKK	43 085	40 449	42 706	47 115	..
Tourism GDP	Million SKK	..	41 509	..	..	..
Internal tourism consumption share of final consumption[1]	Percentage	8.6	8.1	7.9	8.0	..
Inbound tourism consumption share of total exports of goods and services	Percentage	4.6	4.5	4.0	3.8	..
Inbound tourism consumption share of GDP	Percentage	3.4	3.4	3.4	3.3	..
Tourism share of GDP[2]	Percentage	..	2.8	..	..	..

1. Final consumption: of households (domestic concept), general government, non-profit institutions.
2. Tourism GDP (only characteristic products).
Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2009.

StatLink http://dx.doi.org/10.1787/771003442237

Spain

Tourism in the economy

Tourism is one of the mainstays of the Spanish economy. It accounts for around 11% of GDP and 13% of employment, and contributes substantially to offsetting the trade deficit. With 97.8 million foreign visitors (57.3 million tourists and 40.5 million same day visitors) in 2008 (1.1% fewer than in 2007) and tourism receipts of close to EUR 41.9 billion (0.4% less than in 2007), Spain has consolidated its position as the second-largest destination in terms of tourist arrivals and receipts. Over 2.6 million people work in Spain's tourism sector, the majority (55.3%) in the hotels and restaurants sector.

Tourist arrivals increased by 93% in the period 2004-08. The leading markets are UK (27.6% of arrivals in 2008), followed by Germany (17.6%) and France (14.3%). These three markets therefore accounted for 59.5% of the total in that year.

Tourism organisation

In Spain, autonomous regions control the promotion and regulation of tourism within the confines of their respective territories. Nonetheless, the state develops and undertakes the promotion and marketing of tourism abroad, the design of tourism policy and the overall co-ordination of tourism activity regulation, in addition to its role in planning the national economy, in which, in the context of Spain, tourism is a key component.

This distribution of powers gives rise to a network of inter-administrative relations and, with it, different instruments of co-operation, whose function is to lend coherence to the action of public authorities in tourism matters. Such integrated action across the various institutional levels, both public and private, depends on co-operation, since there are common interests which have to be appropriately matched and combined in order to ensure maximum possible operational effectiveness.

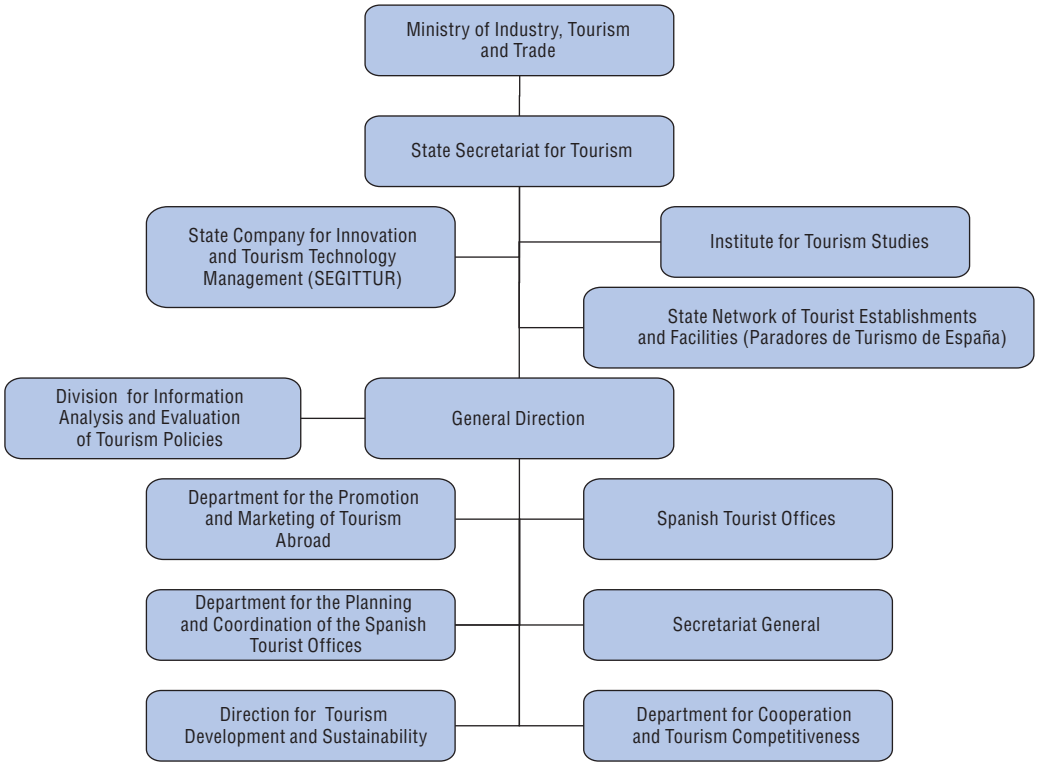
The Ministry of Industry, Tourism and Trade is the department within the Spanish government with responsibility for proposing and carrying out government policy in many areas including tourism (Figure 4.26). The ministry is also responsible for submitting to the government policy proposals for Spain's position in its sphere of responsibilities.

In tourism, the relevant functions and actions are handled by the Ministry, acting through the offices of the State Secretariat for Tourism, whose responsibilities extend to taking whatever actions are required for the definition, development and implementation of tourism policy, along with any related promotional activities that fall within the sphere of the central government administration.

The State Secretariat for Tourism is charged with:

- defining, proposing, lending impetus to, and co-ordinating government tourism policy;

Figure 4.26. **Spain: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for Industry, Tourism and Trade, 2009.

- drawing up general plans that serve to foster tourism products, improve the quality and technological innovation in tourist firms and promote co-operation with the private sector; its duties include identifying new tourism resources, diagnosing and assessing factors that affect the supply side of tourism, and designing strategies aimed at developing and enhancing tourist products and destinations;
- liaising with autonomous regions, local authorities, ministries and the tourist sector in general, to draw up the bases for and general planning of tourism sector policy;
- undertaking research into factors that exert influence on tourism, as well as gathering, compiling and assessing statistics, information and data relating to tourism;
- defining the Spanish Tourism Institute's strategies; and
- handling institutional tourism relations between central government and international organisations – public and private – as well as international co-operation, in co-ordination with the Ministry of Foreign Affairs.

The Spanish Tourism Institute (TURESPAÑA) is the administrative unit of central government in charge of promoting Spain abroad as a tourism destination. TURESPAÑA carries out activities in the following areas:

- planning, developing and executing activities aimed at promoting Spain as a tourism destination in international markets;
- supporting the marketing of Spanish tourism products abroad in co-operation with the regional and local authorities and the private sector; and

- establishing the strategy, plan of action and investments for new establishments of "Paradores de Turismo de España".

In order to achieve its goals effectively, TURESPAÑA carries out its promotion and marketing activities abroad through a network of 31 Tourist Offices, which are part of Spain's embassies and consulates.

Paradores de Turismo de España is a state company, coming under the control of the Spanish Tourism Institute, whose principal function is the management and running of state-owned properties, mostly historic buildings that have been adapted for hotel use. It constitutes an enormous success story in the recovery and maintenance of Spain's historical heritage. There are currently 89 Paradores in operation.

Tourism budget

The budget of the National Tourism Administration is EUR 718.1 million for the State Secretary for Tourism (*Secretaría de Estado de Turismo*), and EUR 224.7 million for the National Tourism Organisation (*Instituto de Turismo de España*). There are also some special *ad hoc* tourism funds (*e.g.* for development, innovation).

The main sources of funding for tourism development include the general budget and specific taxes: airport, accommodations, casinos, and local taxes. The performance of public spending on tourism is assessed via the use of various tools for evaluation and monitoring.

Tourism-related policies and programmes

The creation of a State Secretary for Tourism in order to face the new challenges, a 100% increase in the state budget for tourism in 2009 and the development of Programme 2020 are the new key issues.

New financial programmes

The FUTUR-E Plan, which was established with the aim of promoting tourism eco-efficiency and innovation, is a new EUR 500 million credit line of the Official Credit Institute (*Instituto de Crédito Oficial*: ICO) to help companies improve their levels of sustainability and eco-efficiency. The scheme takes environmental and sustainable-development variables into account with the aim of consolidating Spanish tourism's spearhead position in rational energy use, the use of renewable energy sources, reduction of the water footprint and waste management. The Centre for Tourism Sustainability and Environmental Technologies (*Centro para la Sostenibilidad y las Tecnologías Ambientales del Turismo*) has been set up to bring the sector's development model more fully into line with the challenges posed by climate change.

The tourism sector will also be given priority and support in terms of access to the credit lines of the National R&D Plan as promoted by the Science and Innovation Ministry (*Ministerio de Ciencia e Innovación*) with the aim of encouraging tourism R&D initiatives. There will also be special aid for setting up the Tourism Innovation, Development and Research Centre (*Centro de Investigación, Desarrollo e Innovación en Turismo*) and the Culinary Innovation and Research Centre (*Centro de Investigación e Innovación en Gastronomía*).

An Internet-based Tourism Research System (*Sistema de Información por Internet sobre Investigación Científico-Turística* – SICTUR) is being set up, in which the State Secretariat for Tourism (*Secretaría de Estado de Turismo*) has joined forces with 14 universities belonging to the Tourism Postgraduate University Network (*Red Universitaria de Postgrados en Turismo*) to

Box 4.33. **Plan Renove**

Plan Renove is a programme of the Spanish government for 2009 totalling EUR 1 billion. It consists of loans provided at low interest rates with repayment terms of 5-12 years, and is currently seen as an open-ended programme.

The objectives of Plan Renove are primarily threefold: helping to reduce the negative impacts of the financial crisis on the tourism sector; improving the tourist offer (sustainability, investment and demand, accessibility), and helping to improve access to credit for small tourism-related businesses.

Potential beneficiaries of Plan Renove include hotels, campsites, tourist apartments and rural lodgings, restaurants, travel agencies and other enterprises offering tourism products and services.

The activities and projects to be financed by Renove must fulfil at least one of the following requirements:

- improving accessibility for the disabled;
- creating higher value-added products and services;
- improving quality (as measured by higher ratings in accommodations or restaurant classification systems);
- promoting sustainability;
- promoting water and energy savings;
- protecting or improving the environment;
- water treatment, waste recycling or decreasing air, light or noise pollution;
- improving security against personal risks or fire;
- improving food safety;
- investing in quality control systems; and
- introducing new technologies.

promote Internet-based technology and scientific research in the tourism industry. This system is being created to enhance the scientific and technological competitiveness in the sector. A database on tourism-scientific output published by the 14 universities will be made available to interested parties through a custom-built website. This website will also help to fuel the integral network of tourism knowledge and intelligence.

Air transport

Initiatives have been taken to improve air connections and increase aircraft passenger movements by cutting and rebating diverse taxes, charges and fees included in the airfare, Measures have also been adopted by the Ministry of Defence and the Ministry of Public Works to promote flexibility and restructuring of airspace use. These measures will cut airline fuel costs by EUR 11.5 million a year, help to reduce CO_2 emissions by 27.5 million kilos a year and reduce flight distance by 1.17 million miles.

The Tourism and Air Traffic Promotion Plan (*Plan de Promoción del Tráfico Aéreo y el Turismo*) is being set up to facilitate tourist entries through Spanish airports. To enhance air connections to Spain, the Ministry of Public Works and Ministry of Innovation, Technology and Science have agreed to promote collaboration between AENA (the Spanish Airport and

Air Navigation Authority) and TURESPAÑA, both to encourage the establishment of new air destinations in Spain and to consolidate existing connections.

Seasonality

To diminish seasonal variations in tourism, a project called *Turismo Senior Europa* aims to increase Spain's winter tourism by showcasing the low-season potential of Spanish destinations. The aim is to tap into a target public of over 100 million EU citizens in the 55-75 age bracket, 50 percent of whom have never travelled outside their home countries. This will be the driving force behind a revitalisation of the low season and an improvement of the sector's profitability and sustainability.

Quality issues

Under the Anfitriones (hosts) project, the programme called *Cultura del Detalle* (Attention to Detail) aims to enhance visitor-perceived quality by improving the level of attention paid to customers. To achieve this a strategy has been developed to enrich the experience of tourists visiting Spain, promoting attention to detail, hospitality and good workmanship.

In 2009 (September-December), 800 training courses were arranged in 40 destinations throughout Spain, involving over 12,000 pupils. Twenty six customer-attention good-practice handbooks have been drawn up. Trade professionals will be able to assess their own performance in terms of ensuring due attention to detail. The project runs a website, *www.cultura-detalle.es*, where users can find the programme's details, download documentation and swap opinions on the project.

Also under the Anfitriones project, the programme called *Destino en Detalle* (Attention to Detail in Destinations) will improve the destination quality as perceived by clients. To this end a series of measures has been designed to encourage the adoption of good practices in terms of improving tourism destinations to bring out their particular character and singularity. Using a custom-built portal, *www.destino-detalle.es*, local managers can assess their own performance in terms of improvement measures.

The Spanish Tourism Quality System (*Sistema de Calidad Turística Española*: SCTE) is working towards a "quality of experience" concept, adapting the methodology to new products and perfecting the IT tools that keep the system running smoothly. Under the training plan called Plan SICTED 2012 ambitious training days will be held in 2009 to extend the SCTE to 3 new sectors: protected natural sites, golf courses and beaches.

Work is also underway on the standardisation of 5 new subsectors (night-time leisure, active tourism firms, sailing facilities, industrial tourism and tourism boards) as part of the transition from the private tourism quality schemes called "normas Q" to AENOR's (Spanish Association for Standardisation and Certification) public standards. Fourteen sectors have already obtained AENOR's public standards, in the family of tourism service standards.

Statistical profile

Table 4.153. **Spain: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008[1]
Number of overnight stays[2]	Thousands	152 352	157 005	154 968	146 782	145 169
Number of nights spent	Thousands	639 251	686 165	653 919	660 187	640 480

1. January-November 2008.
2. Number of tourism trips.

Source: Institute of Tourism Studies (IET), 2009.

StatLink http://dx.doi.org/10.1787/771013465408

Table 4.154. **Spain: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	52 430	55 914	58 004	58 666	57 311
Top 5 markets						
United Kingdom	Thousands	15 629	16 090	16 210	16 296	15 795
Germany	Thousands	9 537	9 918	10 140	10 081	10 068
France	Thousands	7 736	8 875	9 082	9 004	8 188
Italy	Thousands	2 801	2 957	3 379	3 623	3 334
Netherlands	Thousands	2 301	2 435	2 549	2 503	2 484
Number of same-day visitors	Thousands	33 551	36 649	38 148	40 241	40 525
International travel receipts	Million EUR	36 376	38 558	40 715	42 061	41 901
International passenger transport receipts	Million EUR	3 971	4 249	4 966	5 310	5 487

1. Number of tourists at borders.

Sources: Institute of Tourism Studies, Balance of Payments, 2009.

StatLink http://dx.doi.org/10.1787/771051723716

Table 4.155. **Spain: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008[1]
Number of tourism trips	Thousands	..	10 164	10 678	11 276	10 304
International travel expenditure	Million EUR	9 772	12 125	13 266	14 360	13 834
International passenger transport expenditure	Million EUR	2 179	2 743	2 899	3 376	4 383

1. January-November 2008.

Sources: Institute of Tourism Studies, Balance of Payments, 2009.

StatLink http://dx.doi.org/10.1787/771146072122

Table 4.156. **Spain: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Total	Establishments	557 060	563 215	567 166	583 813	592 280
Hotels and restaurants	Establishments	283 674	283 103	282 118	287 055	288 914
Hotels, campsites and other provision of short stay accommodation	Establishments	19 854	20 289	20 662	21 907	22 518
Restaurants, bars and canteens	Establishments	263 820	262 814	261 456	265 148	266 396
Transport	Establishments	208 406	211 038	210 060	215 078	216 962
Travel agencies and tour operators	Establishments	7 751	8 181	8 880	9 885	10 746
Other services	Establishments	57 229	60 893	66 108	71 795	75 658

Sources: Institute of Tourism Studies, Balance of Payments, 2009.

StatLink http://dx.doi.org/10.1787/771171583134

Table 4.157. **Spain: Employment in tourism**

	Units	2004		2005		2006		2007		2008	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Total	Thousands	1 389	848	1 404	941	1 474	1 024	1 499	1 077	1 509	1 114
Hotels and restaurants	Thousands	591	610	605	686	640	763	652	798	641	812
Transport (including travel agencies and tour operators)	Thousands	573	70	560	71	575	85	587	86	599	90
Other services	Thousands	225	168	239	185	259	176	260	193	270	213

Sources: Institute of Tourism Studies, Balance of Payments, 2009.

StatLink http://dx.doi.org/10.1787/771243155737

Table 4.158. **Spain: Tourism in the national economy – Tourism Satellite Account**

2005

	Units	Final domestic tourism consumption by households	Inbound tourism consumption	Total Internal tourism consumption
Accommodation services	Million EUR	13 965	10 479	27 540
Food and beverage serving services	Million EUR	12 177	11 551	24 319
Passenger transport services	Million EUR	5 464	5 412	15 178
Travel agency, tour operator and tourist guide services	Million EUR	276	2 894	3 854
Cultural services, recreation and other entertainment services	Million EUR	1 191	1 025	2 783
Other services	Million EUR	6 486	5 498	15 469
Goods	Million EUR	3 912	5 350	9 262
Total	Million EUR	43 470	42 209	98 405

Source: National Institute for Statistics, TSA, 2009.

StatLink http://dx.doi.org/10.1787/771250776363

Table 4.159. **Spain: Other economic indicators**[1]

	Units	2004	2005	2006	2007	2008
Internal domestic tourism consumption share of final consumption	Percentage	14.4	14.3	14.3	14.1	..
Tourism share of GDP	Percentage	10.9	10.9	10.8	10.7	..
Tourism share of employment	Percentage	12.4	12.4	12.7	12.7	13

1. Provisional figures for 2003 to 2006, provisional estimate for 2007.
Source: National Statistics Institute, 2009.

StatLink http://dx.doi.org/10.1787/771260788752

Sweden

Tourism in the economy

The Swedish tourism industry contributes about 3% to Swedish GDP. Growth over the years has had a positive impact on employment and new enterprises, especially in sparsely populated areas. The recent global slowdown of the economy has, of course, had a certain impact on the Swedish tourism economy, but not very dramatically. The main reason for this is that in times of crisis in the economy, more Swedish tourists tend to stay at home or close to home, thus keeping the domestic tourism business at a relatively high level. In 2008, domestic tourist nights numbered 38 million, up 0.7% on 2007, although outbound trips also rose by 4.7%, to 13.3 million.

The tourism account, taking into consideration both tourism receipts and travel fares, was broadly in balance in 2008.

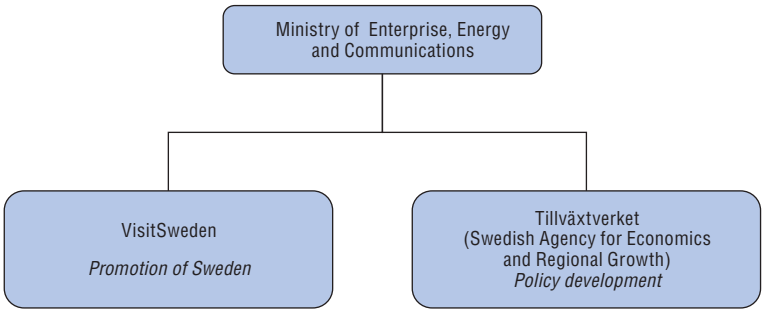
Tourism organisation

The government agency responsible for tourism statistics and development, Nutek, was dismantled at the end of March, 2009 and replaced by a new government agency, Tillväxtverket. The responsibility for tourism was transferred without changes from the previous agency to the new one. The name in English, Swedish Agency for Economic and Regional Growth, is the same as before (Figure 4.27).

The regional and local communities have a very high degree of autonomy with respect to the national level in matters relating to tourism.

At the national level, there are two organisations responsible for different aspects of tourism. Tillväxtverket, the government agency, is charged with the national responsibility for tourism statistics and development questions, while the national promotional agency, VisitSweden, is responsible for the promotion of Sweden abroad.

Figure 4.27. **Sweden: Organisational chart of tourism bodies**



Source: OECD, adapted from Swedish Agency for Economic and Regional Growth, 2009.

Tourism budget

The tourism budget of Tillväxtverket has been integrated in the general budget of this agency. The government part of the budget for tourism promotion of VisitSweden is about SEK 120 million in 2009.

In addition there is a small (SEK 20 million) fund for research in tourism, which is administrated by Tillväxtverket.

There are no specific taxes for tourism purposes.

Tourism-related policies and programmes

The aim of the government is to lower the unnecessary burden of laws and rules for all enterprises by 25% by 2010, by monitoring and simplifying rules and regulations. This affects enterprises in all sectors, including tourism.

The current global crisis in the economy affects the tourism market in a number of different ways. There was a sharp drop in the long haul market in 2009, both inbound and outbound. Inbound flows from adjacent markets, however, are growing, due to tourists staying closer to home. For Sweden, with a larger flow of outbound nationals and a smaller flow of inbound foreign tourists, this is not altogether negative although, in the longer run, this will affect transport infrastructure and may diminish the incentive to adapt to changing market conditions..

Sustainable perspectives are important in Sweden. Currently almost no tourism development can take place without considering the impact on the environment. The Swedish Ecotourism Association certifies high quality ecotourism products and enterprises through their *Nature's Best* System, which has earned good international acceptance and respect.

The issue of climate change has affected the Swedish tourism sector already. A milder and more humid climate has led to good winters in the north of Sweden with lots of snow and fewer extremely low temperatures. Summers are also somewhat warmer, leading to a better summer climate and longer summer seasons. Sweden, being situated at the rim of Europe, is highly dependent on reliable and fast transport from its main markets. This is especially important for the destinations in the north of the country, and achieving sustainable solutions in this area will constitute an important challenge.

There is a Swedish Tourism Satellite Account (TSA) time series dating back to 1995. This is the major tool used to measure and analyse the impact of tourism on the economy and employment. Sweden is currently looking at the possibility of expanding the TSA into regional accounts, to meet the strong demand from several regions.

Statistical profile

Table 4.160. **Sweden: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Thousands	49 269	45 022	42 786	37 762	38 036
Number of nights spent[2]	Thousands	20 841	21 910	23 299	24 367	24 813

1. Number of trips with one or more overnights.
2. Accommodation statistics, collective establishments only, except camping.

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771287767823

Table 4.161. **Sweden: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
International travel receipts	Billion SEK	46	55	67	81	82
International passenger transport receipts	Billion SEK	60	66	68	75	83

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771308642623

Table 4.162. **Sweden: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	13 950	15 677	12 559	12 692	13 290
International travel expenditure	Billion SEK	75	81	85	94	100
International passenger transport expenditure	Billion SEK	37	43	48	52	60

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771310558443

Table 4.163. **Sweden: Enterprises in tourism**

	Units	2009[1]
Hotels	Establishments	2 610
Restaurants	Establishments	23 427
Tour operators and travel agencies	Establishments	3 254

1. Current state 2009-05-29.

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771311018162

Table 4.164. **Sweden: Employment in tourism**

	Units	2004	2005	2006	2007
Total	Employees	132 856	131 533	148 456	160 249

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771312648735

Table 4.165. **Sweden: Tourism in the national economy – Tourism consumption**

2008

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million SEK	32 241	4 650
Food and beverage serving services	Million SEK	18 030	22 811
Passenger transport services	Million SEK	30 943	10 970
Travel agency, tour operator and tourist guide services	Million SEK	7 947	..
Cultural services	Million SEK	8 282	5 899
Other services	Million SEK	5 344	..
Goods, distribution margins, services	Million SEK	50 335	46 601
Total	Million SEK	153 121	90 933

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771356071076

Table 4.166. **Sweden: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Internal domestic tourism consumption share of final consumption	Percentage	0.7	0.7	0.7	0.6	0.6
Tourism share of GDP	Percentage	2.8	2.8	2.9	2.8	2.9
Government revenue from tourism	Million SEK	26 426	29 196	32 195	34 125	36 432

Source: Swedish Agency for Economic and Regional Growth, 2009.

StatLink http://dx.doi.org/10.1787/771360640315

Switzerland

Tourism in the economy

Travel and tourism rank among the most dynamic of Switzerland's economic activities. Tourism is a sector whose importance to the economy is paramount. In 2005, its direct value added comprised 2.9% of GDP, and it accounted for 4.4% of total employment (full-time equivalent).

In 2007, tourism provided 5.1% of Swiss export income, making it the country's fourth-largest export industry, after chemicals and metals, mechanical engineering, and clock- and watch-making.

The sector also results in spill over benefits for the national and local economies by prompting local authorities to improve infrastructure such as roads, communication services and public transport systems, with federal government assistance.

Over the period 2001-08, Switzerland recorded a 6.8% decline in tourism employment (hotels and restaurants). Mainly due to the economic crisis, tourism employment continued to decrease until mid-2005 (–11.5% since 2001), since then the tourism labour market managed to recover partially and to record an increase in employment of 5.4% in the period 2005-08.

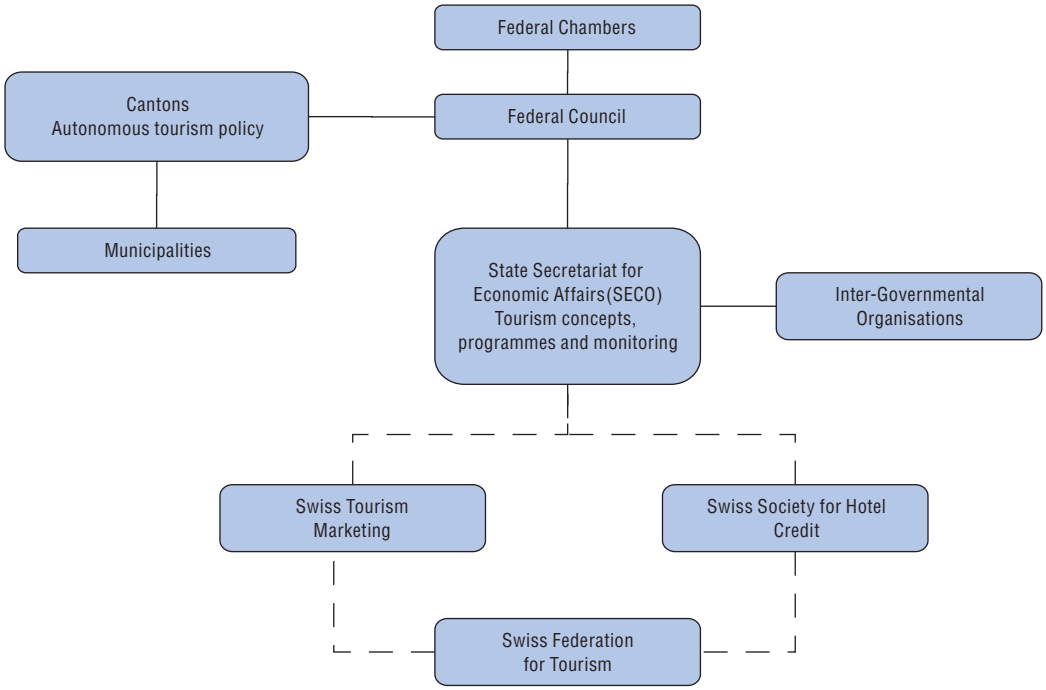
Between 2001 and 2007, tourist arrivals increased significantly, rising to 8.45 million in 2007, or 13.1% more than in 2001. Over the same period, international tourism revenue rose by 27.7%. The primary origin market was Germany, which accounted for 2.2 million arrivals in 2007, up slightly as compared with 2001.

The bulk of the tourists (80%) say they go to Switzerland for nature. The government estimates that nature and landscapes generate some CHF 2.5 billion worth of revenue per year.

Tourism organisation

The authorities are instituting framework conditions that will allow businesses to flourish, granting selective financial aid for the purpose. Figure 4.28 illustrates the organisation of tourism in Switzerland in the areas in which the government is involved.

Figure 4.28. **Switzerland: Organisational chart of tourism bodies**



Source: OECD, adapted from State Secretariat for Economic Affairs (SECO), 2009.

Tourism budget

The federal government funds the budget of the National Tourism Administration. In 2008, this totalled CHF 53 million, added to which was a CHF 6.1 million special contribution for the international football tournament, Euro 2008.

The budget of the Swiss National Tourism Office (Switzerland Tourism) for the same period was CHF 87 million, nearly CHF 48 million of which was provided by a block grant from the National Tourism Administration (plus CHF 6.1 million paid to the National Tourism Office). Other contributions provided CHF 33.2 million.

Table 4.167. **Switzerland: The financing of tourism**

CHF thousands

National Tourism Administration (NTA) expenditure items	2008
National Tourism Office	47 750
Swiss Society for Hotel Credit	0
Innovation and co-operation in the tourism sector	4 800
Information and documentation	121
International organisations (World Tourism Organization)	485
Total	53 156

Source: OECD, adapted from State Secretariat for Economic Affairs (SECO), 2009.

StatLink http://dx.doi.org/10.1787/771376186426

No specific taxes are levied on tourism at the federal level. The Swiss Confederation allows a reduced rate of VAT on all types of lodging of 3.6%, compared to the standard rate of 7.6%.

The effectiveness of government spending on tourism is measured continuously during the implementation of all of the Confederation's promotional programmes. The Constitution and tourism-related legislation make such an evaluation compulsory. As a rule, all appropriations voted by Parliament are subject to assessments by independent third parties.

Tourism-related policies and programmes

Federal tourism policy

The primary goal of federal tourism policy is to create and sustain the most favourable environment possible for the industry, *i.e.* above all, a flourishing economy and functional and attractive infrastructure, along with well-balanced, sustainable land-use. Tourism policy should also spotlight the assets of tourist attractions while at the same time renewing those assets and developing them.

In addition, a further goal of tourism policy is to enhance tourism's productivity, which is below average for the Swiss economy, by encouraging structural changes to boost productivity. The results of tourism ought to be similar to those of industry and export services. In 2007, the Swiss government set up a tourism development project for 2008-11, earmarking financial aid of CHF 186 million for Switzerland Tourism and CHF 21 million for inter-company, inter-industry and inter-regional measures under the auspices of the Innotour programme, which fosters innovation and co-operation in the tourism sector.

Innotour: Switzerland's showcase scheme

The federal legislation of 10 October 1997 to foster innovation and co-operation in the realm of tourism, through Innotour, was formulated to tailor tourism in Switzerland to the new trends in the world market. The challenges of globalisation demanded adoption of a programme to bring existing facilities up to date. Innotour strives to enhance the rate of innovation and to harness co-operation so that tourism resources can be used more efficiently. The measures adopted cover the following areas:

- *Improving existing tourism facilities:* Quality remains a lynchpin of promotion, with suitable projects that aim to make facilities more attractive.
- *Creating business opportunities:* One important aspect of Innotour is that it helps businesses to take advantage of new opportunities in Switzerland and abroad from a joint, rather than an individual, standpoint. These opportunities involve new products, facilities and distribution channels. The nationwide information and booking system set up by the Switzerland Travel Centre (STC) is a good example of such initiatives.
- *Destination strategies:* Destinations also need joint strategies overseeing various aspects. In recent years, Innotour has helped destinations institute new management concepts (as in the Canton of Graubünden) but the strategic renewal of tourist sites remains in its infancy.
- *Training and occupational development:* The skills initiative had a tangible impact in cases where other measures, such as the Vocational Training Act, proved ineffectual. Innotour supports tourism industry organisations in the formulation of new training concepts.
- *Tourism development databases:* Innotour compiles databases that are of great importance to tourism. Among them are tourism forecasts and the benchmark report, which monitor tourism trends closely in order to inform policy changes as necessary.

- Approximately 80% of funding has been earmarked for specific areas of innovation: quality; destination design; information and booking systems; tourism in harmony with nature; and self-catering accommodation. The projects backed by Innotour between 2003 and 2008 represented an aggregate cost of CHF 100 million, CHF 24 million of which comes from the Innotour programme, raising the projects' self-financing rate to over 75%.
- The State Secretariat is continuing to expand the Innotour Project. Switzerland is devising a new tourism strategy, drawing on the excellent experience gained from the start-up of Innotour and new knowledge in this area (Box 4.34).

Box 4.34. **New tourism strategy**

The key elements of the strategy are the destinations, along with a dynamic growth model based on trends and derived from the findings of research carried out in connection with the discipline known as "New Economic Geography". Destinations are considered key competitive entities that can give tourism businesses an edge over the competition thanks to tourism resources and the cluster effect. As a rule, businesses compete with each other. In the realm of tourism, competition between tourist resorts comes on top of traditional competition between firms. In the above model, the forces of "economies of scale", "distance costs" and "mobility of production factors" interact in various configurations, triggering cumulative growth dynamics. The new strategy seeks to:

- underwrite the operation of tourism resources; and
- enhance the competitiveness and growth of destinations.

Competitiveness hinges on the businesses involved, tourism resources and the destination as a whole. The strategy must be applied to the last two of these, but doing so will entail amendment of the federal legislation on Innotour.

Co-operation with the tourism industry, consumers and other market stakeholders

The Swiss federal government delegates most of its measures to promote tourism to "public law corporations". These companies are mandated by law and must perform their duties according to their service mandates. Because they are invested with a distinct legal personality, they can admit interested members of the sector involved, which provide a financial contribution. They constitute genuine platforms for vertical and horizontal co-operation which operate according to the principles of public-private partnerships.

The Swiss National Tourism Office (Switzerland Tourism) organises Switzerland Vacation Day, which provides an opportunity to co-ordinate short- and medium-term promotional programmes with stakeholders in economic sectors dependant on tourism. The Swiss Society for Hotel Credit works with commercial banks to provide supplementary financing for lodging projects in tourist regions. The Confederation also supports the Swiss Tourism Federation, which supplies the sector with information and advisory services. Local and cantonal governments are members of these organisations, allowing them to co-ordinate their initiatives with the federal government on a functional level.

Statistical profile

Table 4.168. **Switzerland: Domestic overnight tourism**

	Units	2005	2006	2007	2008
Number of overnight stays[1]	Thousands	13 803	14 811	15 633	15 997
Number of nights spent	Thousands	32 944	34 848	36 365	37 334

1. Arrivals.
Source: Federal Office of Statistics, 2009.

StatLink http://dx.doi.org/10.1787/771461472206

Table 4.169. **Switzerland: Inbound tourism – International arrivals and receipts**

	Units	2005	2006	2007
Total international arrivals	Thousands	7 229	7 863	8 448
Top 5 markets				
Germany	Thousands	2 007	2 107	2 249
United Kingdom	Thousands	709	785	835
United States	Thousands	657	726	727
France	Thousands	543	586	634
Italy	Thousands	461	499	542
International travel receipts	Million CHF	12 477	13 544	14 623

Source: Federal Office of Statistics, 2009.

StatLink http://dx.doi.org/10.1787/771470833365

Table 4.170. **Switzerland: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007
International travel expenditure	Million CHF	10 080	10 975	11 556	12 298

Sources: Secretariat of State for the Economy; Federal Statistical Office, 2008.

StatLink http://dx.doi.org/10.1787/771664170634

Table 4.171. **Switzerland: Enterprises in tourism**

	Units	2005	2006	2007	2008
Total	Establishments	5 836	5 693	5 635	5 582

Sources: Secretariat of State for the Economy; Federal Statistical Office, 2008.

StatLink http://dx.doi.org/10.1787/771677542183

Table 4.172. **Switzerland: Employment in tourism**

	Units	2004		2005		2006		2007		2008	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Hotels and restaurants	Thousands	87.8	93.2	84.8	92.5	83.6	93.4	85.6	95.7	89.5	97.8
Travel agencies	Thousands	34.9	18.5	35	18.3	35	17.6	35.4	18.4	36	19.5

Sources: Secretariat of State for the Economy; Federal Statistical Office, 2008.

StatLink http://dx.doi.org/10.1787/771708350801

Table 4.173. **Switzerland: Tourism in the national economy – Tourism Satellite Account**

2005

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million CHF	1 946	2 511	3 170
Food and beverage serving services	Million CHF	2 441	2 057	2 102
Passenger transport services	Million CHF	3 174	2 556	1 963
Travel agency, tour operator and tourist guide services	Million CHF	1 987	62	1 322
Cultural services	Million CHF	141	139	132
Recreation and other entertainment services	Million CHF	443	401	385
Other services	Million CHF	357	120	276
Goods	Million CHF	7 931	4 180	3 297
Total	Million CHF	18 421	12 027	12 647

Sources: Secretariat of State for the Economy; Federal Statistical Office, 2008.

StatLink http://dx.doi.org/10.1787/771712761165

Table 4.174. **Switzerland: Other economic indicators**

	Units	2008
Internal tourism consumption	Thousands CHF	32 561
Internal tourism consumption share of GDP	Percentage	7
Tourism receipts share of GDP	Percentage	2.6
Tourism expenditure share of GDP	Percentage	4
Tourism share of GDP	Percentage	2.9[1]

1. Direct added value, 2005.

Sources: Secretariat of State for the Economy; Federal Statistical Office (TSA 2005), 2008.

StatLink http://dx.doi.org/10.1787/771715715425

Turkey

Tourism in the economy

Tourism is one of the most dynamic and fast-developing sectors in Turkey. The arrivals increased to 26.4 million and tourism receipts increased to USD 21.9 billion in 2008. The number of visitors from the OECD countries and eastern Europe considerably rose and accounted for 56.5% and 29.4%, respectively. Among the countries which sent largest number of tourists to Turkey, Germany ranked first with 16.8%, followed by the Russian Federation with 10.9% and United Kingdom with 8.2%. Some 4.9 million nationals travelled abroad in the same year giving a positive balance on tourism receipts. In 2009, tourist arrivals are estimated at 26.6 million and tourism receipts at USD 21.5 billion.

Turkey, with a share of 4.6% in the European tourism market, shows a rapid growth rate in both tourist arrivals and revenues and is ranked 7th among the world's top 20 tourism destinations in terms of tourist arrivals, and 9th in terms of tourism receipts. Tourist arrivals increased from 2.1 million in 1985 to 26.3 million in 2008, while receipts increased from USD 840 million to USD 21.9 billion over the same period. Thanks to increases in tourism receipts, Turkey has been able to offset about one third of its merchandise trade deficits in the last 15 years. Direct employment in Turkey in 2008 is estimated to cover 3.2 million people in the tourism industry.

Turkey has a total bed capacity of 1.3 million and 5 603 travel agents are active in the sector.

Tourism organisation

For over four decades, Turkey has continued using five-year development plans prepared by the State Planning Organisation (SPO), an under-secretariat of the Prime Minister of Turkey. SPO sets out basic policy decisions for the tourism sector and allocates the necessary budget for implementation. It also carries the responsibility for the co-ordination of national and regional development at the highest level.

The Ministry of Culture and Tourism (Figure 4.29) is responsible for:

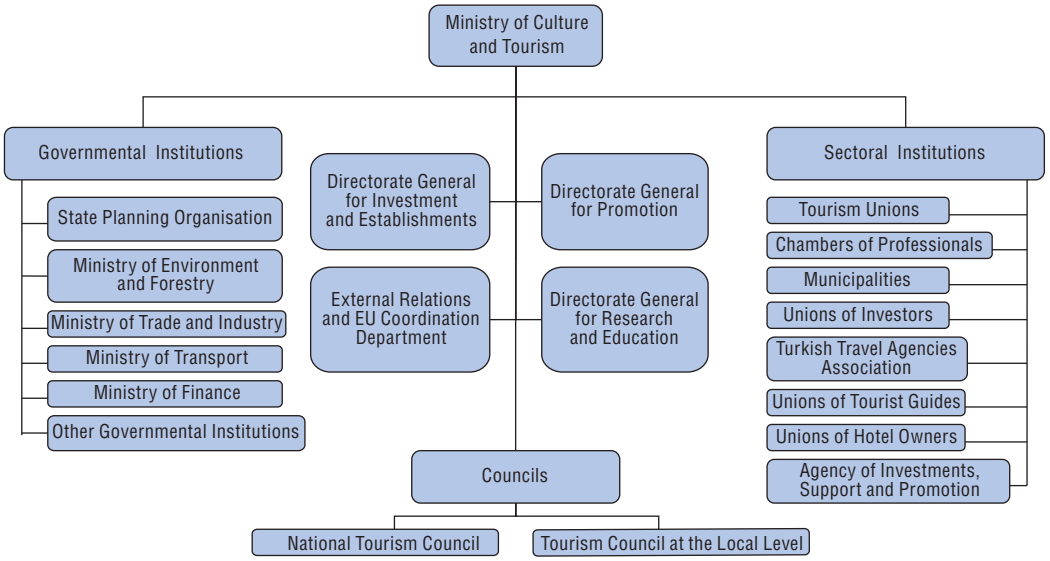
- declaring "Culture and Tourism Preservation and Development Regions", "Tourism Centres", "Historical" and "Natural" Sites where special measures of protection and preservation are enforced;
- providing infrastructure and public services in accordance with the yearly implementation programmes;
- elaborating and approving land use plans in declared tourism areas and centres;
- promoting the country abroad;
- carrying out research and producing statistical data;

- vocational training in tourism; and
- following up the intervention of government bodies, local administrations, professional associations, unions and non-governmental organisations.

The Ministry of Culture and Tourism, Ministry of Public Works and Resettlement, and Ministry of Forestry and Environment are responsible for the co-ordination of land-use plans as well as Environmental Impact Assessment (EIA) studies to ensure that all physical development is in harmony with the environment.

The three ministries have their provincial units which work under the co-ordination and authority of the provincial governor. They have to follow-up the implementation of investments and reinforce the legal framework.

Figure 4.29. **Turkey: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Culture and Tourism, 2009.

Tourism budget

The total tourism budget of the Ministry of Culture and Tourism, including investment, transfer and operating budgets, was approximately TRY 868.5 million (EUR 400 million) in 2008. The four largest components are devoted to promotion (14.2%), monuments and museums (14.1%), the state opera and ballet (13.6%) and state theatres (11%).

The tourism investment budget of the Ministry of Culture and Tourism accounted for TRY 65.1 million (EUR 30 million). The proposed investment budget is TRY 86.8 million (EUR 40 million) for 2009.

The investments carried out by the public sector for tourism are generally for infrastructure. In addition to various programmes of the Ministry of Culture and Tourism, the construction of tourist roads is carried out by the General Directorate of State Highways, marinas and small craft harbours by the General Directorate of Ports and Airports and marine meteorological stations by the General Directorate of State Meteorological Works. Other ministries and government agencies also invest in tourism-related projects. The overall investment budget of the tourism sector was TRY 108.5 million (EUR 50 million) for 2008. A budget of TRY 151.9 million (EUR 70 million) is proposed for 2009.

Tourism-related policies and programmes

For over four decades, Turkey has continued using five-year development plans as a major instrument of overall development, although the content (goals, priorities, tools) and the public private balance have been changing. Parallel to these macro-level changes in tourism, emphasis shifted from the "pioneering" role of the state in all aspects of tourism activity to a greater role assumed by the private sector, NGOs and new combinations of various organisations in joint co-operative action.

In the current Ninth Development Plan, emphasis on tourism goals and policy began to shift to improved quality (both in facilities and services), environmental sustainability and a more egalitarian approach in spreading the beneficial effects of tourism particularly to the less developed areas. The new goals of Turkish tourism were to create an efficient tourism sector, including both public and private sector elements, with high international competitiveness and to ensure the preservation and enhancement of the country's natural cultural and historical environment in a sustainable manner.

Turkey has gradually put into action a body of legislation concerning tourism in order to:

- regulate the establishment and operation of tourism operators;
- promote tourism development;
- protect and preserve certain vulnerable areas; and
- provide financing for certain projects requiring heavy investment.

The Tourism Encouragement Law of 1982 amended in 2003 is the basic law governing tourism in Turkey. Its purpose is to ensure that the required measures are taken for the regulation and development of the tourism sector and for providing a dynamic structure and mode of operation.

The Coastal Law is another important legal mechanism for the protection and conservation of coastal areas, particularly from indiscriminate and illegal construction.

The "Law on Conservation of Cultural and Natural Heritage" of 1983 and "Special Environmental Protection Areas" are the most important public measures which have been taken in order to manage the relationship between tourism, the environment and national/regional development.

The National Environmental Action Plan (NEAP) describes the responsibilities for increasing environmental awareness, and for achieving improved environmental management and sustainable economic, social and cultural development. Implementation is carried out according to the protocol signed in 1998 by the Ministry of Environment and State Planning Organisation. Environmental Impact Assessments (EIAs) are compulsory in Turkey for tourism investment projects.

The Ministry also aims to achieve an appropriate institutional structure through the establishment of tourism councils that operate at national, regional, provincial and local level within the context of "Good Governance", to ensure full and active participation of the tourism sector.

The Ministry of Culture and Tourism works in co-operation with the Ministry of Environment and Forestry as well as Local Administrations for the restoration and evaluation of historic buildings, natural sites and national parks.

Performance evaluation in the tourism sector is carried out by the General Directorate of Investment and Establishments.

The Ministry of Culture and Tourism implements various plans and programmes for the promotion of transportation, the tourism environment (Box 4.35) and international and intra-regional activities, and highlights the importance of innovative tools to be employed in related fields.

The Ministry of Culture and Tourism has executed many successful projects in recent years. Among these, projects that involve the formation and establishment of tourism routes have the utmost importance. Tourism routes such as the Lycian Way, the route of St. Paul and the Silk Road incorporate many different tourism destinations into a single itinerary. These itineraries have been prepared with ambitious aspirations, such as to open up and highlight cultural cities of major importance in the country. Such itineraries enable individuals and groups to experience historical and cultural Turkey, embracing the cultural heritage of many different eras and periods of the country's past.

A joint programme, "Alliances for Cultural Tourism in Kars Province", geographically concentrated in the Turkey's eastern Anatolia region, on its borders with Georgia and Armenia, started in November 2008 and will be completed in December 2010. This programme utilises the respective capacities of four UN Agencies (UNDP, UNESCO, UNWTO and UNICEF) in co-ordination with the Ministry of Culture and Tourism. The programme builds on the Ninth Development Plan (2007-13), the Tourism Strategy Action Plan (2007-13) and the 2023 Tourism Strategy. It mobilises cultural values as an asset for the promotion of tourism. It could be considered as a model of participatory governance model for strategic direction, prioritisation and coordination of cultural heritage protection and cultural tourism delivery. The project takes place in one of the less developed regions of Turkey.

Box 4.35. **Environment-related projects in Turkey**

The Ministry of Tourism in 1992 was instrumental in Turkey's application to become a member of the Foundation for Environmental Education in Europe (FEEE), running the Blue Flag Campaign. Later, the Turkish Foundation for Environmental Education carried out the Blue Flag Campaign with technical and financial support of the Ministries of Health and Culture and Tourism.

Another project carried out by the Ministry of Culture and Tourism is the Mediterranean-Aegean Tourism Infrastructure and Coastal Zone Management (ATAK) which covers 130 settlements on 4 000 km of coastline, aiming to complete the infrastructure needs concerning water supply, waste water and solid waste collection and disposal. The project provides a new institutional arrangement for private sector participation. This is an example of small- and medium-sized municipalities receiving a foreign loan and making arrangements for the involvement of private sector in the operational phase.

"Prevention of Marine Pollution" is an environment-oriented project which is being carried out on the Turkish coastline extending for almost 8 000 km. Turkey takes part in MARPOL Protocol, and levies fines for pollution caused by ships and yachts in harbours.

Statistical profile

Table 4.175. **Turkey: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of arrivals	Thousands	9 725	10 458	11 570	12 039	13 500
Nights spent	Thousands	18 357	18 819	21 503	22 248	25 650
Average length of stay	Days	1.89	1.80	1.86	1.85	1.9

Sources: Ministry of Culture and Tourism, International Monetary Fund, Turkish Statistical Institute, 2009.

StatLink http://dx.doi.org/10.1787/771734240427

Table 4.176. **Turkey: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	17 517	21 124	19 820	23 341	26 337
Top 5 markets						
Germany	Thousands	3 984	4 244	3 762	4 150	4 416
Belgium	Thousands	1 605	1 864	1 853	2 465	2 879
France	Thousands	1 388	1 758	1 679	1 916	2 170
Netherlands	Thousands	1 191	1 254	998	1 054	1 142
United Kingdom	Thousands	549	701	658	768	885
International travel receipts	Million USD	15 888	18 152	16 853	18 487	21 951
International passenger transport receipts	Million USD	..	1 570	1 668	2 169	3 013

Sources: Ministry of Culture and Tourism, International Monetary Fund, Turkish Statistical Institute, 2009.

StatLink http://dx.doi.org/10.1787/771744467530

Table 4.177. **Turkey: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	3 845	4 125	4 063	4 956	4 892
International travel expenditure	Million USD	2 524	2 750	2 900	3 260	3506
International passenger transport expenditure	Million USD	..	338	412	460	522

1. Departures.

Sources: Ministry of Culture and Tourism, International Monetary Fund, Turkish Statistical Institute, 2009.

StatLink http://dx.doi.org/10.1787/771822045380

Table 4.178. **Turkey: Enterprises in tourism**

	Units	Investment licensed	Operation licensed	Total
2006				
Hotels	Establishments	699	2 005	2 704
Motels	Establishments	5	20	25
Holiday villages	Establishments	41	97	138
Boarding houses	Establishments	43	75	118
Campsites	Establishments	5	8	13
Inns	Establishments	1	4	5
Apart hotels	Establishments	19	107	126
Special licensed establishments	Establishments	22	148	170
Golf facilities with accommodation	Establishments	5	2	7
Training and practice establishments	Establishments	1	3	4
Tourism complex	Establishments	6	2	8
Boutique hotel	Establishments	16	2	18
B type holiday site	Establishments	3	1	4
Mountain house	Establishments	1	1	2
Rural tourism establishment	Establishments	2	..	2
Total	Establishments	869	2 475	3 344
2007				
Total	Establishments	776	2 514	3 290

Sources: Ministry of Culture and Tourism, Turkish Statistical Institute, Central Bank, 2008.

StatLink http://dx.doi.org/10.1787/771828364011

Table 4.179. **Turkey: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Share of tourism receipts in GDP	Percentage	4.1	3.8	3.2	2.8	3.0
Government revenue from tourism[1]	Million USD	15 888	18 154	16 851	18 487	21 951
Tourism share of GDP	Percentage	5.3	4.6	4.0	3.6	3.6

1. Tourism receipts.

Sources: Ministry of Culture and Tourism, Turkish Statistical Institute, Central Bank, 2009.

StatLink http://dx.doi.org/10.1787/771855604256

United Kingdom

Tourism in the economy

Tourism in the United Kingdom is worth around GBP 86 billion (in 2007), 2.7% of UK gross value added (down from 3.0% in 2005). Tourism directly supports over 1.4 million jobs and indirectly supports around 2.7 million jobs. It is the fifth largest industry in the United Kingdom. The sector comprises around 289 000 businesses.

In 2008, there were 31 888 000 international arrivals in the UK, 2.7% below the 2007 figure of 32 778 000. The five largest markets for the UK enjoyed mixed fortunes in 2008. Increases were recorded from France (3.64 million arrivals, 6.8% more than in 2007) and arrivals from the Irish Republic were up by 3.4% (to 3.1 million compared to 3.0 million in 2007), but the other three leading international markets recorded declines. Arrivals from the USA fell by 16.9% (to 2.95 million from 3.55 million in 2007), arrivals from Germany were 14.1% lower (at 2.9 million compared to 3.4 million in 2007), and arrivals from Spain were down by 11.4% (at 1.97 million compared to 2.22 million).

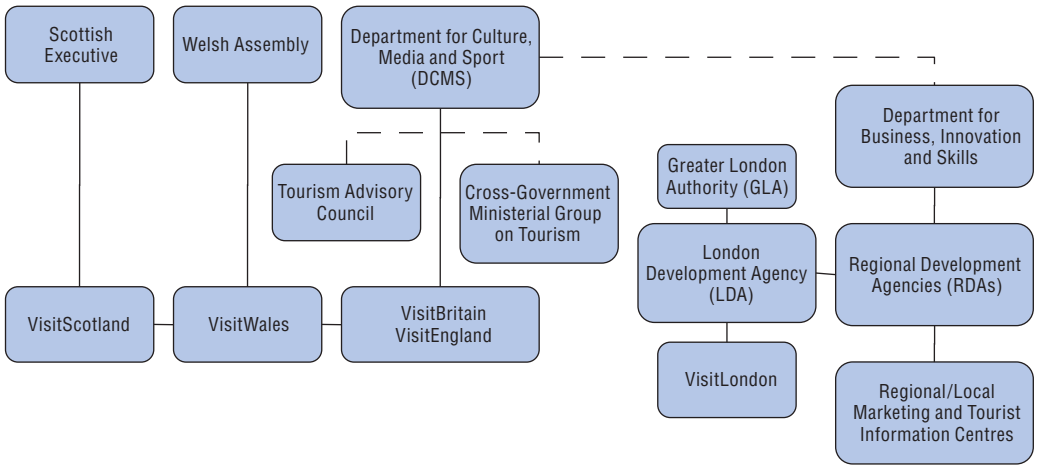
International travel receipts (excluding transport receipts) stood at GBP 19.6 billion in 2008. Outbound travel from the UK in 2008 fell slightly from 2007 levels – to 69.0 million trips from 69.5 million – but spending abroad rose by 4.4% to GBP 37.3 billion, and thus the UK's travel account was in deficit to the tune of GBP 17.7 billion.

Domestic tourism in 2008 also showed a slight fall to 378.4 million trips, down by 4.1% on the 2007 total of 394.4 million trips.

Tourism organisation

Public sector support for the tourism industry in the United Kingdom is largely provided through the following organisations (Figure 4.30):

Figure 4.30. **United Kingdom: Organisational chart of tourism bodies**



Source: OECD, adapted from Department for Culture, Media and Sport, 2009.

Tourism budget

The Department for Culture, Media and Sport (DCMS) provides support to VisitBritain and VisitEngland, but that is only one aspect of public funding support for UK tourism – the contributions from the Welsh Assembly, the Scottish Executive, the Regional Development Agencies, the London Development Agency and local authorities need also to be taken into account. The overall level of public sector investment in tourism from local, regional and national sources is likely to exceed GBP 2 billion significantly in the current spending review period – 2008-09 to 2010-11. That includes over GBP 130 million which DCMS is committed to providing to VisitBritain and VisitEngland for marketing Britain overseas and England domestically.

The government is also investing heavily in one of the most potent visitor attractions any country can stage, the 2012 Olympic Games (Box 4.36), and at the same time is spending very large sums of public money annually to improve skills within the tourism and hospitality sector in order to improve the quality of the tourism product. The government is also spending money on sustaining other important tourism products like free-museums, major cultural attractions and heritage attractions.

Tourism-related policies and programmes

In 2007, DCMS asked VisitBritain to carry out a strategic review of British tourism in order to ensure better co-ordination of the funding invested in tourism and to identify ways to improve the efficiency and effectiveness of public sector support for tourism. The *British Tourism Framework Review* was published by VisitBritain on 11 February 2009 and set out recommendations aimed at better co-ordination of national, regional and local public investment. The Review also proposed a fundamental restructuring of VisitBritain and further development of the role of VisitEngland.

Following the Review, VisitBritain is now consolidating Britain's position in its traditional international markets and investing in emerging markets, building on its overseas networks. The effective and efficient co-ordination of the overseas marketing efforts of VisitEngland, VisitScotland, VisitWales and VisitLondon, the Regional Development Agencies and some local authorities is also a leading goal of VisitBritain. Visit Britain also takes a leading role in the co-ordination of industry research, and is an important source of advice for DCMS to inform policy development and the formulation of strategy.

VisitEngland's key tasks are to market England to the British successfully and efficiently and establish partnerships for the purpose of marketing England to the British. They also co-ordinate support for the domestic industry with the Regional Development Agencies, the London Development Agency (VisitLondon) and local authorities.

The government is confident that these new arrangements will make for significantly strengthened strategic leadership and better representation of private and public sector stakeholders, and will provide a more robust and more responsive vehicle to grow and sustain the UK industry in the long-term.

In addition, DCMS has set up the Tourism Advisory Council and the Cross-Government Ministerial Group on Tourism – these two groups were also part of the recommendations in the *British Tourism Framework Review* published in 2009.

The Tourism Advisory Council is ensuring that during these difficult economic times, DCMS Ministers are receiving timely and accurate information directly from leading tourism

businesses and other tourism interests so that they can identify areas requiring further action. The Council, formed primarily of high-level industry executives, is providing the direct regular contact needed between government and the industry, and is helping to identify how the government can support the industry through the global economic downturn and promote its future success.

Tourism is dependent on all parts of government, across departments, for it to function and thrive as an industry. The cross-government Ministerial Group on Tourism has been established to form a more effective partnership with the tourism industry and to help promote cross-government and cross-national understanding of the needs and requirements of the industry in dealing with the immediate challenges posed by the global downturn.

Box 4.36. **Winning: A tourism strategy for 2012 and beyond**

Following the widest-ever consultation of the UK tourism sector in 2006, DCMS produced *Winning: A Tourism Strategy for 2012 and Beyond* and is working closely with VisitBritain, VisitEngland, the Regional Development Agencies and industry on this comprehensive tourism strategy for the Olympic Games. The Strategy aims to maximise the financial benefits of the 2012 Games for the tourism industry. The vision is to use the Games to:

- engage all UK tourism businesses;
- improve international perceptions of Britain;
- deliver a first-class welcome to all visitors;
- improve the skills of the workforce;
- drive up quality in accommodation;
- maximise the opportunities for increasing business visits and events;
- spread the benefits; and
- improve sustainability.

Research published by VisitBritain and VisitLondon estimates an additional GBP 2.1 billion benefit from the 2012 Games, with over half the gains predicted for the post-Games period.

It is considering what actions government should be taking in order to support the industry through these challenging times. It is also looking at the longer term opportunities on offer, including from the 2012 Olympic Games and the Cultural Olympiad, the decade of UK sporting events between now and 2019, and the UK City of Culture.

Statistical profile

Table 4.180. **United Kingdom: Domestic overnight tourism**

	Units	2005	2006	2007	2008
Number of trips	Million Trips	442.3[1]	400.08	394.41	378.39

1. Pure holiday not including other forms of tourism; changes in methodology from 2005 to 2006.

Source: Department for Culture, Media and Sport, 2009.

StatLink http://dx.doi.org/10.1787/771857022802

Table 4.181. **United Kingdom: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	27 755	29 970	32 713	32 778	31 888
Top 5 markets						
United States	Thousands	3 616	3 438	3 896	3 551	2 950
France	Thousands	3 254	3 324	3 693	3 404	3 636
Germany	Thousands	2 968	3 294	3 411	3 376	2 900
Ireland	Thousands	2 578	2 806	2 909	2 970	3 070
Spain	Thousands	1 465	1 786	1 981	2 227	1 974
Number of same-day visitors	Thousands	2 077	1 931	2 059	1 907	1 746
International travel receipts	Million GBP	15 414	16 871	18 803	19 292	19 598
International passenger transport receipts	Million GBP	4 901	4 865	4 886	4 740	4 796

Source: International Passenger Survey, 2008.

StatLink http://dx.doi.org/10.1787/772007423212

Table 4.182. **United Kingdom: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Trips	64 194	66 441	69 536	69 450	69 011
International travel expenditure	Million GBP	30 873	32 781	34 291	35 692	37 256
International passenger transport expenditure	Million GBP	6 899	7 409	7 779	7 944	7 747

Source: International Passenger Survey, 2008.

StatLink http://dx.doi.org/10.1787/772042314411

Table 4.183. **United Kingdom: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008[1]
Hotels and other tourist accommodation	Establishments	16 020	16 305	16 300	13 160	19 395
Restaurants, bars and canteens	Establishments	133 535	135 865	135 335	135 610	155 200
Transport	Establishments	48 875	49 315	49 130	46 195	54 905
Travel agencies and tour operators	Establishments	11 485	11 045	10 850	10 820	11 815
Recreation services	Establishments	37 015	38 300	38 705	39 990	47 775
Total	Establishments	246 930	250 830	250 320	245 775	289 090

1. Break of series.

Sources: Department for Culture, Media and Sport and Office for National Statistics, 2009.

StatLink http://dx.doi.org/10.1787/772073705156

Table 4.184. **United Kingdom: Employment in tourism**

	Units	2004	2005	2006	2007	2008
Hotels and other tourist accommodation	Thousands	238	234.7	235.4	243	245
Restaurants, bars and canteens	Thousands	634	636	631	624	627
Transport	Thousands	136	139	144	142	145
Travel agencies and tour operators	Thousands	144	132	118	114	121
Recreation services	Thousands	87	90	93.3	92.7	100
Rest of economy	Thousands	217	220	222	224	225
Total tourism employees	Thousands	1 327	1 331	1 316	1 308	1 318
Total tourism self-employed	Thousands	130	120	127	132	146
Total tourism employment	Thousands	1 456	1 451	1 443	1 440	1 464

Source: Department for Culture, Media and Sport, 2009.

StatLink http://dx.doi.org/10.1787/772086006271

Table 4.185. **United Kingdom: Tourism in the national economy – Total tourism consumption**

2000

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million GBP	5 630	3 382
Food and beverage serving services	Million GBP	14 858	3 124
Passenger transport services	Million GBP	17 417	3 955
Travel agency, tour operator and tourist guide services	Million GBP	2 080	52
Recreation, cultural and other entertainment services	Million GBP	4 978	299
Other services	Million GBP	1 437	887
Non tourism products	Million GBP	26 247	4 379
Total	Million GBP	72 646	16 077

Source: Pilot survey, 2000.

StatLink http://dx.doi.org/10.1787/772103450187

Table 4.186. **United Kingdom: Other economic indicators**

	Units	2005	2006	2007
Tourism gross value added	Million GBP	33.0	33.6	33.9
Tourism share of total gross value added	Percentage	3.0	2.9	2.7

Source: Department for Culture, Media and Sport, 2009.

StatLink http://dx.doi.org/10.1787/772143346612

United States

Tourism in the economy

The travel and tourism industries of the United States are major contributors to GDP, accounting for 2.6% of value-added to the US economy in 2006. In a USD 14 trillion economy, travel and tourism are of paramount importance. Travel and tourism-related exports now account for 26% of all US services exports and 8% of total US exports of all goods and services.

According to the US Travel and Tourism Satellite Accounts (TTSA), the industry produced nearly USD 1.4 trillion in total economic output for the US economy (USD 767 billion of direct tourism output plus USD 585 billion of indirect tourism output by ancillary industries) in 2008.

The travel and tourism industry is one of America's largest employers, supporting (either directly or indirectly) one out of every sixteen US jobs. In 2008, US travel and tourism industries supported 8.6 million American jobs, of which 1.2 million jobs were supported by travel and tourism-related exports.

The United States welcomed 58 million international visitors in 2008, an increase of 3.5% on 2007 and an appreciable 40% increase over the post-9/11 low registered in 2003. The largest origin markets are Canada and Mexico (accounting for 33% and 24% of total arrivals, respectively), followed by the United Kingdom, Japan and Germany.

International visitors collectively spent USD 141.7 billion on travel to, and tourism-related activities within, the United States in 2008, an increase of 16% on 2007. The top international markets for US travel and tourism-related exports are Canada, the United Kingdom, Japan, Mexico and Germany, respectively. In addition to international tourism, there were almost 2 billion domestic tourism nights spent in the country in 2008, a decline of 0.7% on 2007.

Tourism organisation

The United States is highly decentralised with respect to travel and tourism. Public authorities manage travel and tourism at the national, state and regional levels. These include the federal government, state governments, and Destination Marketing Organisations. At the federal level, The Office of Travel and Tourism Industries (OTTI) in the International Trade Administration of the US Department of Commerce, serves as the national tourism administration (Figure 4.31). The OTTI is the source for official tourism statistics and works to enhance the competitive position of the United States with respect to travel and tourism. It also serves as a central point of contact within the federal government and represents the United States in intergovernmental forums, including the OECD and APEC.

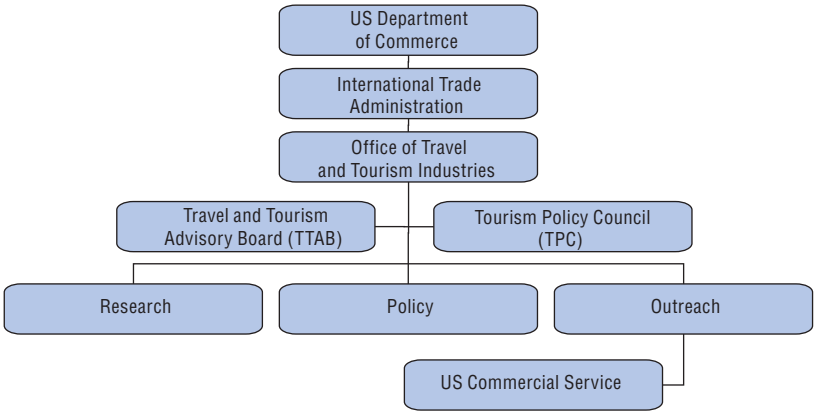
The federal government does not regulate travel and tourism as a distinct industry. However, some sectors such as transportation are regulated at the federal level. States and

local areas of government may regulate the conduct of travel and tourism business within their jurisdiction. Therefore, at the federal level, the Department of Commerce serves as a facilitator between the private sector and other federal agencies for policy co-ordination among federal agencies with respect to travel and tourism policies. The process of policy deliberation at the Department of Commerce includes the Travel and Tourism Advisory Board (TTAB) and the Tourism Policy Council (TPC). The TTAB consists of appointed representatives from companies and organisations in the travel and tourism industry that provide policy input to the Secretary of Commerce.

The Tourism Policy Council is an inter-agency committee established by law for the purpose of ensuring that the nation's tourism interests are considered in federal decision making. Its major function is to co-ordinate national policies and programmes relating to international travel and tourism, recreation and national heritage resources that involve federal agencies. The TPC reviews and responds to TTAB recommendations and provides additional insight from the public sector perspective on issues affecting travel and tourism in the United States.

Publicly-funded marketing campaigns are generally undertaken by states and Destination Marketing Organisations. The federal government has undertaken pilot tourism marketing programmes in selected international markets, but does not generally engage in tourism marketing. The United States Commercial Service, also under the International Trade Administration of the US Department of Commerce, assists tourism service providers to export in international markets.

Figure 4.31. **United States: Organisational chart of tourism bodies**



Source: OECD, adapted from US Department of Commerce Office of Travel and Tourism Industries, 2009.

Tourism budget

The OTTI obtains its funds from a congressional appropriation to the Department of Commerce. In addition, OTTI sells research reports and data to generate additional operating revenues, along with inter-agency agreements that also generate funds. OTTI's operational budget for FY2009, including salaries, was approximately USD 3.8 million from all sources, including appropriated funds and sales of research data.

Tourism-related policies and programmes

Policy emphasis has been devoted to the facilitation of travel while providing for the safety and security of travellers and the nation. Two significant changes in policy in 2009 include the implementation of the Electronic System for Travel Authorisation (ESTA) and the Western Hemisphere Travel Initiative (WHTI) requirements for land and sea travel.

Electronic System for Travel Authorisation (ESTA)

In order to improve border security while reducing border entry procedures for nations that meet certain criteria, the US Department of Homeland Security created the Electronic System for Travel Authorisation (ESTA), which acts as a web-based pre-clearance mechanism for international travellers from Visa Waiver Programme (VWP) countries seeking to enter the United States. As of 12 January 2009, international travellers from VWP countries seeking to spend less than 90 days in the United States and holding a valid passport from their home country may be eligible, in certain circumstances, to use ESTA. At this time, the programme operates without charge. This may or may not change in the future.

Western Hemisphere Travel Initiative (WHTI)

WHTI requires all citizens of the United States, Canada, Mexico and Bermuda to have a passport or other accepted document that establishes the bearer's identity and nationality to enter or depart the United States from within the Western Hemisphere. The goal of WHTI is to facilitate entry for US citizens and legitimate foreign visitors while strengthening US border security. Standard documents enable the Department of Homeland Security to identify a traveller quickly and reliably. As of 1 June 2009, these entry requirements were implemented for those travelling by land or sea. WHTI requirements went into effect for air travellers on 23 January 2007.

Box 4.37. **Group leisure travel agreement with China**

The United States signed a Memorandum of Understanding (MOU) with the People's Republic of China (PRC) in December 2007 to facilitate group leisure travel from China to the United States. The MOU created new opportunities for qualified US operators to work with Chinese travel agencies to create and market US tour packages for Chinese group leisure travellers. In addition, the MOU communicated the clear message that the United States welcomes travellers from China. The United States has seen significant growth in travel from China since the MOU was signed. In 2008, the first phase of implementation began, which included eight provinces of the PRC. In 2008, travel to the United States from China increased by 24%, making it among the fastest growing inbound markets for the United States. Implementation of phase 2 of the MOU is expected to take place in the autumn of 2009, expanding the permitted sale of packaged travel to eighteen provinces of the PRC.

OTTI manages the Travel and Tourism Statistical System for the United States. The System provides national and local level data that tracks past performance, provides

insights into the future and offers key traveller characteristics data to guide research-based marketing campaigns. Specific programmes of the system include, but are not limited to:

- Travel and Tourism Satellite Accounts, an economic tool that accurately measures the impact of travel and tourism industries on the US economy, providing industry comparability and job generation based on the government's national system of accounts.
- An *International Arrivals Database* from the Department of Homeland Security, which measures overseas travellers to the United States (excluding Canada and Mexico) by country, port, type of visa, and mode of transport.
- A *Survey of International Air Travellers* (In-Flight Survey), a primary research programme that collects more than 30 key characteristics on international travellers to and from the United States. The programme provides the only comprehensive, comparable estimates of the states and cities visited by overseas travellers, as well as international destinations visited by US residents.
- International travel receipts and payments data, which provide the sole source of data for the Bureau of Economic Analysis to develop estimates of travel and passenger fare exports and imports for the United States for more than 30 countries.
- The Travel Trade Barometer Programme, an Internet trade survey conducted quarterly for several of the top inbound markets to the country, providing the tourism industry with a short-term forecast of travel demand and market conditions, and identifying travel barriers to the country for each participating country.

Statistical profile

Table 4.187. **United States: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Millions	1 953	1 992	2 001	1 999	1 987

1. Person stays.
Source: D.K. Shifflet and Associates/Global Insight, Inc., 2009.

StatLink http://dx.doi.org/10.1787/772187031600

Table 4.188. **United States: Inbound tourism**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	46 086	49 206	50 977	55 979	57 937
Top 5 markets						
Canada	Thousands	13 857	14 862	15 992	17 760	18 910
Mexico	Thousands	11 907	12 665	13 317	14 327	13 686
United Kingdom	Thousands	4 303	4 345	4 176	4 498	4 565
Japan	Thousands	3 748	3 884	3 673	3 531	3 250
Germany	Thousands	1 320	1 416	1 386	1 524	1 782
International travel receipts	Billion USD	75	82	86	97	110
International passenger fare receipts	Billion USD	19	21	22	26	32

Sources: US Department of Commerce, Office of Travel and Tourism Industries; Statistics Canada; Banco de Mexico; US Department of Commerce, Bureau of Economic Analysis, 2009.

StatLink http://dx.doi.org/10.1787/772206653637

Table 4.189. **United States: Outbound tourism**

	Units	2004	2005	2006	2007	2008
Total US departures	Thousands	61 809	63 503	63 662	64 024	63 549
Total US travel and tourism imports	Billion USD	90	95	100	105	112
International travel payments	Billion USD	66	69	72	76	80
International passenger fare payments	Billion USD	25	26	28	28	33

Sources: US Department of Commerce, Office of Travel and Tourism Industries; Statistics Canada; Banco de Mexico; US Department of Commerce, Bureau of Economic Analysis, 2009.

StatLink http://dx.doi.org/10.1787/772275478527

Table 4.190. **United States: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Food services and drinking places	Establishments	500 487	510 963	523 965	537 134	546 282
Traveller accommodations	Establishments	53 058	53 307	53 901	54 634	55 586
Travel agencies	Establishments	18 648	17 935	17 521	17 164	16 931
Air transportation services	Establishments	5 961	6 059	6 140	6 316	6 372
Tour operators	Establishments	3 262	3 183	3 068	3 046	3 049
Convention and visitors bureaus	Establishments	879	920	938	990	1 014

Source: Bureau of Labor Statistics (BLS), *Quarterly Census of Employment and Wages*, 2009.

StatLink http://dx.doi.org/10.1787/772285016127

Table 4.191. **United States: Employment in tourism**

	Units	2004	2005	2006	2007	2008
Traveller accommodations	Thousands	1 647	1 687	1 694	1 712	1 713
Transportation	Thousands	1 962	1 955	1 968	1 990	1 991
Air transportation services	Thousands	827	802	792	800	805
All other transportation-related industries	Thousands	1 134	1 153	1 176	1 190	1 186
Food services and drinking places	Thousands	2 376	2 486	2 552	2 594	2 599
Recreation, entertainment, shopping	Thousands	1 889	1 865	1 873	1 864	1 857
Recreation and entertainment	Thousands	911	925	933	952	963
Shopping	Thousands	977	939	940	912	894
All other industries	Thousands	420	423	439	447	444
All tourism industries	Thousands	8 294	8 415	8 527	8 608	8 604

Source: US Department of Commerce, Bureau of Economic Analysis, US Travel and Tourism Satellite Accounts (TTSA).

StatLink http://dx.doi.org/10.1787/772307871123

Table 4.192. **United States: Tourism in the national economy – Tourism Satellite Account**

2007

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Billion USD	109	25	88
Food and beverage serving services	Billion USD	103	21	52
Passenger air transport services	Billion USD	135	29	47
Travel arrangement and reservation services	Billion USD	37	2	20
Total	Billion USD	788	118	370

Source: US Department of Commerce, Bureau of Economic Analysis, TTSA, 2009.

StatLink http://dx.doi.org/10.1787/772337461167

Table 4.193. **United States: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Internal domestic tourism consumption	Billion USD	561	602	651	671	..
Tourism share of GDP	Percentage	2.6	2.6	2.6	2.6	2.6
Total US travel and tourism exports	Billion USD	93	103	108	123	142

Source: US Department of Commerce, Bureau of Economic Analysis, US Travel and Tourism Satellite Accounts (TTSA).

StatLink http://dx.doi.org/10.1787/772411440732

OECD Non-member Economies

Brazil

Tourism in the economy

Tourism in Brazil has flourished in recent years, impacting favourably on the country's socio-economic development.

In an adverse global environment, international tourism continued to expand in 2008, albeit at a slower pace than in previous years. In 2008, just over five million foreign tourists entered Brazil (22% more than in 2003). International tourism revenue totalled USD 5.8 billion (up 16.8% from 2007). In the domestic market, in spite of a slight decline, internal Brazilian flights carried 48.7 million passengers (a 2.6% decrease from 2007).

In recent years, Brazil has consolidated its international competitiveness and climbed from 59th to 45th place in the tourism rating established by the World Economic Forum.

Tourism organisation

The current government considers tourism to be a very high priority. One outcome of this was the creation of a Ministry of Tourism in 2003. The Ministry's goal is to formulate a model for public, decentralised and participative management of tourism in order to promote economic development, create jobs and enable the widest possible social inclusion.

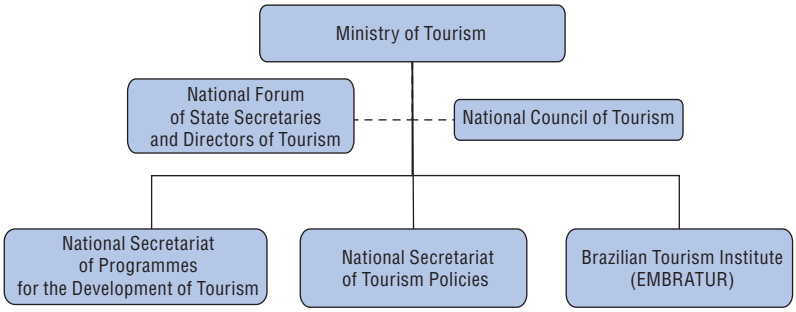
The Ministry is composed of a number of bodies (Figure 4.32):

- National Secretariat of Tourism Policies – A unit whose role is to formulate, establish, assess and administer national tourism policy along the lines laid down by the National Tourism Council, as well as to forge the institutional and international ties needed to carry out that policy.
- National Secretariat of Programmes for the Development of Tourism – A unit whose role is to encourage public and private financing initiatives, promote capital investment tied in with programmes to support regional tourism development (*Programas de Apoio ao Desenvolvimento Regional do Turismo – PRODETUR*) and to support and promote the production and marketing of products related to tourism and the rating of services.
- Brazilian Tourism Institute (*Instituto Brasileiro de Turismo – EMBRATUR*) – A body whose area of expertise is to promote, distribute and support the marketing of Brazil's tourism products, services and travel abroad.

The National Tourism Council (*Conselho Nacional de Turismo*) is a collegiate body that helps the Ministry of Tourism to formulate and implement national tourism policy and the resultant plans, programmes, projects and activities. The Council is made up of representatives of the federal government and various segments of the tourism industry.

The National Forum of State Secretaries and Directors of Tourism (*Fórum Nacional de Secretários e Dirigentes Estaduais de Turismo*) is an advisory body comprising the tourism directors of Brazil's federal states, whose role, through a decentralised management process, is to help troubleshoot problems and find solutions, collecting requests from states and municipalities.

Figure 4.32. **Brazil: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for Tourism, 2009.

Tourism budget

The annual budget confirms that tourism has become a priority for the federal government. The 2009 budget of the Ministry of Tourism, including operating costs and investment, was approximately BRL 3 billion.

In addition, in 2008 the country's federal public banks obtained BRL 3.6 billion for private-sector investment in the realm of tourism. Between 2003 and 2008, BRL 12.8 billion in financing was supplied.

It is also important to note the tourism infrastructure funding provided by the Inter-American Development Bank, in connection with the PRODETUR programme. For PRODETUR NE II, the Ministry of Tourism invested over BRL 270 million in response to the request by states in the country's Nordeste region for USD 240 million in aggregate funding. Aiming to expand the programme, the Ministry of Tourism created a nationwide PRODETUR in 2007.

Tourism-related policies and programmes

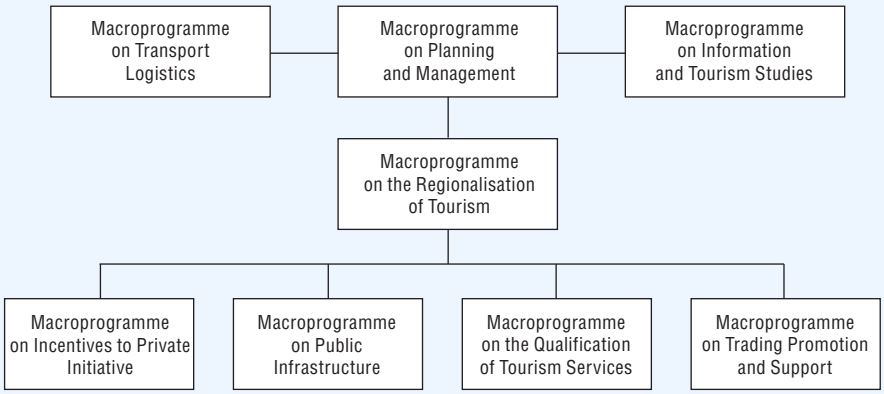
National Tourism Plan

The importance of tourism activity as a development indicator entails effective and integrated planning and management between the authorities and private interests. The government has undertaken structuring actions that enhance the attractiveness and competitiveness of tourism resources so as to transform them into actual tourism products. The sector's multidisciplinarity and the economic, social, environmental, political and cultural impacts of tourism demand a process of orientation, planning and development management at the local, regional and national levels.

The National Tourism Plan (*Plano Nacional de Turismo*) proposes a decentralised and participative management model that promotes comprehensive networking between entities and institutions throughout Brazil and involving government, the private sector and civil society. The core of the network is formed by the Ministry of Tourism, the National

Tourism Council and the National Forum of State Secretaries and Directors of Tourism. The Plan integrates a coherent set of macroprogrammes and programmes (Box 4.38). It is being implemented with the support of the National Tourism Council, state and regional organisations and private partners. Programmes and actions are evaluated regularly against the Plan's stated objectives.

Box 4.38. **Macroprogrammes of the National Tourism Plan**



Source: Ministry of Tourism.

The "Travel More in the Best Years" Project

For domestic tourism, the "Travel More in the Best Years" Programme (*Viaja Mais Melhor Idade*) aims to encourage persons over 60 years of age to travel more. To this end, two major initiatives have been taken: *i)* group travel packages from and to select locations and proposing customised services, offered in partnership with Braztoa (the Brazilian Association of Tour Operators); and *ii)* lodging options in partnership with the Marca Brasil Institute and other hotel industry partners, including over 1 700 lodging facilities throughout Brazil and offering 50% discounts to senior citizens. Tourist packages generally comprise transport from point of origin to destination, arrival and departure transfers (from airport to hotel and *vice versa*), bed and breakfast, and in some cases one or more excursions at the destination city.

The Aquarela ("Watercolour") Plan – Brazil's international tourism marketing

For international tourism, the Aquarela ("Watercolour") Plan – Brazil's International Tourism Marketing (*Plano Aquarela – Marketing Turístico Internacional do Brasil*) is a technical instrument created by EMBRATUR and the Ministry of Tourism in 2003. Its aim is to boost international tourism firmly and sustainably. In 2007, a new version of the Plan was prepared for 2007-10. It features reformulated measures and thus shows the outcomes achieved by the initiatives taken under the Plan's first version.

Statistical profile

Table 4.194. **Brazil: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	4 794	5 358	5 017	5 026	5 050
Top 5 markets						
Argentine	Thousands	922	992	933	922	1 018
United States	Thousands	706	794	722	696	626
Italy	Thousands	277	304	288	269	266
Germany	Thousands	295	309	277	258	254
Chile	Thousands	155	170	176	260	240
International travel receipts	Million USD	3 222	3 861	4 316	4 953	5 785
International passenger transport receipts	Million USD	167	307	261	331	324

Source: National data, 2009.

StatLink http://dx.doi.org/10.1787/772442815178

Table 4.195. **Brazil: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Departures	Thousands	3 701	4 667	4 625	4 823	4 936
International travel expenditure	Million USD	2 871	4 720	5 764	8 211	10 962
International passenger transport expenditure	Million USD	881	1 185	1 737	2 223	2 307

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/772444322116

Table 4.196. **Brazil: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Share of tourism expenditure in exports of goods	Percentage	3.5	3.5	3.3	3.3	3.1
Share of tourism expenditure in exports of services	Percentage	26.9	26	23.5	22.1	20.1

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/772475070643

Chile

Tourism in the economy

In line with international recommendations, the National Tourism Board, SERNATUR, has constructed a Tourism Satellite Account (TSA) for the years 2003 to 2006.

International tourist arrivals totalled 2 710 000 in 2008, an increase of 45.1% on 2004, representing an annual average rate of growth of 9.7%. Income from tourism (foreign exchange receipts) reached USD 1 617 million in 2008. The top five origin markets for visits to Chile in 2008 were Argentina, Bolivia, Peru, Brazil and the United States. Together these five countries contributed 70.3% of all international arrivals in the year.

Outbound tourism has also been growing rapidly, from 2 343 000 in 2004 to 3 061 000 in 2008, an increase of 30.6% at an average annual rate of 6.9%. Expenditure of Chilean residents on outbound travel reached USD 1 381 million in 2008 resulting in a surplus on the tourism account of USD 236 million for the year.

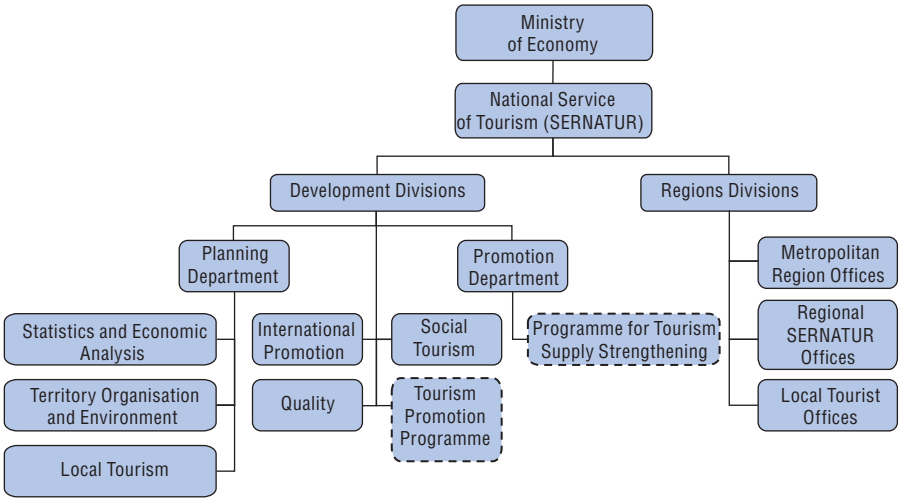
Tourism's share of GDP has been gradually increasing up to 3.1% in 2008, despite strong growth in other sectors such as copper mining. Other than in 2004 when agriculture, mining and financial services grew faster than GDP, growth in the tourism sector has tended to exceed GDP growth.

Tourism organisation

The National Tourism Board of Chile (SERNATUR) is a public autonomous entity, supervised by the President of the Republic through the Ministry of Economy. SERNATUR is responsible for co-ordinating the tourism sector, developing tourism policies, plans and programmes and carrying out and ensuring compliance with tourism policy (Figure 4.33). One of the most recent steps has been the development of a tourism law which is currently being studied at the National Congress. This is expected to result in a division of responsibilities for the co-ordination and execution of policy proposals through a new institution. A Committee of Tourism Ministers will be created, headed by the Minister of Economy, who will also be the Minister of Tourism. This will be supported by a Tourism Undersecretariat, with responsibilities for policy co-ordination, and supported by a strengthened SERNATUR as the body responsible for policy execution and the supervision of the sector.

SERNATUR is divided territorially by means of Regional Branch Tourism Boards which exist in each administrative division of country. SERNATUR also has some local offices of its own, such as that on Easter Island. The proposed new tourism law will not change the existing structure of SERNATUR, which will continue to have a National Director with Regional Branch Tourism Boards and Local Offices.

Figure 4.33. **Chile: Organisational chart of tourism bodies**



Source: OECD, adapted from National Service of Tourism (SERNATUR), 2009.

Tourism budget

The total budget of SERNATUR is USD 16.6 million which includes the budget for administration and organisation, USD 4.5 million for staff costs and consumables (basic services, tickets, cargo, couriers, training, etc.).

SERNATUR's budget for the development of programmes and activities is USD 12.1 million, of which tourism promotion is allocated USD 3.5 million, USD 3.3 million for international promotion strengthening tourism product supply for the domestic market (*Muévete por Chile* – Go Around Chile), USD 475 600 for vacations for seniors *Vacaciones Tercera Edad*(for the over-60's), USD 3.8 million for *Gira de Estudio* and USD 884 100 for the secondary students' trips programme. There is also a small budget of USD 183 500 for a number of other programmes, notably a Youth Tourism Guide, Quality Programme, Territorial Organisation, Municipal Tourism, surveys, brochures with sectoral information and the publication of technical documents.

A variety of special funds also exist for longer-term development, the promotion of innovation, the development of small- and medium-sized tourism enterprises in the regions, promotional and quality issues. Together these initiatives have funding of the order of USD 15.5 million.

The national tourism promotion budget is allocated from central government funds, in addition to which a special fund for fostering tourism development (CORFO) finances innovative initiatives within medium- and large-sized private companies and also tourism innovation programmes. Further funding comes from municipal taxes and, since 2006, from a USD 2 airport departure tax. The effectiveness of all tourism spending is measured by the Budget Division of the Ministry of Finance via the Comprehensive Expenditure Evaluation programme.

Tourism-related policies and programmes

Legislative and general tourism policy issues

Since 1997, tourism developments have been subject to environmental impact assessments, especially in protected areas such as National Parks. Recently, some

additional protected areas have been created with an emphasis on sustainable tourism, *e.g.* the Protected Coastline Area of Francisco Coloane.

A Tourism Cluster Programme for Special Interests exists in Chile, which involves both public and private sectors in the development of strategies to improve the competitiveness of the tourism sector at national level. This includes programmes for tourism innovation (*Innova Chile*). In 2008, 14 national projects were awarded dealing with public investment, four dealing with competitive industry and 16 for innovation in tourist destinations (*www.corfo.cl*).

Based on ISO (International Standardisation Organisation) norms, there are 48 sectoral standards in the fields of accommodation, travel agencies, tourist guides and adventure tourism activities. With financial support from the state, for management, quality and safety issues and transparency of information, Chile is one of the leading countries in Latin America for quality control in tourism (*www.calidadturistica.cl*).

Sustainable tourism (environmental, economic, social)

The Tourism Cluster on Special Interests incorporates the management of sustainable tourism activities in protected areas. This model will generate an integral management system for public and private services in national parks, natural monuments and reservations.

Additionally, a model of public-private commitment has been developed to ensure that the minimum legal requirements for social responsibility, environment and sustainable development are met or exceeded. These so-called "Clean Production Agreements" originated with mining, forestry and aquaculture and are now being incorporated into the tourism field in various destinations (*www.produccionlimpia.cl*).

Regarding the social impact of tourism, Chile has undertaken initiatives to promote the access of social groups such as young and older people to tourism. Special tourism packages during the medium- and low-seasons have been developed by responding directly to the needs of these groups. They can be sold at low rates since they are partly subsidised by the state. SERNATUR hires tour operators specifically for this purpose, thereby helping to counteract seasonality and maintain demand during the slack season for tourism suppliers.

Human resource issues

The Tourism Cluster approach also includes a range of programmes in the tourism labour market, such as certification, training for tourism, scholarships for English and Tourism *Becas Chile* for technical degrees, professionals and teachers.

Co-operation with the tourism industry, consumers and other stakeholders

Public/private forums exist within the tourism sector dealing with issues such as sustainability, the digital age, human resources, quality programmes and national and international promotion. Chile has also recently introduced work programmes for each of its regions under the title of the *Chile Emprende* Programme.

Currently, there are 36 public/private forums related to tourism matters. The private sector decides on the focus of public resources in fields such as promotion, quality control, development and local tourism planning. Another important aspect is the tourism net constructed by municipalities. SERNATUR oversees the working of this system either

directly with individual municipalities that have managed tourism activities of their own, or with the Association of Chilean Municipalities.

While there is no specific programme for tourism consumers, a co-operative agreement exists between SERNATUR and SERNAC (the National Consumers' Board) in order to collaborate on complaints and take action on suggestions made by national and international tourists, and also to develop a follow-up reporting system. For the generation of statistics and inputs into studies on the measurement of tourism, SERNATUR maintains relations with key organisations such as the National Statistics Institute, the Central Bank of Chile, International Police, *Carabineros de Chile*, the Internal Revenue Service, the National Forestry Corporation, the Civil Aeronautical Body and the National Consumer Board.

The Tourism Promotion Programme fixes annual market targets and also monitors the causes and consequences of declining demand caused by, for example, international economic, political or health trends. This allows for the possible redefinition of programmes and strategies as required.

The Tourism Satellite Account for Chile is available on the SERNATUR website. In 2009, new TSA data for 2006 and the design for 2007 became available, and new studies were carried out on tourism market characteristics in key origin markets as well as a study on internal tourism demand within Chile.

The possibility of developing regional indicators to measure tourism's contribution to regional GDP is currently being studied. Regional SERNATUR branch offices have developed so called "Tourist Observatories", which are essentially regional tourism analyses and the creation of visitor profiles carried out by private consulting companies.

The Seniors Vacation Programme successfully addresses the interests of both the market and the consumer. The target markets (young and old people) benefit from improved access to tourism, evidenced by high satisfaction levels generated by the programme, while the scheme also helps micro-, small- and medium-sized tourism companies by strengthening the use of tourist services through a tourist packaging system.

Statistical profile

Table 4.197. **Chile: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	1 868	2 117	2 382	2 629	2710
Top 5 markets						
Argentina	Thousands	631	709	780	843	961
Peru	Thousands	181	223	243	249	251
United States	Thousands	171	206	216	225	182
Bolivia	Thousands	137	150	230	274	302
Brazil	Thousands	122	173	187	234	208
International travel receipts	Million USD	1 111	1 068	1 182	1 455	1 617

1. Overnight visitors.
Source: Servicio Nacional de Turismo, 2009.

StatLink http://dx.doi.org/10.1787/772484311316

Table 4.198. **Chile: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips[1]	Thousands	2 343	2 651	3 005	3 234	3 061
International travel expenditure	Million USD	1 006	1 087	1 232	1 635	1 381

1. Departures.
Source: Servicio Nacional de Turismo, 2009.

StatLink http://dx.doi.org/10.1787/772488564568

Table 4.199. **Chile: Enterprises and employment in tourism**

	Enterprises					Employment	
						2006[2]	
	Units	2004	2005	2006	2007	Men	Women
Hotels and similar accommodations[1]	Thousands	3.3	3.5	3.5	3.6	30.6	
Restaurants	Thousands	2.7	3	3	3.1	36.8	
Passengers transport	Thousands	..	..	..	..	44.7	
Travel agencies and similars	Thousands	0.9	1	1	0.9	..	
Other Industries	Thousands	..	..	..	..	23.5	
Total	Thousands	6.9	7.5	7.4	7.6	79.5	55.9

1. Campsites are not included.
2. New methodology.
Source: Servicio Nacional de Turismo, 2009.

StatLink http://dx.doi.org/10.1787/772515304171

Table 4.200. **Chile: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Total tourism consumption	Million USD	6 122	7 429	8 677	..	..
of which:						
Foreign visitors	Million USD	1 396	1 387	1 514	1 804	..
Domestic visitors	Million USD	4 726	6 042	7 163	..	..
Domestic tourism consumption share of final consumption	Percentage	65	69	71	..	..
Total added value of tourism activities	Million CLP[1]	1 613	1 729	1 821[2]	1 932[2]	2 010[2]
Tourism share of GDP	Percentage	2.97	3.02	3.05	3.07	3.11
Tourism share of employment	Percentage	..	..	2	..	..
Tourism share of service exports	Percentage	23	19	19	21	..

1. Base 2003.
2. Estimated.
Source: Servicio Nacional de Turismo, 2009.

StatLink http://dx.doi.org/10.1787/772544756812

China

Tourism in the economy

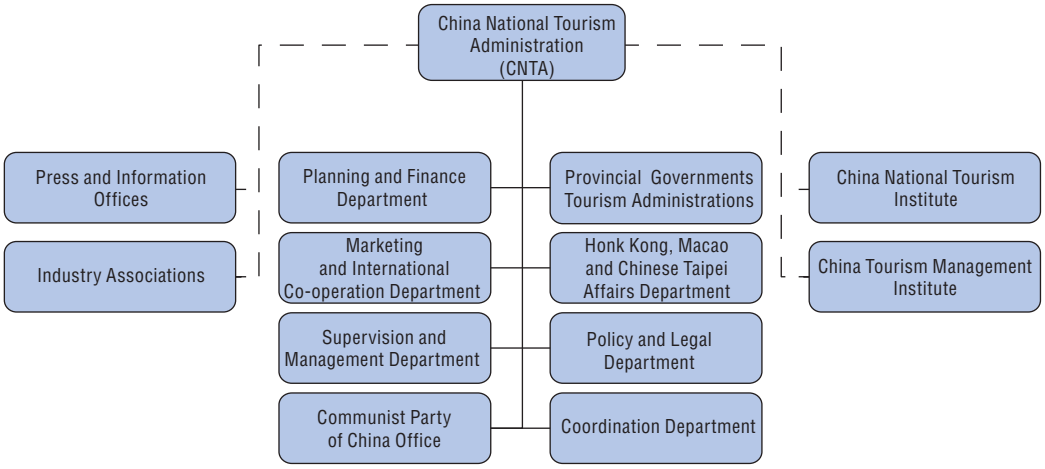
Tourism is an important industry in the national economy and plays an important role in expanding domestic demand and in promoting economic growth. Tourism consumption has taken a significant position in the total demand especially in residents' consumption. In 2007, the tourism industry was about 1.3% of gross domestic product and the share of tourism expenditure in exports of goods was 3.4% and the share of tourism expenditure in exports of services was 33.7%.

In 2008, China received a total of 130 million inbound travellers and realized international tourism foreign exchange revenue of USD 40.8 billion, a decrease of 1.4% and 2.6%, respectively, in comparison to 2007. There were 1.712 billion domestic visits, with revenue of CNY billion 874.93, an increase of 6.3% and 12.6%, respectively, in comparison to 2007. There were 45 844 400 outbound travellers of Chinese citizenship, up 11.9% from last year.

Tourism organisation

China National Tourism Administration (CNTA) is the agency in charge of tourism directly affiliated with the State Council of the People's Republic of China. CNTA is composed of several departments and is directly affiliated with a number of organisations (Figure 4.34). CNTA works with various industry associations (*e.g.* China Tourism Association, China Association of Travel Services, etc.), and supervises 18 offices in 14 countries.

Figure 4.34. **China: Organisational chart of tourism bodies**



Source: OECD, adapted from China National Tourism Administration, 2009.

Tourism budget

Investment of financial capital in the tourism industry plays an important role in promoting the national tourism image, accelerating tourism product development, stimulating social investment and boosting the rapid and sustained growth of the tourism market.

For 2008, the total budget of CNTA was CNY 426 million. The main sources of funding for tourism development include the financial allocation from the central and local governments which comprise the Tourism Development Fund and social investment. The Tourism Development Fund is a central government fund financed by the collection of an outbound airport construction fee of CNY 20 per person.

The Ministry of Finance has developed a budget enforcement live monitoring system and a budget spending performance evaluation system. Apart from that, CNTA and the Ministry of Finance are exploring ways to build up a Tourism Satellite Account and to develop estimates of government revenues attributable to tourism in order to evaluate the overall contribution of tourism to the national economy and to social development.

Tourism-related policies and programmes

The main responsibilities of the CNTA are to:

- plan and co-ordinate the development of the tourism industry;
- establish and organise the implementation of market development strategies;
- organise the survey, planning, development and protection of tourism resources;
- promote international communication and co-operation;
- establish policies on travel to Hong Kong (China), Macao and Chinese Taipei; and
- organise and implement tourism education and training programmes.

In 2009, CNTA implemented a number of new regulations to support the further development of tourism:

- Regulation on Travel Agencies.
- Regulation on Tour Guides.
- Measures for Administration of Outbound Tours by Chinese Citizens.

Statistical profile

Table 4.201. **China: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Overnight stays	Thousands	296 764	369 000	413 645	435 849	..

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/772556858083

Table 4.202. **China: Inbound Tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	109 038	120 292	124 942	131 873	130 027
Top 5 markets						
Japan	Thousands	3 334	3 390	3 746	3 977	3 446
Korea	Thousands	2 845	3 545	3 924	4 777	3 960
Russian Federation	Thousands	1 792	2 224	2 405	3 004	3 123
United States	Thousands	1 309	1 555	1 710	1 901	1 786
Malaysia	Thousands	742	900	910	1 062	1 040
International travel receipts	Million USD	25 739	29 296	33 949	37 233	40 843
International passenger transport receipts	Million USD	2 016	2 546	3 183	3 893	3 287

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/772586050887

Table 4.203. **China: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Departures	Thousands	28 853	31 026	34 524	40 954	45 844
International travel expenditure	Million USD	19 149	21 759	24 322	29 786	36 157
International passenger transport expenditure	Million USD	2 211	2 956	3 920	3 478	4 830

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/772614167500

Table 4.204. **China: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Share of tourism expenditure in GDP	Percentage	1.44	1.42	1.397	1.25	..
Share of tourism expenditure in exports of goods	Percentage	4.68	4.18	3.83	3.37	3.08
Share of tourism expenditure in exports of services	Percentage	44.45	42.796	40.36	33.65	29.998

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/772654702357

Egypt

Tourism in the economy

The past five years witnessed a fundamental change in Egypt's economic policies following the appointment of a reform-minded economic team in July 2004. Since then, the government of Egypt adopted a series of financial and tax reforms, monetary policy adjustments, broadening the private sector's contribution to economic activities by activating asset management programmes and simplifying investment procedures. In line with the overall positive economic performance, the tourism sector has also regained the same momentum and realised outstanding achievements in terms of volume, value added and foreign revenues.

Tourism has been the fastest growing sector in Egypt's GDP contributing both directly and indirectly some 6.6% of GDP in FY2007/08. The hotels and restaurants sub-sector directly contributed about 3.5% to GDP. This percentage is believed to be underestimated as most tourism expenditures indirectly affect numerous other sectors. Travel receipts constituted one of the highest foreign currency earnings accounting for around 19.3% of total export earnings in 2007/08 and ranked second after petroleum exports.

International tourist inflows to Egypt reached 12.8 million visitors in 2008 – 15.7% above 2007 figures – generating a total of EGP 58.3 billion (USD 10.8 billion) in revenues and representing 16.7% of current account receipts and 39.8% of all service export receipts. The recorded numbers of international tourist nights in 2004 was 82 million nights and rose to 129.2 million nights in 2008, an increase of 15.9% on 2007. Average expenditure was EGP 459 (USD 85) per night. Over 75% of Egypt's inbound tourists come from Europe, most of whom use air traffic as a mode of transport (85%). The largest origin markets in 2008 were the Russian Federation (14% of all international arrivals), Germany and the UK (9.2% each), Italy (8.3%) and France (4.5%). These five markets thus accounted for 45.2% of all arrivals.

Recreational tourism continued to dominate, accounting for approximately 86% of all international visits. The rise in international tourist arrivals was reflected in the growth of hotel establishments and occupation capacity. The total number of hotels and tourist villages (including floating hotels) reached 1 490 in 2008 up from 1 207 hotels in 2004, a 23.4% increase. Lodging capacity also rose from 148 000 rooms in 2004 to 211 000 thousand rooms in 2008, a 42.5% increase at an average annual growth rate of 9.3%.

Tourism also contributes 4% of total investment and 13% of total investment in services. Tourism investments in 2006/2007 amounted to EGP 4 083.4 million (USD 724 million), of which 83.5% was undertaken by private sector investors.

The contribution of the travel and tourism sector to government revenues was about 5%-8% in 2006/07 and to job creation and employment (with direct and indirect shares) was 2.6 million jobs in 2007, 12.6% of total employment. This is expected to rise to 2.8 million jobs in 2008 or 13.5% of total employment. Outbound tourism also witnessed an increase in number of departures to reach 4.5 million in 2006. International travel imports amounted

to around EGP 15.7 billion (USD 2.9 billion) in 2007/08, set against travel exports of EGP 58.3 billion (USD 10.8 billion), thereby creating a surplus on the travel account of EGP 42.7 billion (USD 7.9 billion).

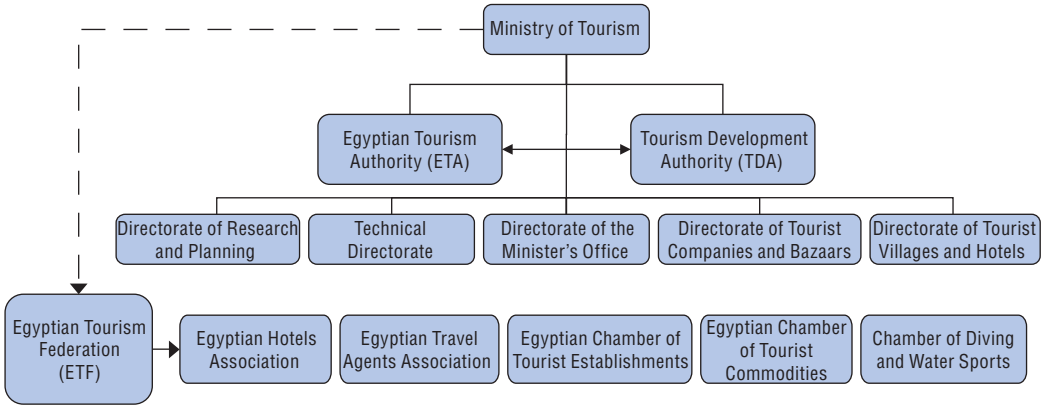
Tourism organisation

The Egyptian Ministry of Tourism is the national body responsible for tourism policy (Figure 4.35). It is responsible for establishing a coherent legal and regulatory framework in the context of a sustainable tourism development strategy. Both the Egyptian Tourism Authority (ETA) and the Tourism Development Authority (TDA) fall under the jurisdiction of the ministry. The ministry is assisted by five directorates working alongside the above mentioned authorities affiliated to the ministry. The role of the ministry is viewed as a regulator and a facilitator of tourism activities as well as an advocate of "good governance" especially in publicly-owned tourism establishments. The TDA works primarily on setting and implementing regulations for tourism projects and investments.

The private sector is represented by the Egyptian Tourism Federation (ETF) which is a union of elected industry members representing five tourism industry business associations. It is responsible for establishing an appropriate climate for the sustainable growth of Egypt's tourism industry and enhances its workforce to the highest international standards. The ETF works closely with the Ministry of Tourism in areas related to tourism planning and legislative measures.

According to the law, ETF's views must be considered before any proposed measures for the industry's development are presented for ratification to the Egyptian Parliament. The successful collaboration between the Ministry of Tourism and the ETF represents a good model of public-private partnership.

Figure 4.35. **Egypt: Organisational chart of tourism bodies**



Source: OECD, adapted from the Ministry of Tourism, 2009.

Tourism budget

ETA is responsible for promoting domestic, regional and international tourism as well as working to create a new *Egypt Tourism Brand* to position Egypt by capturing the true diversity of Egyptian tourism and communicating it via global communication campaigns through its 17 international representation offices and 32 domestic tourist offices. ETA also assists travel agents and tourism establishments by supplying them with marketing and technical tools to promote tourism.

The general budget for tourism promotion and branding is around EGP 216-351 billion (USD 40-65 million) per annum directed for promotional campaigns and external activities.

Tourism-related policies and programmes

The indicators of Egypt's *Sustainable Tourism Strategy 2020* (Box 4.39) target 25 million international arrivals and a 30% increase in the average per capita yield. To achieve this, the government of Egypt has taken steps to create a favourable legislative and regulatory environment and encourage investment in the tourism sector, as well as modernising its supporting infrastructure.

Egypt has recently become an attractive investment option, due to the flexible policies adopted by the government and the improvement of the investment environment in general. New amendments to the Investment Laws granted more privileges and incentives to the private sector especially in tourist development activities, liberalising port services and permitting licensed air companies to provide apron handling for their own flights, and also to participate in infrastructure projects under Build, Operate and Transfer (BOT) Arrangements. Laws related to hotel construction were reviewed to eliminate restrictive procedures for licensing hotels, tourism establishments and foreign investment in the travel agency segment.

An amendment to the current law for facilitating the purchase of holiday residences by foreigners in Egypt was also executed. Other institutional and regulatory frameworks for investment were provided through the TDA for supplying land at a nominal price and facilitating access to loans for developing infrastructure projects. Efforts are currently being devoted to reducing the number of regulations by adopting a one stop shop system in the context of an institutional and legislative reform in the sector.

The Egyptian tourism sector has seen numerous developments in areas such as marketing, ICT infrastructure and human resources, in line with the Ministry's efforts to promote Egypt as a worldwide tourism destination. New tourism niche areas – sports tourism, health and therapeutic tourism, shopping and residential tourism – have evolved. Egypt's aviation infrastructure is being modernised through a programme of improvements in facilities at major airports.

Issues related to industry competitiveness

Based on the 2007 World Travel and Tourism Council (WTTC) Economic Research, the travel and tourism economy in Egypt ranks 23rd worldwide in absolute size, and has around a 1% world market share. The country ranks first in the Middle East and North African region in terms of international tourist arrivals and receipts.

Despite these achievements, Egypt ranked only 66th in the 2008 World Economic Forum's *Travel and Tourism Competitiveness Report*. Competitiveness gaps were mainly recorded in areas related to infrastructure investment, human resource development and environmental regulations. The government is taking corrective actions in the short- and long-term to enhance its competitiveness ranking.

To close gaps in human resource development in tourism, the Ministry has been working with the ETF and industry stakeholders to develop training programmes to improve the skills of all workers in the tourism industry and middle and upper management. Parallel tracks are added through an agreement with New York's Cornell University School of Hotel Administration to provide e-Cornell online education courses. Enhancing ecolodge facilities, raising awareness for decreasing pollution, applying

cleanliness standards and enforcing environmental regulations are some of the priority actions taken by the ministry to enhance tourism and travel's competitiveness in Egypt.

The Egyptian Ministry of Tourism has established a unit for developing TSA accounts. The Ministry is in the stage of compiling data for TSA tables and is conducting various surveys on the tourism demand and supply sides and tourism employment. It is expected that TSA results will be released by mid-2010 (Box 4.40).

Key recent policy developments

Box 4.39. **The National Sustainable Tourism Strategy 2020**

The Ministry of Tourism's National Sustainability Tourism Strategy 2020, prepared through a transparent and participatory planning process, is aligned with Egypt's National Strategy for Sustainable Development and is in coherence with the objectives of the UNWTO Millennium Development Goals of poverty alleviation, economic growth, community development and environmental conservation. The outcomes of the 3-phase study on which the strategy was based, are the development of a five-year action plan identifying a road map for the industry's future as well as mechanisms for the implementation of defined objectives.

The Strategy proposed upgrading the infrastructure, enhancing human resource skills and the quality of services. It also provided recommendations on the environmental, social and economic measures that have to be implemented in the short- and medium-term as well as proposing new tools for monitoring and evaluating targets and performance indicators.

Box 4.40. **Developing a Tourism Satellite Accounting System**

In accordance with the Tourism Satellite Accounting methodology, the Ministry of Tourism is in the process of setting up a new TSA unit with a clear mandate to provide data about the contribution of tourism to the economy. This includes measurement of expenditure on tourism by domestic and international tourists and the size of the industry, including its contribution to gross domestic product and employment.

Statistical profile

Table 4.205. **Egypt: Inbound tourism – International arrivals and receipts**[1]

	Units	2004	2005	2006	2007	2008
Total international arrivals	Millions	7.7	8.2	8.6	11.1	13
Top 5 markets						
Italy	Thousands	1 010	823	786	983	1 073
Germany	Thousands	993	979	966	1 086	1 203
Russian Federation	Thousands	695	778	998	1 517	1 825
United Kingdom	Thousands	547	838	1 034	1 055	1 202
France	Thousands	465	495	373	464	587
Same-day visitors	Thousands	309	364	437	479	500
International travel receipts	Billion EGP	34.0	37.1	41.3	45.7	58.3
International passenger transport receipts	Billion EGP	23.5	24.9	28.1	35.5	40.5

1. CBE USD/EGP exchange rates: 2004: 6.19, 2005: 5.79, 2006: 5.74, 2007: 5.64, and 2008: 5.4.

Source: Central Bank of Egypt (CBE), 2009.

StatLink http://dx.doi.org/10.1787/772661738477

Table 4.206. **Egypt: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Millions	4	4.2	4.5	..	..
International travel expenditure	Billion EGP	8.0	8.1	9.2	10.7	15.7
International passenger transport expenditure	Billion EGP	4.3	5.2	6.9	7.3	8.6

Sources: Central Bank of Egypt and Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/772714470767

Table 4.207. **Egypt: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Hotels, *of which:*	Thousands	1 207	1 321	1 309	1 370	1 490
Hotels and tourist villages	Thousands	932	1 031	1 029	1 084	1 209
Floating hotels	Thousands	275	290	280	286	281
Tour operators/guides	Thousands	8 505	8 808	9 920	14 048	14 486
Travel agencies	Thousands	1 083	1 191	1 334	1 406	1 410
Restaurants, cafeterias and night clubs	Thousands	1 101	1 057	1 148	1 172	1 182
Diving centres	Thousands	..	..	157	275	355

Sources: Central Agency for Public Mobilisation and Statistics (CAPMAS), Ministry of Tourism, 2008 and WTTC, 2008.

StatLink http://dx.doi.org/10.1787/772737845344

Table 4.208. **Egypt: Employment in tourism**

	Units	2004	2005	2006	2007	2008
Total	Millions	2.5	2.4	2.5	2.8	2.8
Hotels and restaurants	Thousands	253	297	315	345	380

Sources: Central Agency for Public Mobilisation and Statistics (CAPMAS), Ministry of Tourism, 2008 and WTTC, 2008.

StatLink http://dx.doi.org/10.1787/772746462557

Table 4.209. **Egypt: Other economic indicators**

	Units	2004	2005	2006	2007	2008[1]
Government revenue from tourism	Million EGP	33.426	35.319	41.902	45.684	58.320
Tourism share of employment	Percentage	12.3	12.6	12.6	12.6	13.0

1. Preliminary data.

Sources: Central Agency for Public Mobilisation and Statistics (CAPMAS), Ministry of Tourism, 2008 and Ministry of Finance, 2008.

StatLink http://dx.doi.org/10.1787/772763874083

Estonia

Tourism in the economy

In 2008, total receipts from inbound tourism (travel receipts and fare receipts) amounted to EUR 1.1 billion (EEK 17.6 billion), 9.1% more than in 2007. Tourism receipts accounted for 9.3% of Estonia's total exports of goods and services and 31.9% of the exports of services.

Total international arrivals of overnight tourists in 2008 are estimated at 1.97 million, 3.7% above the 2007 level. 1.43 million stayed in accommodation establishments and 540 000 stayed overnight for free (with friends, relatives, in owned apartments or summer houses, etc.). Around half of these accommodated tourists (50.8%) came from neighbouring Finland, followed in order of priority by Germany, Sweden, the Russian Federation and Latvia. The number of nights spent by foreign tourists amounted to 2.93 million, increasing by just 0.6%. Holidays accounted for 62% of foreign overnights, conference trips for 3%, other business trips for 15% and other trips (incl. health treatment holidays) for 19%. Holiday tourism increased by 6% and conference tourism by 18% (after a decrease in 2007). Overnights on other business trips decreased slightly (by 2%) whereas overnights on other trips continued to decrease substantially (14%).

After three consecutive years of decline, arrivals from the main inbound market of Finland increased by 3% in 2008; but overnights decreased slightly (by 0.7%) due to the continuing decrease of Finnish overnights in spa hotels and health spas. Of the other main origin markets, tourism from the Russian Federation, Latvia, Lithuania and Germany increased, while tourism from Sweden, Norway and the UK decreased.

The main factors that facilitated the development of inbound tourism in 2008 included the fact that several new fast ferries started sailing year-round between Tallinn and Helsinki in 2007 and in spring 2008. Also, thanks to the warm winter, catamaran sailings between Tallinn and Helsinki were able to be extended by about 1.5 month. Furthermore, Estonia joined the Schengen area on 21 December 2007, facilitating travel from the Russian Federation. There was likewise a substantial increase in the number of new hotel beds in Tallinn during 2007.

About 944 000 domestic tourists stayed overnight in Estonian accommodation establishments in 2008, a decrease of 1.9% on 2007. The number of nights spent by domestic tourists amounted to 1.67 million, decreasing by 5%, as both business and private trips were slightly shorter than in 2007.

Following several years of strong growth, domestic tourism showed modest results in 2008, mainly due to the worsening economic conditions which especially affected business trips. Holidays accounted for 44% of domestic overnights, conference trips for 6%, other business trips for 26% and other private trips for 24% of domestic overnights.

Overnights on holiday trips increased by 0.8% while overnights on other private trips decreased by 7% and overnights on business and conference trips decreased by 11%.

Tourism organisation

National tourism policy and development activities are implemented by the Estonian Tourist Board which is subordinated to the Foundation Enterprise Estonia and comes under the administrative control of the Ministry of Economic Affairs and Communication (Figure 4.36).

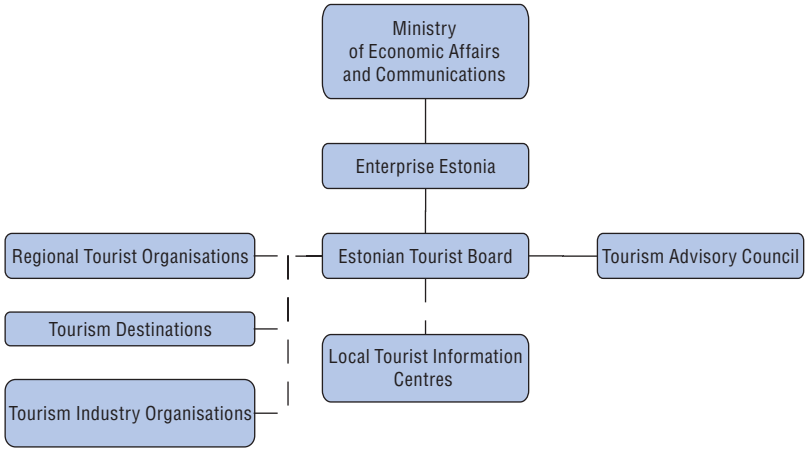
Activities of the Ministry of Economic Affairs and Communication in the field of tourism are designed:

- to elaborate tourism policies and programmes and to guarantee their implementation;
- to apply funding for tourism development programmes and projects from the state budget and from the EU;
- to draft tourism-related legislation and regulations; and
- to participate in the activities of international tourism organisations.

The activities of the Estonian Tourist Board may be summarised as follows:

- marketing Estonia as a tourism destination;
- marketing domestic tourism;
- product development;
- carrying out market research in the main target markets;
- development and administration of the national tourist information system; and
- participation in the work of international organisations.

Figure 4.36. **Estonia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economic Affairs and Communications, 2009.

Tourism budget

The overall budget for tourism development is set out in the National Tourism Development Plan for 2007-13 and is approximately EUR 206 million or EEK 3.2 billion (for the total period). The majority of tourism programmes are financed through Enterprise

Estonia/Estonian Tourist Board. The main sources of funding for tourism development are EU structural funds and the state budget. There are no specific tourism taxes.

All the measures and activities of the Estonian Tourist Board are evaluated through measurable indicators which are set out in the National Tourism Development Plan for 2007-13 and its implementation plan.

Tourism-related policies and programmes

The Tourism Act was adopted by the government in November 2000. The aims of this law governing the tourism sector are to:

- stipulate the principles for tourism business activities;
- specify the concepts used;
- define the legal status of persons engaged in tourism business; and
- stipulate the requirements of tourism business activities and the liability of persons engaged in tourism in the event of a violation of the law.

The Tourism Act also harmonises with the E.U. Directive 90/314/EEC on package travel, package holidays and package tours.

Dealing with issues related to tourism industry competitiveness, the Estonian Parliament adopted the National Development Plan for Tourism 2007-13 in 2006. The overall goal of tourism policy is to ensure competitiveness and sustainable growth of Estonian tourism sector (Box 4.41).

For 2013 the main goals of the development plan are to ensure that:

- as a travel destination, Estonia is well known abroad and valued at home;
- Estonia's tourism services and attractions are of high quality and are in harmony with the principles of sustainable development; and
- that tourism information is up-to-date and easily accessible to all.

The plan stipulates specific measures for the development of sustainable tourism, including:

- promoting the implementation of sustainable development principles;
- promoting development of ecological tourism products; and
- promoting the implementation of environmental management systems and certification.

Targets are set by the National Development Plan for Tourism 2007-13 in order to provide benchmarks against which performance can be monitored and evaluated. These targets include:

- raising tourism receipts from EEK 13.9 billion in 2004 to EEK 20.2 billion by 2013;
- increasing the number of nights spent in Estonian accommodation establishments by foreign tourists from 2.75 million in 2004 to 4.7 million in 2013;
- increasing the number of nights spent in Estonian accommodation establishments by domestic tourists from 1 million in 2004 to 1.5 million in 2013;
- decreasing seasonality (as a proportion of all nights spent) during June-August from 39% in 2004 to 35% in 2013); and
- raising labour productivity in hotels and restaurants from EUR 7.5 million per 1 000 employees in 2004 to EUR 10 million per 1 000 employees in 2013.

Box 4.41. **Main policy measures**

- Promoting Estonia as a travel destination.
- Supporting the promotional efforts of entrepreneurs and the public and third sector (with grants).
- Promotion of domestic tourism and its opportunities.
- Developing nationwide cultural and tourism objects.
- Developing regional tourism environment.
- Supporting development of tourism products provided by the private sector in order to raise their competitiveness in international markets (products which are based on national traditions and typical features; products which increase demand during the low season; products which target narrower segments; nature and countryside tourism products).
- Increasing awareness and managerial quality in the tourism sector.
- Promoting the implementation of sustainable development principles.
- Promoting and enhancing tourism education (seminars, publication of educational materials).
- Developing tourism information system (developing electronic distribution channels, visitor centres in popular tourism areas, signposts).
- Promoting the exchange of information among different actors in the tourism sector.
- Developing regional co-operation.
- Cooperating with national partners and other countries in order to promote Estonia as a travel destination.
- Undertaking regular research and analysis.

Statistical profile

Table 4.210. **Estonia: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Residents in hotels and similar establishments	Thousands	385	428	571	676	658
Residents in other collective accommodation establisments[1]	Thousands	163	191	260	287	286
Total number of residents in accommodation establishments	Thousands	548	619	832	963	944
Nights spent by residents in hotels and similar establishments	Thousands	691	751	989	1 174	1 120
Nights spent by residents in other collective accommodation establisments[1]	Thousands	320	378	534	584	550
Total number of nights spent by residents in accommodation establishments	Thousands	1 011	1 129	1 523	1 759	1 670

1. Tourist campsites, holiday dwellings, other collective accommodation.
Source: Statistics Estonia, 2009.

StatLink http://dx.doi.org/10.1787/772768870021

Table 4.211. **Estonia: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Number of non-residents in hotels and similar establishments	Thousands	1 300	1 358	1 330	1 286	1 353
Top 5 markets						
Finland	Thousands	821	773	720	679	708
Sweden	Thousands	85	103	101	87	84
Germany	Thousands	78.2	99	80	77.7	83
Russian Federation	Thousands	37	48	64	54	79
Latvia	Thousands	33	39	51	62	68
Number of non-residents in accommodation establishments[1]	Thousands	1 374	1 453	1 428	1 380	1 433
Top 5 markets						
Finland	Thousands	844	799	749	707	728
Sweden	Thousands	89	108	106	90	86
Germany	Thousands	86	109	90	87	92
Russian Federation	Thousands	42	53	67	56	82
Latvia	Thousands	41	52	66	75	80
International travel receipts	Million EEK	11 220	12 263	12 692	11 792	12 835
International passenger transport receipts	Million EEK	2 828	3 256	4 182	4 329	4 757

1. Including tourist campsites, holiday dwellings and other collective accommodation.
Sources: Statistics Estonia, Bank of Estonia, 2009.

StatLink http://dx.doi.org/10.1787/772778003051

Table 4.212. **Estonia: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	1 937	2 000	2 097	2 094	2 054
International travel expenditure	Million EEK	5 022	5 521	7 267	7 618	8 607
International passenger transport expenditure	Million EEK	1 094	1 146	1 490	1 539	1 376

Sources: Bank of Estonia, Statistics Estonia, 2009.

StatLink http://dx.doi.org/10.1787/772827534768

Table 4.213. **Estonia: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008[1]
Hotels, camping sites and other provision of short-stay accommodation	Establishments	360	453	517	517	498
Restaurants, bars, canteens and catering	Establishments	1 163	1 152	1 242	1 292	1 087
Travel agencies and tour operators	Establishments	272	309	328	339	345

1. Preliminary data.
Source: Statistics Estonia, 2009.

StatLink http://dx.doi.org/10.1787/772828853614

Table 4.214. **Estonia: Employment in tourism**

	Units	2004	2005	2006	2007	2008
Hotels, camping sites and other provision of short-stay accommodation	Thousands	4.9	5.3	5.7	6.4	6.3
Restaurants, bars, canteens and catering	Thousands	10.7	11.1	12.5	13.8	13.3
Travel agencies and tour operators	Thousands	1.7	1.7	1.8	1.7	1.7
Employed persons in accommodation and food service activities[1]	Thousands	15.8	20.9	22.0	22.3	23.6
Accommodation	Thousands	3.2	6.4	7.3	6.5	8.0
Food service activities	Thousands	12.6	14.5	14.8	15.8	15.7
Share of accommodation and food service activities in total employment	Percentage	2.7	3.4	3.4	3.4	3.6
Accommodation	Percentage	0.5	1.1	1.1	1.0	1.2
Food service activities	Percentage	2.1	2.4	2.3	2.4	2.4

1. According to the *Labour Force Survey*.
Source: Statistics Estonia, 2009.

StatLink http://dx.doi.org/10.1787/772855213478

Table 4.215. **Estonia: Tourism in the national economy – Tourism Satellite Account**

2004

	Units	Tourism Value Added
Accommodation services[1]	Million EEK	1 352
Food and beverage serving services	Million EEK	410
Passenger transport services[2]	Million EEK	1 028
Travel agency and tour operator services	Million EEK	425
Recreational, cultural and sporting activities	Million EEK	226
Renting of machinery and of household goods	Million EEK	58
Tourism-connected industries	Million EEK	288
Non-specific industries	Million EEK	1 561
Total	Million EEK	5 349

1. Including letting of own residential buildings.
2. Including supporting transport activities.
Source: Statistics Estonia, 2009.

StatLink http://dx.doi.org/10.1787/772876431447

Table 4.216. **Estonia: Other economic indicators**

	Units	2004
Tourism share of GDP – direct effects	Percentage	4.8
Tourism share of GDP – direct and indirect effects	Percentage	8.0
Internal domestic tourism consumption	Million EEK	2 095
Inbound tourism consumption	Million EEK	14 396
Internal domestic tourism consumption share of final consumption	Percentage	1.9
Internal tourism consumption	Million EEK	16 491
Internal tourism consumption share of final consumption	Percentage	14.8

Source: Statistics Estonia, 2009.

StatLink http://dx.doi.org/10.1787/773000811074

India

Tourism in the economy

According to the Tourism Satellite Account (TSA) of India for the year 2002-03, the contribution (both direct and indirect) of tourism in the GDP of the country was 5.8%, and its contribution to total employment was 8.3%. As the tourism sector has continuously witnessed high growth from 2002 to 2008, these shares are expected to have increased. The number of foreign tourist arrivals in India is estimated to have reached 5.37 million in 2008, having risen from 2.73 million in 2003, registering a compound annual average growth rate of 14.5%. Foreign exchange earnings from tourism rose from USD 4.46 billion in 2003 to about USD 11.7 billion in 2008, a compound annual average growth rate of 21.3%.

The number of domestic tourist visits to different destinations in the country has also grown steadily at an average of around 12.7% in the 2003-08 period.

Outbound travel by Indian nationals has risen from 5.4 million trips in 2003 to 10.7 million in 2008, an average rate of growth of 14.8%.

Tourism organisation

National Tourism Policy for India was formulated in 2002 with the main objective of positioning tourism as a major engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner.

The Ministry of Tourism, which is the National Tourism Office, functions as the nodal agency for the development of tourism in the country (Figure 4.37). The Directorate General of Tourism is an attached office of the Ministry, and has 14 overseas offices and 20 field offices within the country. The overseas offices promote Indian tourism in their respective regions. The domestic field offices are sources of tourist information, besides being responsible for maintaining the progress of implementation of tourism projects in different parts of the country.

The Indian Tourism Development Corporation (ITDC), an undertaking of the Ministry of Tourism, runs the largest hotel chain in India, besides offering tourism-related services like transport, duty-free shopping and professional consultancy services. The National Council for Hotel Management and Catering Technology (NCHMCT) is an autonomous body of the Ministry of Tourism responsible for growth and development of hospitality management education through its affiliated institutes. The jurisdiction of the Council extends over a wide range of matters including admissions, fees, by-laws, syllabus for courses, research, examination and results.

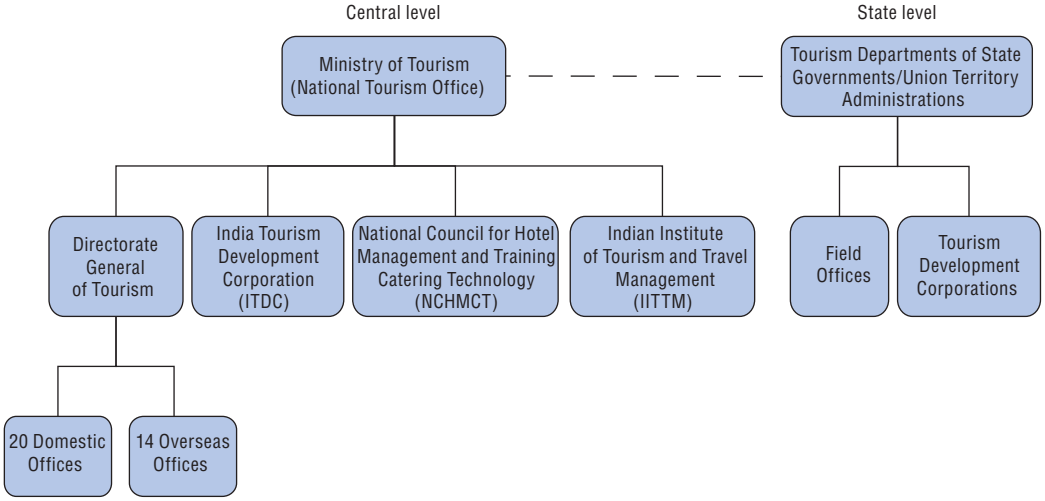
At present 35 institutes of hotel management and 6 food crafts institutes, affiliated to NCHMCT are offering degree/diploma courses in various disciplines of the hospitality industry.

The Indian Institute of Tourism and Travel Management (IITTM) is another autonomous institute of the Ministry of Tourism providing specialised education and training for the tourism and travel industry. The Ministry also plays a crucial role in co-ordinating and supplementing the efforts of the state/union territory governments, catalysing private investment, strengthening promotional and marketing efforts and providing trained manpower resources.

In order to advise the government on various tourism-related policy matters and to give impetus to the development and promotion of tourism in the country, the Ministry of Tourism has constituted a "National Tourism Advisory Council", headed by the Union Minister for Tourism.

As India is a federal country, and the issues of land, transport, hotels, industry and law and order are handled by the state governments, development of tourism infrastructure at the state level is primarily undertaken by the respective state governments. The government of India provides financial assistance to state governments for tourism infrastructure development, besides directly taking up major tourism infrastructure projects like airports, seaports, and national highways.

Figure 4.37. **India: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2009.

Tourism budget

The activities of the Ministry of Tourism are funded through the allocation made in the budget of the government of India. For the year 2008-09, the Ministry of Tourism's budget allocation was INR 10.47 billion. More than 50% of this was utilised for the development of tourism infrastructure and tourism products. Promotion and publicity measures in overseas as well as domestic markets accounted for about 30% of the annual budget.

The implementation of the projects funded by the Ministry of Tourism is continuously monitored. At the end of every five-year plan, the schemes being implemented by the Ministry of Tourism are also evaluated by independent consultants.

Tourism-related policies and programmes

The Ministry of Tourism's policy initiative in 2008 covered many areas. An integrated and holistic approach to the policy of augmentation of tourism infrastructure led to greater prominence being accorded to mega tourism projects and achieving better convergence with the related programmes and schemes of other ministries. The diversification of tourism products and the cultivation of emerging origin markets have been considered important as a strategic move to reach higher and more sustainable growth. Responsible and inclusive tourism have added stronger social dimensions to the overall policy objectives of the Ministry. As a part of this agenda, the marketing slogan of "Incredible India" has now assumed wider connotations of "Incredible and Accessible India". The Ministry also formulated its response to the challenges of global economic crisis and sporadic terror strikes and acted accordingly.

Steps taken to contain the unfavourable impact of the global economic crisis include strengthening the market development assistance to stakeholders, organising familiarisation tours for overseas media and travel trade representatives, offering incentives to repeat visitors, making available subsidies to the trade and state governments for participation in international travel fairs and exhibitions, organising the Travel Mart and the Great India Travel Bazaar in Jaipur in association with the state government and all stakeholders, and promoting 2009 as Visit India Year.

As a result of the initiative taken by the Ministry of Tourism, the rules governing external commercial borrowing have been liberalised for the hotel sector. It is hoped that this measure will promote investment in the hotel sector, alleviating shortages in hotel accommodation, as well as serving as a demand-boosting measure in a period of recession.

A number of supply-side measure and initiatives are continuing from the past and have received added impetus. These include policies to address gaps in the availability of high-quality human resources in the sector and alleviating shortages in tourism accommodation.

The Ministry of Tourism has launched the "Visit India 2009" Scheme whereby attractive incentives by way of value additions were offered to foreign tourists visiting the country during the period April to December 2009. The incentives were offered in collaboration with airlines, hotels and tour operators.

To counter the contagion of panic in the wake of terrorist attacks, the Ministry is continuously reviewing the status of the travel advisories issued by major tourist generating countries on a regular basis. The Ministry has also undertaken confidence building measures to minimise the negative impact on tourism by putting security updates for foreign tourists on its website, and liaising with Indian Missions, the travel industry and the overseas media.

The government of India conducted an *All-India Survey of Domestic Tourism* during July 2008-June 2009 based on the household approach. An *International Passenger Survey* will also be launched very shortly. The data from these two surveys will be used for preparing the next TSA of the country, besides obtaining information on various aspects of domestic and international tourism for policy purposes.

Statistical profile

Table 4.217. **India: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Domestic tourist visits to different places in the country	Millions	366	392	462	527	563

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773007758032

Table 4.218. **India: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Millions	3.46	3.92	4.45	5.08	5.37[1]
International travel receipts	Billion INR	279.44	331.23	390.25	443.60[2]	507.30[3]

1. Provisional.
2. Revised Balance of Payments figures released by Reserve Bank of India.
3. Advance estimates prepared by Ministry of Tourism.

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773010241062

Table 4.219. **India: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of departures	Millions	6.2	7.2	8.3	9.8	10.7[1]
International travel expenditure	Billion INR	218.4	273.3	310.1	338.1[2]	416.3[3]

1. Provisional
2. Revised Balance of Payments figures released by Reserve Bank of India
3. Partially Revised Balance of Payments figures released by Reserve Bank of India

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773200214255

Table 4.220. **India: Employment in tourism**

	Units	2002-03
Accommodation	Percentage	2.7
Food and beverage services	Percentage	6.5
Passenger transport	Percentage	44.6
of which: Railway passenger transport	Percentage	1.4
Road passenger transport	Percentage	34.2
Water passenger transport	Percentage	1
Air passenger transport	Percentage	7
Passenger transport equipment rental	Percentage	1
Travel agencies and similar	Percentage	35
Other recreational and entertainment services	Percentage	2.9
Other industries	Percentage	8.3
Total percentage	Percentage	100
Tourism share of employment	Percentage	8.3
Total	Millions	38.6

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773218357742

Table 4.221. **India: Tourism in the national economy – Tourism Satellite Account**

2002-03

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism gross value added
Accommodation services	Billion INR/Percentage	49.6	56	8.03
Food and beverage serving services	Billion INR/Percentage	67.1	38.6	5.71
Passenger transport services	Billion INR/Percentage	997.2	86.4	56.66
Travel agency, tour operator and tourist guide services	Billion INR/Percentage	102.3	57.1	13.69
Recreation and other entertainment services	Billion INR/Percentage	2.3	29.2	1.02
Goods	Billion INR/Percentage	196	46.8	14.89
Total	Billion INR/Percentage	1 414.5	314.1	100

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773234370866

Table 4.222. **India: Other economic indicators**

	Units	2002-03
Tourism GDP (direct contribution)	Billion INR	624.4
Tourism share of GDP (direct and indirect contribution)	Percentage	5.8

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773272855325

Indonesia

Tourism in the economy

The government of Indonesia has identified tourism as a priority sector for socio-economic growth and development. In 2008, the tourism industry was the third contributor to foreign exchange.

With the recognition of Visit Indonesia Year, 2008 was a record year for the Indonesian tourism industry with an all time high of 6.4 million overseas visitors, an increase of 16.9% compared with the arrivals of 2007. This record contributed USD 7.4 billion in terms of revenue, an increase of 41.5% on the USD 5.3 billion recorded in 2007.

The largest origin markets for Indonesia are Singapore, Malaysia, and Japan (accounting for 1.1 million, 800 000 and 517 000 arrivals respectively in 2007). The United Kingdom, Germany, the Netherlands, France, and the Russian Federation are the most important origin markets in Europe. International travellers spend about USD 1 170 per visit with an average length of stay 9.02 days. The vast majority of international travellers come to Indonesia to enjoy its natural beauty and culture.

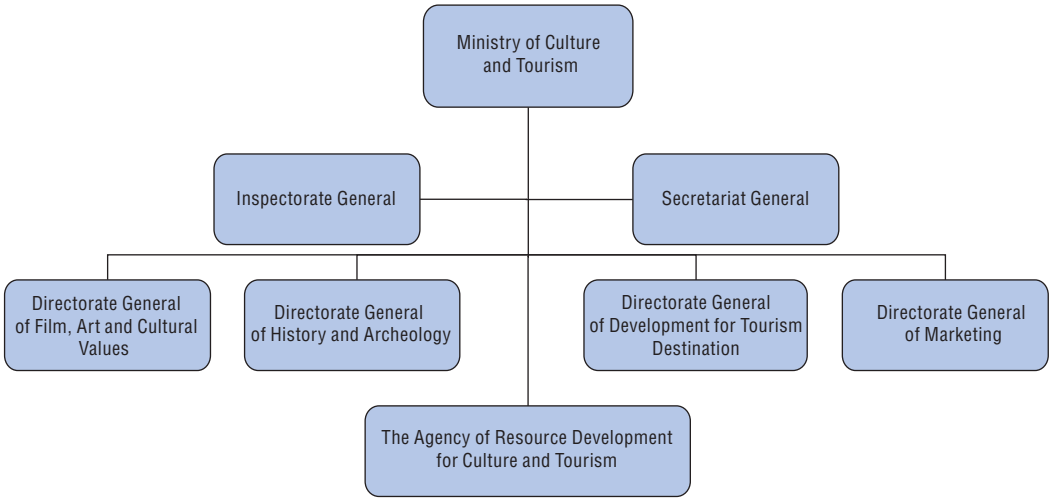
Tourism organisation

The Ministry of Culture and Tourism (MCT) is the national governmental organisation responsible for culture and tourism policy, strategy, development, marketing, and promotion (Figure 4.38). Two Directorates-General (DG) are mainly responsible for tourism sector namely, the DG for Tourism Destination Development and the DG for Marketing. In addition, there is also the Culture and Tourism Resources Development Board which is responsible for human resources and research.

The government of Indonesia launched a new Tourism Law at the beginning of 2009, in order to reflect the progressive decentralisation of government that has been taking place for the last decade. This provides autonomy for the district levels to undertake their own tourism development. The authorisation for the provinces and districts to prepare their own respective tourism development plans is now enshrined in the new Tourism Law of 2009. However, the need for co-ordination and the synchronisation of plans and actions between national, provincial, and district levels remains important.

The new Tourism Law also underlines the government's responsibility to establish the Indonesian Tourism Promotion Board and Indonesian Tourism Industry Association in the near future. Both of these organisations will play key roles as the independent tourism promotion body and as a partner to central government's tourism activities respectively.

Figure 4.38. **Indonesia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Culture and Tourism, 2009.

Vision and mission of the Ministry of Culture and Tourism (MCT)

Vision: Establish a national identity, unity of a multi-cultural nation, individual welfare and international co-operation.

Mission:

- to carry out conservation and culture development based on local cultural value;
- to develop promotion and tourism destinations in order to obtain competitive advantage;
- to develop culture and tourism resources; and
- to establish clean government and public accountability.

Position, duty, function and authority

The Ministry of Culture and Tourism is led by a minister who reports directly to the President of the Republic of Indonesia. The Ministry has a duty to assist the president to carry out governmental affairs in the areas of culture and tourism.

In this context, the Ministry carries out the following functions:

- formulating national policy, implementing policy, and technical policy in culture and tourism area;
- implementing governmental affairs in its areas of responsibility;
- managing the Ministry's properties;
- monitoring implementation; and
- delivering evaluations and suggestions to the President of the Republic.

Tourism budget

The tourism budget for 2008 was approximately USD 40.7 million which was specifically earmarked for tourism development, destination and tourism marketing.

Tourism-related policies and programmes

The government of Indonesia is fully aware that tourism is operationally a multi-sectoral activity and consequently understands that this multi-faceted sector requires greater attention. Thus tourism is incorporated within the National Long-Term Development Plan 2004-24 and included in various Presidential Decrees, National Teams for Export and Investment Improvement and Working Groups which require co-operation across and within all government ministries.

The role of the tourism sector within the National Long-Term Development Plan is described as follows:

- tourism is developed to encourage economic activities and to enhance the image of Indonesia, to improve local welfare, and expand job opportunities; and
- the development of tourism shall make use, wisely and cautiously, of the country's natural beauty and its potential as the largest marine tourism area in the world, and should thus encourage economic activities related to the development of national cultures.

At the same time, the government of Indonesia is committed to follow the long-term perspective by its active participation in, and adherence to the guidelines of the UN Commission on Sustainable Development by focusing on development that is economically, ecologically, culturally, and socially sustainable.

The Ministry of Culture and Tourism is developing a Master Plan for Sustainable Tourism Development in Indonesia, the short-term objectives of which are as follows:

- to use political commitment as well as community and private participation to support, build, and develop appropriate culture and tourism jobs;
- to create efficient and effective management of cultural and tourism resources by devolving authority to provincial, regional, and city levels, and optimising the use of information technology;
- to develop active roles at the community level in the development of culture and tourism in the regions; and
- to rebuild the image of Indonesian tourism for the international tourist market by promoting Indonesia as a competitive product.

For 2009, the MCT re-launched the Visit Indonesia Year Programme with the theme "Marine and MICE" as well as fostering other market segments such as special interest/adventure tourism and ecotourism. The MCT also introduced and promotes ten leading destinations all over the country. These are: North Sulawesi, South Sulawesi, West Nusa Tenggara, East Nusa Tenggara, West Sumatera, North Sumatera, South Sumatera, Riau Island, East Kalimantan, and West Papua.

Statistical profile

Table 4.223. **Indonesia: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Domestic tourist arrivals	Millions	202.8	213.3	216.5	219.8	223.4

Sources: Statistics Central Agency of Indonesia, Ministry of Culture and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773327302878

Table 4.224. **Indonesia: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	5 321	5 002	4 871	5 506	6 429
Average length of stay	Days	9.47	9.05	9.09	9.02	8.58
International travel receipts	Million USD	4 798	4 522	4 448	5 346	7 377

Sources: Statistics Central Agency of Indonesia, Ministry of Culture and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773337850211

Table 4.225. **Indonesia: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Short-term resident departures	Thousands	4 270	4 806	5 040	5 158	5 313
Average length of stay	Days	11.04	8.15	7.71	9.24	10.62
International travel expenditure	Million USD	3 671	3 286	3 920	4 331	5 577

Sources: Statistics Central Agency of Indonesia, Ministry of Culture and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773368620076

Table 4.226. **Indonesia: Tourism in the national economy – Total tourism consumption**

2007

	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption[1]
Accommodation	Billion IDR	6 672	19 231	25 973
Food and beverage	Billion IDR	18 812	10 585	30 180
Transportation	Billion IDR	41 598	3 840	46 564
Package tour	Billion IDR	592	694	3 318
Entertainment	Billion IDR	2 010	3 276	5 286
Other tourism service	Billion IDR	8 846	2 022	10 868
Souvenir	Billion IDR	4 049	4 571	8 620
Health and beauty	Billion IDR	23	941	965
Non food industry product	Billion IDR	15 524	4 183	21 215
Agricultural product	Billion IDR	3 881	1 012	4 892
Total	Billion IDR	102 007	50 354	157 881

1. Total tourism consumption includes outbound pre-trip and post-trip tourism consumption.

Sources: Statistics Central Agency of Indonesia, Ministry of Culture and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773425558022

Table 4.227. **Indonesia: Tourism in the National Economy – Other economic indicators**

	Units	2004	2005	2006	2007
Tourism impact on GDP	Percentage	5.01	5.27	4.30	4.29
Tourism impact on wages/salaries	Percentage	4.66	4.56	4.44	4.43
Tourism impact on indirect taxes	Percentage	7.81	5.18	4.12	4.09
Tourism impact on employment	Percentage	9.06	6.97	4.65	5.22

Sources: Statistics Central Agency of Indonesia, Ministry of Culture and Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773454870570

Israel

Tourism in the economy

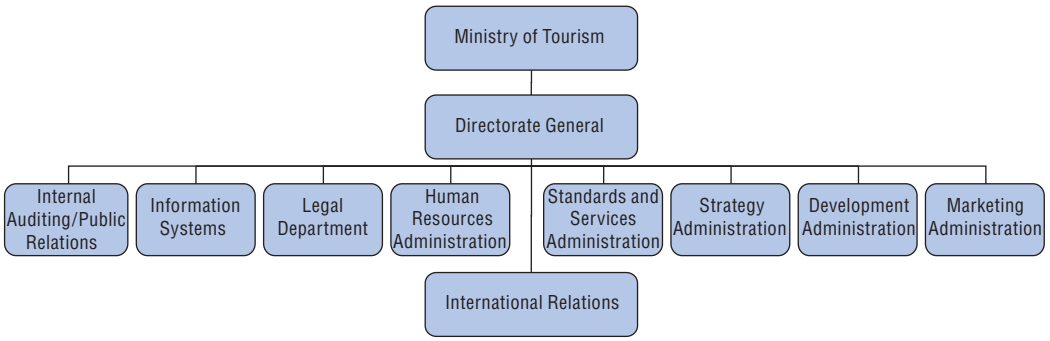
Tourism contributes some 2% to national GDP and just over 3% of total employment counting only direct tourism jobs. In 2007, the combined total of direct and indirect tourism jobs was some 140 000, 5% of total employees.

There were 3.0 million inbound tourists in 2008, 32% more than in the preceding year, and their expenditures amounted to USD 2.7 billion. Israel's largest international origin markets, in order of size, were the United States, the Russian Federation, France, the United Kingdom and Poland, accounting together for approximately 53% of all arrivals in 2008. Tourism exports were the equivalent of 4% of total exports. In addition, Israeli airlines earned USD 540 million from inbound tourism, and USD 1.0 billion from outbound tourism.

Tourism organisation

Due to the importance of tourism, the government appointed a special Ministry of Tourism (Figure 4.39). Policy, marketing and development for the tourism sector are handled by the Ministry, which is assisted by several subsidiaries in the fields of building infrastructure, sites development and job training. In addition, in most areas of Israel there are local organisations promoting tourism.

Figure 4.39. **Israel: Organisational chart of the Ministry of Tourism**



Source: OECD, adapted from Ministry of Tourism, 2009.

Tourism budget

In 2008, the general budget of the Ministry of Tourism was ILS 632 million. About 25% of this was allocated to marketing, 30% to incentives for investments and another 28% to infrastructure investment.

In addition, the Ministry received, during the year, ILS 3.5 million for job training. Other government offices contributed ILS 14 million to infrastructure investment costs. All budgets come from the government's general budget.

There is a constant follow-up on all expenditures, and their outcomes. The Ministry collects data on the number of new hotels and rooms, the progress of infrastructure projects and monitors the outcomes of its marketing campaigns.

Tourism-related policies and programmes

Tourism legislation

The Tourism Services Law of 1976 is the basic law establishing the legal foundation for the tourism industry as a whole. The Minister of Tourism is empowered by this law to enact regulations for the following tourism services: hotels and guesthouses, businesses located on the premises of a hotel and intended mainly for the hotel's guests, car parks, travel agencies, tour guides, and organisers of conventions for foreign tourists, including interpreter services at such conventions.

The Tourism Services Law confers on the Minister the following powers:

- licensing (except for hotels and car parks);
- classification (such as determining the rating of a hotel);
- arrangements for securing the money of customers served by travel agencies, and the duty of due disclosure to their customers;
- publication of tourism services, licensing fees, minimum prices for tour guides, the display of prices and notices, and granting an Accredited Tourism Business Symbol; and
- the appointment of inspectors to ensure compliance with the law, and of advisory boards and committees, the enactment of regulations concerning appointments and the assignment of duties in connection with the implementation of the law, and hearing appeals against decisions of competent authorities to revoke licenses or downgrade ratings.

In recent years several amendments have been made to the Tourism Services Law. Under the heading of "removal of barriers in tourism," the following were cancelled: the certified hotel manager's certificate, supervision of eateries, supervision and regulation of car rentals, setting of maximum prices, licensing of travel agencies, tourism offices and local tour operators.

The Tourism Services Law also regulates tour guide services.

Hotels regulations

Up to 1992, hotel services were regulated by the Control of Commodities and Services Order, including the star rating of hotels. Thereafter, this order was replaced by the Hotels Regulations pursuant to the Tourism Services Law, and the rating of Israel's hotels was cancelled.

Currently, the regulations *inter alia* control the following:

- granting of a "Registered Hotel" certificate to hotels applying to receive it (after they have complied with the minimum requirements); and
- the display of prices, advertising and a prohibition on misleading advertisement, supervision and inspection procedures.

The Tourism Services Regulations of 2003 govern a travel agency's duty of disclosure to anyone purchasing a tour package (in writing, as far as the circumstances allow). A 1967 Order regulates the manner and conditions for granting businesses an accreditation certificate and a "Recommended Business Symbol". To date, some 700 certificates have been granted to restaurants, and 3 500 to souvenir, jewellery, fur, shoe and apparel stores, and a further small number to other businesses. Businesses holding an accreditation certificate and symbol (excluding restaurants) are included in a special VAT arrangement.

Market trends analysis on domestic/inbound/outbound tourism

Inbound tourism had been steadily on the increase until 2000 (some 2.7 million tourists arrived that year). Tourism hit a low in 2002, with only 862 000 visitor arrivals recorded. Starting in 2003, however, tourism recovered and began growing once again, to the 3 million tourists recorded in 2008.

Domestic tourism saw its biggest surges primarily during the years 2001-02 (10%). A certain upturn can be seen in the years 2002 to 2004 (from 14.6 million to 15 million overnight stays). In recent years (2006-08), with inbound tourism picking up, domestic tourism has levelled off with a slight downturn.

Outbound tourism had been steadily rising from 2.8 million tourist trips in 1997 to 3.6 million tourist trips in 2008. In 2007, there were also 3.6 million trips abroad, mostly by air (83%) to close and distant destinations alike, with 14% (some 577 000 trips) by land routes to Egypt and Jordan.

Sustainable tourism

The Ministry adopted a sustainable development policy and operates according to the following principles: territorial contiguity, integration in the landscape and environment, encouragement of usage and recycling of existing structures, green construction, rehabilitation of rivers, and the preparation of a strategic plan for sustainable development.

From a cultural standpoint, the Ministry is fostering cultural preservation through the rehabilitation of archaeological sites. It also encourages and assists enterprises that present the whole gamut of cultures existing in Israel. From a social standpoint, the Ministry is assisting residents in outlying areas in the development of small tourism enterprises, and encouraging the development of rural and agricultural tourism.

Human resources

The Ministry holds courses for workers in the various tourism sectors, and also trains young people and unemployed persons for work in the tourism industry. In addition, the Ministry organises employment fairs together with tourism industry entities. In practice there are several obstacles facing the industry's employment market, stemming primarily from relatively low salaries, work shift arrangements and holiday entitlement.

Co-operation with the tourism industry

The Ministry regularly convenes a marketing forum that is attended by representatives from all tourism sectors. Special marketing funds exist for assisting tourism agents and wholesalers, in Israel and abroad, with their international marketing. The Ministry is working with inbound tourism agents for the removal of obstacles at the

gateway to Israel and also assures an economic safety net for new airlines seeking to market Israel and operate flights to the country.

Development of a culture of evaluation

The Ministry is preparing a yearly plan that includes yearly targets for domestic and inbound tourism and infrastructure projects; these are based on a multi-year plan. Current information and statistics to international standards are compiled, in order to measure tourism's economic contribution. The Ministry carries out surveys and studies, and maintains regular contacts with tourism industry entities in Israel and abroad for feedback.

Challenges for tourism policy

Currently three principal challenges to the tourism sector are seen to include rising international competition fuelled by the heavy involvement of governments, geopolitical and economic crises, and the need to adapt the scope of tourism infrastructure to the growing number of tourists and their expectations. In the field of transport, the main challenges are the implementation of an open skies policy and the enlarging of Ben-Gurion Airport's capacity.

International activities

Israel has signed tourism co-operation agreements with 30 countries with the aim of encouraging and facilitating bilateral tourist travel. Israel is a founding member of the UNWTO and has been a member of its Executive Council and several of its committees. Israel takes part in the Barcelona Process, initiated by the European Union, and its Euro-Mediterranean Programme.

Statistics and economic evaluation, Tourism Satellite Accounts

The first publication of Israel's Tourism Satellite Account (TSA) was in 2005, with tables covering 1995, since the last general input-output tables for the country were compiled in 1995. This survey was financed and overseen professionally by the Ministry of Tourism prior to the release of the data. Currently, the Central Bureau of Statistics is working on updating the TSA Survey to 2004, with the aim of improving the study and completing all ten tables required. The final target is to find indicators that will permit this study to be updated annually.

Statistical profile

Table 4.228. **Israel: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	6 369	6 753	6 743	6 682	6 491
Number of nights spent	Thousands	15 003	16 122	16 219	15 814	15 407

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773455562030

Table 4.229. **Israel: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	1 506	1 916	1 834	2 294	3 034
Top 5 markets						
United States	Thousands	379	458	494	545	628
France	Thousands	257	311	252	246	264
Russian Federation	Thousands	49.1	71.1	78.6	205	367
United Kingdom	Thousands	147	158	162	175	192
Poland	Thousands	10.3	27	42	86	156
Same-day visitors	Thousands	..	..	73	201	416
International travel receipts	Million ILS	6 613	8 552	8 325	8 895	11 054
International passenger transport receipts	Million ILS	1 939	2 518	2 407	2 683	2 695

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773483110715

Table 4.230. **Israel: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	3 080	3 134	3 164	3 569	3 618
International travel expenditure	Million ILS	12 531	12 993	13 295	13 391	12 339
International passenger transport expenditure	Million ILS	3 887	3 970	3 952	4 069	3 611

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773518567847

Table 4.231. **Israel: Enterprises in tourism**

	Units	2004	2005	2006	2007	2008
Total	Establishments	13 109	14 243	15 071	16 106	18 847
Total types of accommodation units	Establishments	1 637	1 794	1 812	1 943	1 983
Tourist hotels	Establishments	336	334	331	331	335
Restaurants	Establishments	6 995	7 411	7 668	7 979	8 286
Tour operators	Establishments	..	..	..	75	78
Travel agencies	Establishments	977	1 038	1 091	1 109	1 000
Shops with VAT refund arrangements	Establishments	3 500	4 000	4 500	5 000	7 500

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773535101602

Table 4.232. **Israel: Employment in tourism**

	Units	2004	2005	2006	2007	2008
Total	Employees	70 600	79 100	77 400	85 000	90 000

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773538643510

Table 4.233. **Israel: Tourism in the national economy – Tourism Satellite Account**

2004

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP	Units	Tourism share of GDP
Accommodation services	Million ILS	3 711	1 653	2 443	Percentage	99.6
Food and beverage serving services	Million ILS	1 092	926	538	Percentage	12.8
Passenger transport services	Million ILS	5 204	3 419	2 881	Percentage	14.2
Travel agency, tour operator and tourist guide services	Million ILS	2 790	288	1 319	Percentage	100
Cultural services	Million ILS	481	180	340	Percentage	17.8
Other services	Million ILS	190	599	395	Percentage	1.3
Goods	Million ILS	618	1 842	438	Percentage	0.1
Total	Million ILS	14 085	8 907	8 354	Percentage	1.7

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773557310641

Table 4.234. **Israel: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Tourism share of GDP	Percentage	1.7	2	1.6	2	2
Tourism share of employment	Percentage	2.9	3.2	3	3.2	3.1

Source: Ministry of Tourism, 2009.

StatLink http://dx.doi.org/10.1787/773573182241

Romania

Tourism in the economy

Based on the indicators calculated by the Institute for Research and Development in Tourism (INCDT) according to Oxford Economics Methodology, the share of direct tourism industry in total GDP rose steadily until 2006. In 2007 it fell slightly, but regained some of the ground lost in 2008 when tourism accounted for 2.3% of GDP (2.2% in 2007).

According to the forecast in the most recent report of the WTTC *Travel and Tourism Economic Impact Romania 2009*, Romania's direct travel and tourism industry is expected to contribute 2.1% to GDP in 2009 (RON 10.8 billion), rising to 2.5% of GDP (RON 29.9 billion) by 2019. The travel and tourism economy (including the indirect effects of the tourism sector) should rise from 5.7% of GDP (RON 28.9 billion) to 6.6% (RON 80.2 billion) in the same period.

In 2008 there were 8.9 million international arrivals, an increase of 14.8% on 2007. Domestic travel, as measured by the number of overnight stays, reached 17.4 million nights, an increase of 2.1% on the previous year. There was, however, a small deficit on the tourism account for 2008 (of EUR 115 million), reversing a small surplus (EUR 52 million) achieved in the previous year.

Tourism organisation

The administrative authority at the central level for tourism is the Ministry of Tourism, established at the end of 2008 (Figure 4.40). Under the ministry, there are other two but self-financing public institutions in the field of tourism: The Institute for Research and Development in Tourism (INCDT), and the National Centre for Tourism Education (CNIT). The ministry's activity abroad is undertaken through 16 offices located in 15 countries: Austria, Belgium, China, France, Germany (two offices), the United Kingdom, Hungary, Israel, Italy, Japan, the Republic of Moldavia, the Russian Federation, Spain, Sweden and the USA.

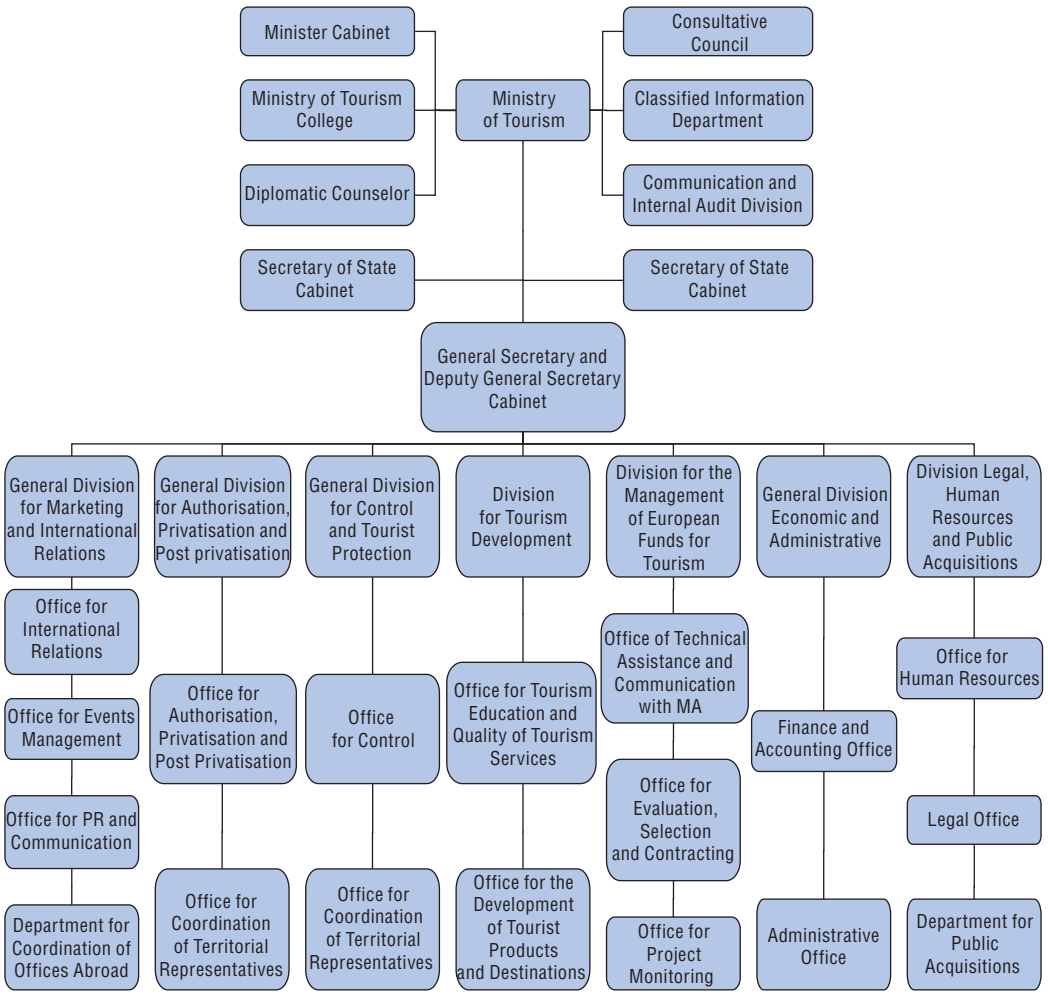
The Consultative Committee on Tourism is the body under which the representatives of the public and private sector and tourism NGOs come together in order to discuss tourism policy matters. For developing human resources there is a special committee, the Committee for Tourism, Hotels and Restaurants, co-ordinated by the National Council for Adult Vocational Training. At the national level, there are also the national tourism associations which cover different areas of tourism (spa tourism, rural tourism, ecotourism and business tourism), or different categories of tourist services suppliers (travel agencies, hotels, B&B and tourist guides).

At regional and local level, Romanian local government comprises 41 counties plus the Bucharest Municipality. There are in all six district local councils, 314 local city councils

and 2 852 local commune councils. There are eight Regional Development Agencies, established under the regional development legislation and constituted as "foundations". The role of the local administrations is to develop tourism on their own behalf and to assist the ministry in implementing national tourism policy at local level. Besides the local administration, there are also tourist associations established in regions, counties and towns, at the territorial level, which contribute to tourism development for their area.

The national tourism authority is represented regionally by 16 territorial representatives for supervising tourism companies and by 17 representatives for controlling tourism services provided. Whenever significant matters regarding tourism policy need to be dealt with, working groups are organised together with representatives of the central and local level administration, the private sector and tourism NGOs.

Figure 4.40. **Romania: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2009.

Tourism budget

The total budget for the Ministry of Tourism for 2009 is RON 397 million, while the total for financing the 2009 Annual Plan for Marketing and Tourist Promotion is

RON 42 million. The total allocated to the 2009 Annual Programme for Tourism Product Development is RON 312.5 million.

EU funding support for tourism is included in two main programmes to be developed between 2007 and 2013. These are:

- The Regional Operational Programme: Axis 5 – Sustainable development and tourist promotion, to the value of EUR 616.8 million, of which EUR 558.9 million are from the European Fund for Regional Development, and EUR 57.9 million represent the national contribution.
- The National Plan for Rural Development: Axis 3 – Improving the quality of life in rural areas and the diversification of the rural economy. As part of this, support for tourism activities amounts to EUR 544.2 million, of which EUR 435.4 million come from the European Union and EUR 108.8 million represent the national contribution.

Tourism-related policies and programmes

Legislative and regulatory environment

The main policy document in tourism is the National Tourism Development Master Plan for Romania 2007-26, elaborated in collaboration with UNWTO experts. The specific tourism legislation refers to the following areas: the organisation and performance of tourism activities (in Romania); the establishment of a national tourism authority; the registration and classification of tourist accommodation and tourist services; the licensing of travel agencies, tour operators and tour guides; insurance bonds for tour operators and travel agents; guest registration and protection in accommodation establishments; travel and tour operator consumer protection; tourist safety; Super Ski in Carpathian Mountains; tourism areas, resorts, spas and the Black Sea area; Q Brand; and Blue Flag.

Market trends

In 2008, total international arrivals were 8.869 million, 14.8% more than in 2007, and 34.3% more than in 2004. Romanian arrivals (domestic tourists) accounted for 79.4% of the total, and foreigners for 20.6%, similar to the results achieved in 2007. The main origin countries for tourists in Romania, in 2008, were: Germany (with 14.5%), Italy (11.3%), France (7.9%), Hungary (6.3%), the United Kingdom (5.6%) and the USA (5.2%), again similar to 2007. Departures of Romanian visitors abroad totalled 13.1 million, 19.1% more than in 2007, maintaining a rising trend that has been visible since 2004.

Industry competitiveness

The quality of tourism services is supported by the implementation of ISO standards, ISO 9001 for quality management, ISO 14001 for environmental management, HACCP (a quality control system for catering services), and the Green Label for sustainable accommodation facilities.

The Ministry of Tourism will finance a range of tourism infrastructure investment projects under the 2009 Annual Programme for Tourist Products Development. The funds available for investment represent 78.7% of the total budget of the ministry and constitute the main component of the budget increase. The investments concern the following areas: tourist ports, beaches, tourist observatories, development of ski areas, mountain chalets, spa complexes, spa parks, tourist information centres, mountain rescue centres, mountain routes and mountain cable transport.

Regarding sustainable development, the National Strategy for Sustainable Development of Romania Horizon 2013-2020-2030 was elaborated by the Ministry for Environment and Sustainable Development (MESD). To raise awareness on sustainable tourism, a Guide for Ecotourists was also developed by MESD.

To encourage sustainable tourism products, two labels are awarded – *the European Ecological Label* awarded by the Ministry for Environment, and the *Ecotourism Certification System developed by the Association of Ecotourism in Romania*. The latter is based on the Nature and Ecotourism Accreditation Programme, promoted by the Australian Ecotourism Association (NEAP is the first accreditation system in ecotourism) and on Nature's Best Methodology developed by the Swedish Ecotourism Association.

In the field of human resources, the ministry ensures that the necessary conditions are met for qualitative tourism education by authorising the companies that offer courses in this field. It also organises training for its own personnel and for the personnel working in the tourism sector, such as the Tourist Information Centres or those managing tourist destinations.

Co-operation with the tourism industry, consumers and other stakeholders, is undertaken on a current basis. Whenever necessary, working groups are organised. The ministry also participates in various conferences and events, and co-organises the Romanian Tourism Fair held in Bucharest every year in spring and autumn.

Evaluation of the ministry's activity is undertaken according to internal government procedures which also include a formal system of performance indicators for its personnel.

New challenges for tourism policies and programmes

There are a variety of new policies and programmes in operation (Boxes 4.42 and 4.43), such as:

- elaborating the national strategy for ecotourism and spa tourism;
- updating the Tourism Law;
- elaborating the criteria for designating tourism villages, in collaboration with the Ministry for Agriculture and Rural Development;
- updating the list of standardised tourism professions; and
- collaborating with the following European and international organisations: European Commission – Tourism Advisory Committee, European Travel Commission (ETC), United Nations World Travel Organisation (UNWTO), Organisation for Economic Co-operation and Development (OECD), Black Sea Economic Co-operation Organisation (BSEC), Central European Initiative (CEI), Association for Tourist Promotion of the Countries along the Danube (Die Donau). Romania has also concluded bilateral co-operation agreements with 35 countries.

Statistics and economic evaluation of tourism

The National Institute for Statistics is responsible for tourism data collection and for the production of the main indicators. The indicators for the economic evaluation of tourism are provided by the Romanian National Bank. In order to implement the Tourism Satellite Accounts in Romania, the ministry participates in programmes organised by European and international organisations.

Box 4.42. **Key programmes**

The main tourism programmes are:

- *Land of Choice* Promotional Campaign.
- *Tourist in Romania* Promotional Campaign.
- *Blue Flag Programme*, representing the international recognition of the quality of the Romanian Black Sea Coast beaches.
- The programme for the sustainable development of enterprises in Romania with a focus on enhancing national expertise in Cleaner Production and Corporate Social Responsibility methodologies in particular for the tourism industry, coordinated by the United Nations Industrial Development Organisation (UNIDO).
- Three programmes for extending the tourist season, by offering low-priced packages for holidays taken in spring and autumn, for rural tourism, spa tourism and seaside tourism.
- The Holiday Tickets Programme, which aims to encourage domestic tourism by including holiday tickets as a reward for employees.
- The Early Booking Programme, which offers discounts of up to 30% for the early acquisition (between 1 February – 31 March 2009) of tourist packages for the summer season.

Box 4.43. **A recent successful programme**

EDEN – European Destinations of Excellence, launched by the European Commission 2006, was implemented for the first time in Romania during 2007-08, included the organisation of a national contest for emerging destinations, having *intangible cultural heritage* as a theme. The destination designated as the Romanian Destination of Excellence was Horezu Depression. For the 3rd EDEN edition, with the theme *tourism and protected areas*, the selected destination was Apuseni Nature Park. The destinations benefit from various promotional activities and development support, both from the European Commission and from the national tourism authority.

Statistical profile

Table 4.235. **Romania: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays[1]	Thousands	15 168	14 909	15 750	17 007	17 367
Number of nights spent[2]	Thousands	4 279	4 375	4 836	5 421	5 659

1. Overnights of residents in collective accommodation establishments.
2. Arrivals of residents in collective accommodation establishments.

Source: National Institute for Statistics, 2009.

StatLink http://dx.doi.org/10.1787/773605730818

Table 4.236. **Romania: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Arrivals of foreign visitors at frontiers[1]	Thousands	6 600	5 839	6 037	7 719	8 862
Arrivals of non-residents in collective accommodation establishments	Thousands	1 359	1 430	1 380	1 550	1 466
Top 5 markets on accommodation establishments						
Germany	Thousands	173	192	190	235	213
Italy	Thousands	201	195	183	194	166
France	Thousands	110	115	110	119	116
United States	Thousands	95	99	98	98	76
Hungary	Thousands	100	90	81	96	92
International travel receipts	Million EUR	406	852	1 034	1 171	1 358[1]
International passenger transport receipts	Million EUR	84	221	291	334	..

1. Estimated.
Source: National Institute for Statistics, 2009.

StatLink http://dx.doi.org/10.1787/773630542252

Table 4.237. **Romania: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	485	491	522	888	..
International travel expenditure	Million EUR	434	750	1 035	1 119	1 473[1]
International passenger transport expenditure	Million EUR	107	120	118	133	..

1. Estimated.
Source: National Institute for Statistics, 2009.

StatLink http://dx.doi.org/10.1787/773661684635

Table 4.238. **Romania: Employment in tourism**[1]

	Units	2004	2005	2006	2007	2008
Hotels	Thousands	928	993	1 066	773	784
Direct tourism share of employment[1]	Percentage	3.1	3.4	3.4	3.4	3.2[2]

1. The indicator (in full-time equivalents) is calculated by INCDT based on Oxford Economics Methodology.
2. Estimated.
Source: National Institute for Statistics, 2009.

StatLink http://dx.doi.org/10.1787/773672428213

Table 4.239. **Romania: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Internal domestic tourism consumption share of final consumption[1]	Percentage	3.3	3.5	3.6	3.4	3.4
Tourism share of GDP[2]	Percentage	1.9	2.3	2.4	2.2	2.3

1. The equivalent indicator is "share of resident TT domestic spending in consumption".
2. The indicator is "share of direct tourism industry in total GDP" – data based on INCDT.
Source: National Institute of Statistics, 2009.

StatLink http://dx.doi.org/10.1787/773684800218

Russian Federation

Tourism in the economy

Tourism is of growing importance to the Russian economy. In 2008, direct tourism revenues contributed 3.3% of GDP while overall tourism-related revenues, including the indirect effects, totalled 6.9%.

Domestic tourist trips in 2008 were recorded at 30.3 million, an increase of 6% on 2007. It is expected that this total will continue to increase due to the effects of the current economic crisis and the depreciation of the rouble.

International arrivals in 2008 were 4.5 million, a 15% increase on the previous year. Business travel has been the fastest-growing sector, exceeding that of holiday and leisure trips to the Russian Federation.

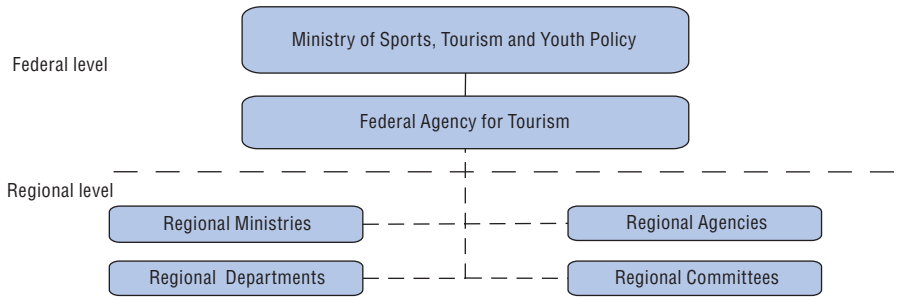
Tourism is estimated to employ 2.6 million people, and in mid-2009 there were 4 382 tourism companies active in the Russian Federation in both international and domestic tourism markets, according to the *Federal Tour Operators' Register*.

Tourism organisation

Government oversight of the tourism industry changed in the middle of 2008 with the establishment of the new Ministry for Sports, Tourism and Youth Policy, which incorporated the Federal Agency for Tourism (Figure 4.41). The Ministry defines the general laws, regulations and policy lines for the industry while the Agency is responsible for operational issues.

Since neither the Ministry nor the Agency has a territorial structure, local and municipal administrations are responsible for tourism issues within their territories. In most of the (over 80) regional administrations in the Russian Federation, there are ministries, agencies, committees and departments that have responsibilities for tourism issues. Federal governing bodies – the Ministry and the Agency – co-ordinate efforts and co-operate with regional tourism authorities in the planning and administration of the industry.

Figure 4.41. **Russian Federation: Organisational chart of tourism bodies**



Source: OECD, adapted from the Ministry of Sports, Tourism and Youth Policy, 2009.

Tourism budget

Funding for tourism development comes from a number of sources. The country's promotional budget comes mostly from the national budget, and was worth RUB 160 million in 2008 (EUR 3.64 million). This was increased to RUB 185 million in 2009 (EUR 4.2 million).

There is some *ad hoc* funding also, such as federal target programmes and regional programmes. Federal programmes as a rule deal with regional infrastructure projects where tourism is only one beneficiary, such as the programme for the south of the Russian Federation for 2008-12. Regional programmes and projects are financed jointly with regional administrations and from corporate resources. The value of national investors' interests in tourism-related projects was estimated at RUB 32 120 million (EUR 730 million) in 2008 before the crisis, based on data from regional administrations.

Tourism-related policies and programmes

Only 20% of the Russian Federation's tourism capacity is estimated to be utilised at present. Effective government support is needed to close the gap in order that the Russian Federation can approach the European average of tourism's share in national GDP.

The Russian Federation's current national priorities in developing the tourism industry include:

- perfecting the current legislative and regulatory base;
- providing state support for both international and domestic tourism;
- enhancing the safety and security of tourism operations; and
- putting in place anti-crisis support measures.

Legislation and regulation

In 2007, a new system of governing and regulating tourism activities was introduced, replacing the former work licenses for tour operators with the introduction of financial guarantees that provide better insurance and safety to clients in case of emergency. This was supplemented by introducing a unified *Tour Operator Register* accessible to every tourist requiring information about a potential service supplier. In 2009, the federal law on tourism was amended to differentiate the magnitude of financial guarantees between those servicing international markets and those dealing with the domestic market.

The government also modified the rules for the provision of tourism, defining the division of responsibilities between tour operator and tour agent companies *vis-à-vis* the client.

Tourism Market

A fall in tourism demand was registered in the first half of 2009 (although, since evaluation and monitoring tools are not yet fully adequate, the only figures currently available are for border crossings). On that basis, inbound arrivals fell by 15.3% compared to the same period of 2008, registering total arrivals of 752 900 people, 136 200 fewer than in the previous year. Outbound travel also fell, by 22.6% to a total of 3 804 000.

However, in the high summer season, it became apparent that demand for some foreign destinations and for some specific tourism activities was being maintained broadly at the same level as in 2008.

Internal trips in the first half of 2009 increased, due to the fall in the value of the rouble. Outbound travel volumes recently have tended to stabilise as dollar and euro rates for accommodation and services also stabilised.

Statistical profile

Table 4.240. **Russian Federation: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Overnight stays in hotels and similar establishments	Thousands	35 549	40 730	42 630	44 334	..

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/773688052760

Table 4.241. **Russian Federation: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals	Thousands	22 064	22 201	22 486	22 909	23 676
Top 5 markets						
Finland	Thousands	1 092	1 116	1 078	976	1 000
China	Thousands	813	799	765	765	815
Poland	Thousands	1 129	1 196	1 149	957	780
Lithuania	Thousands	950	1 251	980	743	680
Estonia	Thousands	521	510	438	391	663
International travel receipts	Million USD	5 530	5 870	7 628	9 607	11 944
International passenger transport receipts	Million USD	1 732	1 936	2 092	2 980	3 979

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/773727130754

Table 4.242. **Russian Federation: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Departures	Thousands	24 507	28 416	29 107	34 285	36 538
International travel expenditure	Million USD	15 285	17 314	18 112	22 133	24 890
International passenger transport expenditure	Million USD	797	991	1 366	2 031	3 232

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/773731682042

Table 4.243. **Russian Federation: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Share of tourism expenditure in exports of goods	Percentage	4	3.2	3.2	3.6	3.4
Share of tourism expenditure in exports of services	Percentage	35.3	31.3	31.3	31.9	31

Source: World Tourism Organization, 2009.

StatLink http://dx.doi.org/10.1787/773732083128

Slovenia

Tourism in the economy

According to the Tourism Satellite Account methodology, tourism contributed 5% of GDP in 2003 and 5.5% of GDP in 2006 (by extrapolation). Data for 2008 show that total international tourist arrivals reached 1.77 million and total international tourist overnight stays reached 4.8 million. In terms of international overnight stays, in 2008 the largest market for Slovenia was Italy with 906 369 (18.7%), followed by Austria with 613 765 (12.7%) and Germany with 585 054 (12%). Other important tourist markets are: Croatia (6%), the United Kingdom (5.8%) the Netherlands (4.8%) and the Russian Federation (3.3%).

For 2008 there are no relevant data about total international arrivals (including same-day visitors and transit travellers) in Slovenia. On 21 December 2007, Slovenia entered the Schengen area, therefore from January 2008 onwards, the Statistical Office has only been monitori

ng traffic on the border with Croatia (22.8 million travellers).

Extrapolating the 2003 TSA to 2006, inbound tourism consumption is estimated at EUR 1 649 million, 42.6% of which comes from day visitors. Domestic tourism consumption is estimated at EUR 1 142 million with 49.7% coming from day visitors and trips. Expected outbound tourism consumption stands at EUR 910 million. Data for 2008 show that 34 979 people worked in the tourism sector.

Tourism value added in 2006 hit EUR 1 088 million, representing an estimated 4.11% of national value added and an increase of 32% with respect to 2003. Statistical estimates indicate strong growth of the tourism industry in the period of 2003-06, higher than overall economic growth, thus increasing the national economic importance of tourism. Accounting for indirect influences through other industrial sectors, tourism accounted for 8.6% of Slovenian GDP in 2006.

Tourism organisation

Administrative and territorial organisation

Legislative authority in tourism affairs is vested in the national government. A Parliamentary Committee on tourism operates within the National Assembly. Tourism policy lies within the purview of the Minister for the Economy, forming part of the overall economic policy of Slovenia (Figure 4.42). The Expert Council of Tourism was established a few years ago as an advisory body to the minister responsible for tourism. It includes representatives of tourism industry associations, Chambers of Commerce and Crafts, Trade Unions and the Slovenian Tourist Board (STB).

Administrative and legislative issues concerning tourism are delivered to the Directorate for Tourism established in August 2004. The Directorate for Tourism consists of

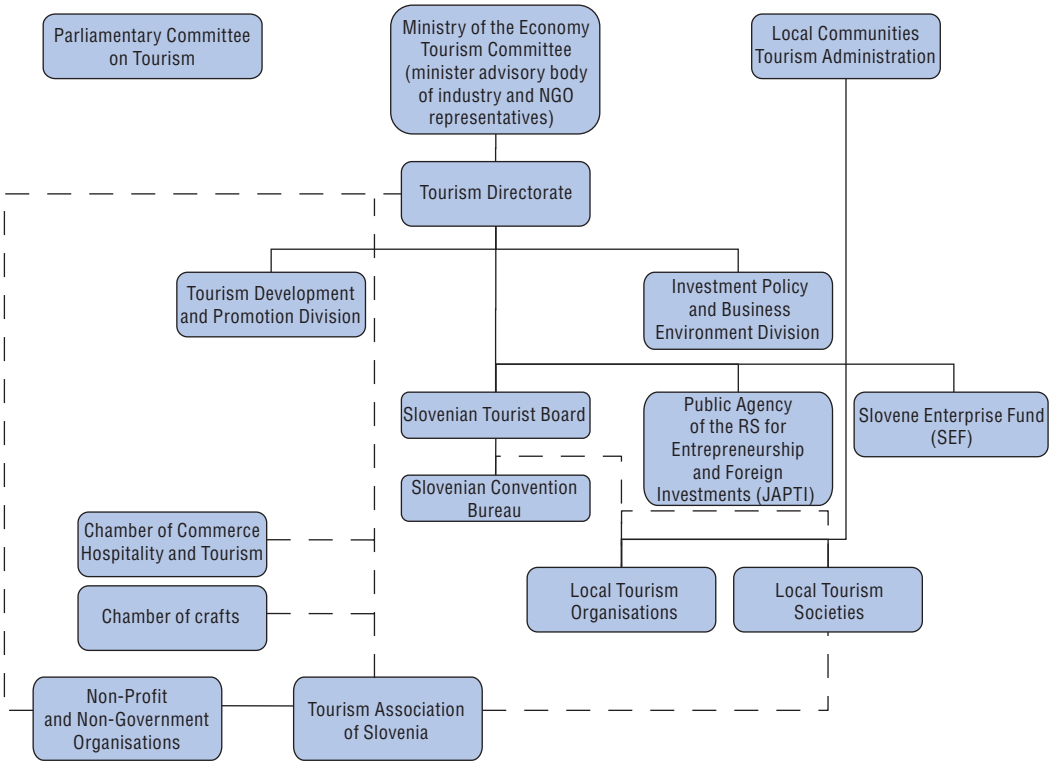
two departments: the Department for Promotion and Development of Tourism (national policy on tourism and structural policies co-ordination, foreign and EU relations in tourism) and the Department for Investment Policy and Business Environment Development (the national tourism budget, legislation in the sector and EU Structural Funds budget).

The promotion of Slovenia as a tourism destination and the corresponding marketing activities are the responsibility of the Slovenian Tourist Board (STB), established in 1995 as a partly-commercial, state-funded organisation. The STB provides certain services on a fee basis for the tourism industry. It is responsible for managing the national tourism brand "*I feel Slovenia*", supporting creativity and innovation in the design of new products and services (the Sower Award Competition – Box 4.45), promoting internationalisation and diversification of the guest and visitors structure, and research and development in the field of tourism.

To encourage and support small- and medium-sized enterprises (SMEs), including those in tourism Slovenia founded the Slovene Enterprise Fund (SEF). Through the Public Agency for Entrepreneurship and Foreign Investments (JAPTI), the government enhances Slovenia's general economic competitiveness via technical and financial assistance to national and foreign entrepreneurs, businesses and investors.

The most important civil society organisation in the field of tourism is the Tourist Association of Slovenia (TAS), the oldest non-governmental tourism organisation in the country, incorporating more than 550 local tourist societies throughout the country.

Figure 4.42. **Slovenia: Organisational chart of tourism bodies**



Source: OECD, adapted from the Ministry of Economy, 2009.

Tourism budget

The financial structure of Slovene Tourism in 2007 and 2008 is summarised in the following table:

Table 4.244. **Slovenia: The financing of tourism**

EUR thousands

Budget	2007	2008
National and European Regional Development Fund (ERDF) budget: co-financing budget for investment in tourism infrastructure construction and the development of tourism destinations (national budget: 25% in 2007 and 15% in 2008)	14 891.70	28 978.50
Ministerial budget: tourism policy implementation programme, R&D in the field of human resources, overall quality of tourism products and stimulation of services, sustainability and competitiveness, support to tourism NGO (TAS) programme and activities, etc.	692.8	781.8
STB: annual working programme and STB operational costs, national budget	8 226.70	8 456.50
JAPTI and SEF	47 000	87 000

Source: Ministry of Economy.

StatLink http://dx.doi.org/10.1787/773838284125

The main funding source for the promotion and development of Slovenia as a tourism destination is the annual state budget. However, when marketing and promoting Slovenia as a tourism destination and particular tourist products abroad, the amount of public funds spent has to be matched/co-financed by the travel and tourism industry. Slovenia, as a member state of the EU, is able to use Structural Funds through different sector operational programmes.

Tourism-related policies and programmes

The strategic objectives of Slovene Tourism are set out in the *Development Plan and Policies of Slovene Tourism 2007-11*. This is the key strategic document for tourism, highlighting the importance of tourism for the Slovenian economy, individual industry tourism stakeholders, tourism destinations and local communities. There are three quantitative objectives, increasing tourism infrastructure, raising the number of arrivals and overnights stays and improving the visibility of Slovene tourism, and three qualitative objectives (de-centralisation of tourism, reduction of seasonality and promoting change). Specific policies are summarised in Box 4.44.

In sum, the key elements of this policy are as follows:

- Slovenian tourism policy is founded on an overall sustainable development paradigm, based on the long-term use of the fundamental development potential of tourism – natural, cultural, social and man-made resources. Slovenia has produced appropriate supportive sector planning documents, legislation and implementing measures with a wide impact on tourism. Construction of tourism infrastructure and residential construction is subject to obligatory environmental impact assessments and environmental capacity assessments (Environmental Impact Assessment [EIA] Directive.) With a view to reducing seasonality and the discordance of regional development in tourism, Slovenia provides two basic measures; distributing school holidays in different regions and in different holiday periods and promoting investment in tourism infrastructure with various public incentives and grants.
- To improve the marketing, promotion and visibility of Slovenian tourism, the Ministry of the Economy and the Slovenian Tourism Board launched a new tourism brand for

Box 4.44. **Slovenian tourism policies**

- Sustainable and regional development policy.
- Promotion and marketing policy.
- Human resources development policy.
- Investment and product development policy;
- Policy for overall quality of Slovenian tourism (quality labels and branding, accommodation classification and certification, direct service quality raising, etc.).
- EU, international, regional and cross-border co-operation in tourism.

In 2008, the basic measures and activities of tourism policy were focused on ensuring the successful development of tourism, increasing the visibility of Slovenia as a tourism destination on foreign markets, promoting SMEs start-ups, implementing the investment cycle within the planned scope, promoting human resource development and improving the quality of tourist goods and services.

Slovenia "*I feel Slovenia*". This completely new and clear image, a new technique of branding, aims to set Slovenian tourism products and services apart from the international competition, and create new attention and attract visitors in a wider global context.

- The gap between demand and the supply of skilled personnel is the major problem facing the Slovenian catering and hotel industry. Registrations in tourism and hospitality schools are decreasing each year. To improve this situation, the Slovenian tourism administration, in partnership with the Chamber of Commerce, Chamber of Tourism and Catering, Chamber of Crafts and the National Institute for Vocational Education and Training, organises activities such as workshops, seminars and media campaigns to support and promote vocational, entrepreneurial skills in tourism- and hospitality-related jobs.
- With co-operation from the European Regional Development Fund, a range of investment has been undertaken to renew existing facilities and expand tourism capacity. To date, projects have created 1 035 jobs and 4 449 new beds. For the 2007-13 financial periods, EUR 145 million is allocated for tourism infrastructure development.
- In order to achieve best international standards, new destination management and quality standards are being introduced. To help tourism SMEs and industry to adapt to best practice, the tourism administration publishes special manuals and carries out permanent seminars for direct service quality improvements (Box 4.45).

Further action is being taken in the areas of co-operation and networking, supporting SMEs and improving competitiveness, improving consumer protection provisions and expanding regional and cross-border co-operation.

The first Slovenian Tourism Satellite Account was prepared in 2004. Further TSA evaluations will be carried out on a regular basis, firstly with data for 2009, and then on a triennial basis. Slovenia also carries out periodical evaluations of progress towards the 2007-11 Development Plan objectives, and each year the strategic goals and objectives of Slovenian tourism are evaluated at the Slovenian Tourism Forum.

Box 4.45. **The Sower Award Competition and the Bank of Tourism Potentials of Slovenia**

The Ministry of the Economy and the Slovenian Tourist Board in 2007 launched two projects oriented toward innovation, productivity and quality-based growth in Slovenian tourism. The first – the Sower Award Competition – is a competition created for tourism SMEs, which aims to stimulate creativity and innovation in Slovenian tourism. The second is the foundation of a Bank of Tourism Potentials of Slovenia (BTPS), with which Slovenia aims to support the realisation of excellent and innovative ideas, which need financial support or an investor.

The BTPS invites everyone who has "€-nergy" (*i.e.* financial resources but also material resources and labour) and invites everyone who has "i-deas" ("i-deas" because without good ideas, tourism is missing the dot on the i) to offer, to deposit either ideas or financial resources at this special bank account. These "i-dea deposits" will help to make tourism in Slovenia better, more successful and more original. Clients who agree to the general operating conditions of the BTPS are presented to the public in a discreet manner. Potential customers, partners, funders – anyone interested in a particular deposit – can advertise. This ensures that compatible pairs of providers and customers are brought together, while guaranteeing appropriate protection for their business secrets.

Statistical profile

Table 4.245. **Slovenia: Domestic overnight tourism**

	Units	2004	2005	2006	2007	2008
Number of overnight stays	Thousands	3 226	3 173	3 233	3 393	3 569

Source: Statistical Office of the Republic of Slovenia, 2009.

StatLink http://dx.doi.org/10.1787/773842304255

Table 4.246. **Slovenia: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1, 2]	Thousands	63 013	60 230	58 274	61 293	22 786
Total international tourist arrivals	Thousands	1 499	1 555	1 616	1 751	1 771
Top 5 markets[3]						
Italy	Thousands	270	294	309	316	321
Austria	Thousands	162	163	165	169	161
Germany	Thousands	158	147	136	138	130
Croatia	Thousands	76	76	82	86	87
United Kingdom	Thousands	57	69	70	67	61
International travel receipts	Million EUR	1 312	1 451	1 556	1 665	1 932
International passenger transport receipts	Million EUR	81	80	91	132	175

1. Including visitors (same-day visitors, tourists, transit travellers) and other travellers (*e.g.* commuters).
2. Surveys on cross-border traffic in all modes of transport.
3. 2008 data include only traffic on the border with Croatia.

Sources: Statistical Office of the Republic of Slovenia, Bank of Slovenia.

StatLink http://dx.doi.org/10.1787/774025520445

Table 4.247. **Slovenia: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	2 800	2 660	2 680	2 496	2 459
International travel expenditure	Million EUR	703	708	772	831	894
International passenger transport expenditure	Million EUR	55	55	67	85	172

Sources: Statistical Office of the Republic of Slovenia, Bank of Slovenia, 2009.

StatLink http://dx.doi.org/10.1787/774028647544

Table 4.248. **Slovenia: Enterprises in tourism**[1]

	Units	2004	2005	2006	2007
Total	Establishments	7 626	7 698	8 071	8 308
Hotels[2]	Establishments	252	264	303	314
Other accommodation establishments	Establishments	304	328	436	500
Restaurants[3]	Establishments	6 632	6 641	6 846	6 962
Tour operators and travel agencies	Establishments	438	465	486	532

1. The observation unit is an enterprise, legal or natural person, which had either turnover or employment during the reference year.
2. Hotels and similar establishments.
3. Restaurants, bars, canteens and catering.

Source: Structural Business Statistics, Statistical Office of the Republic of Slovenia, 2009.

StatLink http://dx.doi.org/10.1787/774032544800

Table 4.249. **Slovenia: Employment in tourism**[1]

	Units	2004			2005			2006			2007		
		Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	Employees	12 518	19 713	32 231	12 857	20 069	32 926	13 006	20 500	33 506	13 552	21 427	34 979
Hotels[2]	Employees	3 032	5 131	8 163	3 161	5 371	8 532	3 218	5 504	8 722	3 401	6 026	9 427
Other accommodation establishments	Employees	432	768	1 200	435	754	1 189	448	771	1 219	463	752	1 215
Restaurants[3]	Employees	8 324	12 647	20 971	8 566	12 792	21 358	8 683	13 086	21 769	8 949	13 391	22 340
Tour operators and travel agencies	Employees	730	1 167	1 897	695	1 152	1 847	657	1 139	1 796	739	1 258	1 997

1. Paid employment and self-employed persons.
2. Hotels and similar establishments.
3. Restaurants, bars, canteens and catering.

Source: Statistical Register of Employment, Statistical Office of the Republic of Slovenia, 2009.

StatLink http://dx.doi.org/10.1787/774050674615

Table 4.250. **Slovenia: Tourism in the national economy – Tourism consumption**

2003

	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million EUR	123.5	219
Food and beverage serving services	Million EUR	162.2	126
Passenger transport services	Million EUR	119	108.7
Travel agency, tour operator and tourist guide services[1]	Million EUR	27.3	7.2
Cultural services	Million EUR	25.5	13.5
Recreation and other entertainment services	Million EUR	63.2	223
Other services	Million EUR	215.5	270
Goods	Million EUR	191.2	191.1
Total	Million EUR	933	1 158

1. Restaurants, bars, canteens and catering.

Source: Ministry of the Economy.

StatLink http://dx.doi.org/10.1787/774053034475

Table 4.251. **Slovenia: Other economic indicators**

	Units	2003
Tourism GDP	Million EUR	1 229
Tourism share of GDP	Percentage	4.94

Source: Ministry of the Economy.

StatLink http://dx.doi.org/10.1787/774075346124

South Africa

Tourism in the economy

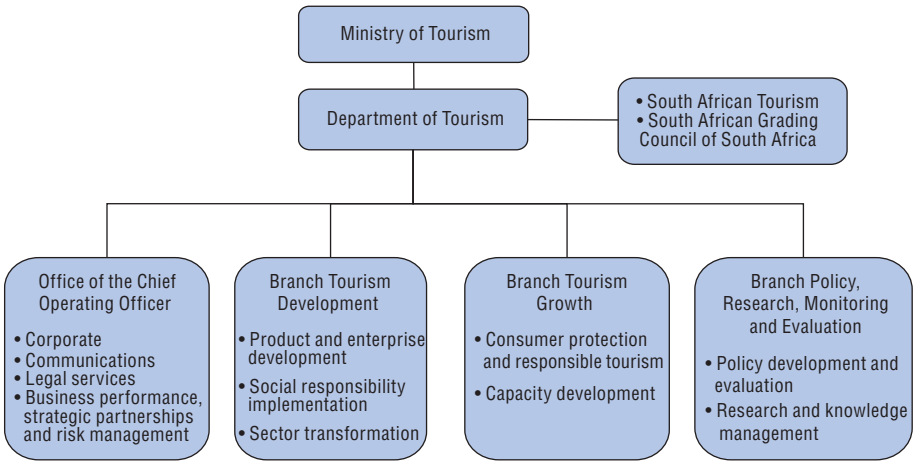
In 2008, almost 9.6 million foreign nationals visited South Africa, an increase of 5.5% on 2007 and well above the global increase in international arrivals of 1.1% for that year. Thus tourism in South Africa has shown itself to be relatively resilient to the global economic crisis in that year.

The tourism industry has a substantial impact on the economy. Tourism directly contributed 3.0% of GDP in 2008 and 4.3% of total employment. In total, including direct and indirect effects, it is estimated that tourism contributed 7.4% of GDP in 2008 and around half a million jobs, or 7.6% of employment. In total, tourism generates some ZAR 73.2 billion to the economy.

Tourism organisation

The newly formed Department of Tourism ("the Department") aims to fulfil the national government's role towards creating the conditions for responsible tourism growth and development by promoting and developing tourism, thereby increasing job and entrepreneurial opportunities and encouraging the meaningful participation of previously disadvantaged individuals. Headed by the Minister of Tourism, the Department engages national tourism authorities and provinces on key issues affecting the development of tourism in South Africa (Figure 4.43).

Figure 4.43. **South Africa: Organisational chart of tourism bodies**



Source: OECD, adapted from the Department of Tourism, 2009.

Tourism budget

Tourism programmes are mainly funded from the national budget. The total budget of the National Department of Tourism during 2007/08 financial year was ZAR 612.5 million and in 2008/09 was ZAR 690.8 million. Of 2008/09 total, ZAR 582.1 million was transferred to South African Tourism to assist with their marketing efforts. The Department also works in collaboration with non-profit institutions in implementing some of its programmes and projects; for example, ZAR 69 000 was allocated to the Business Trust to implement the SME support programme, ZAR 500 000 was transferred to the Federated Hospitality Association of Southern Africa to assist with the programme that promotes service awards within the hospitality sector, and ZAR 500 000 was transferred to the Tourism Business Council of South Africa to assist with the Hospitality Investment Conference in Africa. ZAR 2 million was transferred to the National Business Initiative (Career's Expo).

Tourism-related policies and programmes

The Department is in the process of reviewing the existing Tourism Act, and has developed a draft discussion paper. It is envisaged that new legislation will be enacted by the end of the coming financial year.

The Department is also working in collaboration with tourism stakeholders to champion the process of developing a five-year National Sector Strategy. A draft discussion document has been developed and it is expected that the process will be completed by 2010.

There are other strategy documents that have been developed; these include the following:

- National Tourism Safety and Awareness Strategy: The objective of the strategy is to develop a joint (public-private partnership) approach to prevent and combat the incidence of violent crime aimed at tourist facilities and operations; it is also intended to ensure mutual support and co-operation between government and the tourism industry. This is hoped to be achieved by establishing and implementing appropriate governance structures and mechanisms which enhance the impact of the collective approach to crime in the industry and developing guidelines and collateral to support preventative programmes.
- Tourism Human Resource Development strategy: The strategy is intended to outline a structure of strategic interventions which could assist in rectifying the skills shortages currently being experienced in the industry; also, the strategy is intended to put in place an organisational infrastructure and a set of associated projects that will lead to the sustained supply of high quality human resources to the sector. The strategy also outlines the roles and responsibilities of the various stakeholders.
- South African Tourism Planning Toolkit: The aim of the toolkit is to increase the involvement of local government authorities in tourism, by ensuring that they have a better understanding of the importance of planning. The Toolkit can be used by local government in three distinct ways:
  - to tackle specific issues that may arise associated with the development and management of tourism;

- to develop a tourism strategy that is one of a series of plans that local government must produce to assist in their strategic planning and ultimately in the funding of key projects; and
- to encourage co-ordination and co-operation between those engaged in tourism planning by identifying the processes and products required for effective planning.

- South African Tourism Satellite Account: The TSA in South Africa, drawn up to meet the framework adopted by the United Nations, assists in measuring the sector's impact on the national economy. The TSA findings indicate that tourism's direct contribution to South Africa's economy is as much as 3%, while tourism accounts for 4.3% of total employment.
- Review of the grading system: The purpose of the review is to ensure that the grading system contributes to the tourism growth strategy of the country by promoting service standards in the accommodation and hospitality sector. The implementation of the strategy will be undertaken in phases, with complete implementation anticipated to have been achieved by April 2012.
- Professionalisation of tourist guiding in South Africa: The purpose is to promote the standard of delivery in the tourist guiding sector so as improve tourism growth.

Statistical profile

Table 4.252. **South Africa: Inbound tourism – International arrivals and receipts**

	Units	2004	2005	2006	2007	2008
Total international arrivals[1]	Thousands	6 678	7 369	8 396	9 091	9 592
Top 5 markets						
Lesotho	Thousands	1 471	1 657	1 914	2 170	2 163
Mozambique	Thousands	356	596	917	1 084	1 227
Swaziland	Thousands	849	910	991	1 039	1 088
United Kingdom	Thousands	456	470	488	498	485
Zimbabwe	Thousands	551	774	981	964	1 227
International travel receipts	Billion ZAR	48	54	61	70	90

1. Visitors.

Sources: Department of Tourism and World Travel and Tourism Council Country Reports, 2009.

StatLink http://dx.doi.org/10.1787/774082173236

Table 4.253. **South Africa: Outbound tourism – International departures and expenditure**

	Units	2004	2005	2006	2007	2008
Number of tourism trips	Thousands	..	..	7 502	8 023	8 475
International travel expenditure	Billion ZAR	55	63	78	95	128

Sources: Department of Tourism and World Travel and Tourism Council Country Reports, 2009.

StatLink http://dx.doi.org/10.1787/774100534043

Table 4.254. **South Africa: Tourism in the national economy – Tourism consumption**

2005

	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP	Units	Tourism share of GDP
Accommodation services	Million ZAR	12 441	9 122	21 564	Percentage	0.89
Food and beverage serving services	Million ZAR	988	9 185	8 952	Percentage	0.36
Passenger transport services	Million ZAR	30 355	12 253	42 588	Percentage	0.49
Travel agency, tour operator and tourist guide services	Million ZAR	2 714	1 098	3 811	Percentage	0.98
Cultural services	Million ZAR	54	90	144	Percentage	0.25
Recreation and other entertainment services	Million ZAR	1 028	2 392	3 420	Percentage	0.31
Other services	Million ZAR	495	4 773	5 268	Percentage	0.003
Goods	Million ZAR	1 486	13 458	14 944	Percentage	0.01
Total	Million ZAR	54 499	51 090	105 588	Percentage	3.0

Source: South Africa 2005 TSA Reports.

StatLink http://dx.doi.org/10.1787/774111176404

Table 4.255. **South Africa: Other economic indicators**

	Units	2004	2005	2006	2007	2008
Travel and tourism consumption share of final consumption	Percentage	..	8.33	8.46	5.7	9.97
Tourism share of GDP	Percentage	..	7.97	7.98	6.8	7.4
Tourism share of employment (direct and Indirect)	Employees	6.78	7.02	7.21	7.31	7.64

Source: World Travel and Tourism Council Country Reports, 2009.

StatLink http://dx.doi.org/10.1787/774121064226

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ANNEX 4.A1

National Tourism Administration and Related Websites

Table 4.A1.1. **Tourism administration and related websites by country**

OECD MEMBER COUNTRIES	
Australia	
Department of Resources, Energy and Tourism	*www.ret.gov.au*
Australian Tourism Export Council	*www.atec.net.au*
Ecotourism Australia	*www.ecotourism.org.au*
Quality Tourism	*www.qualitytourism.com.au*
Tourism and Transport Forum	*www.ttf.org.au*
Tourism Australia	*www.tourism.australia.com*
Australian Bureau of Statistics	*www.abs.gov.au*
Austria	
Federal Ministry of Economy, Family and Youth	*www.bmwfj.gv.at*
Austrian National Tourist Office	*www.austria.info*
Austrian Federal Economic Chamber	*www.wko.at*
Statistics Austria	*www.statistik.at*
Belgium	
Flemish Department of Foreign Affairs	*www.vlaanderen.be/internationaal*
Walloon Commissariat General au Tourisme	*www.commissariat.tourisme.wallonie.be*
Flanders Tourist Office	*www.visitflanders.com*
Walloon Tourist Office	*www.tourismewallonie.be*
Statistics Belgium	*www.statbel.fgov.be*
Canada	
Federal Ministry of Industry	*www.ic.gc.ca*
Canadian Tourism Commission corporate website	*www.canadatourism.com*
Canadian Tourism Commission public website	*www.canada.travel*
Statistics Canada	*www.statcan.gc.ca*
Czech Republic	
Ministry for Regional Development	*www.mmr.cz*
Czech National Tourist Office	*www.czechtourism.com*
Czech Statistical Office	*www.czso.cz*
Denmark	
Ministry of Economic and Business Affairs	*www.oem.dk*
Denmark National Tourist Office	*www.visitdenmark.com*
Statistics Denmark	*www.dst.dk*
Finland	
Ministry of Employment and the Economy	*www.tem.fi*
Finnish Tourist Board	*www.mek.fi*
Finland National Tourist Office	*www.visitfinland.com*
Statistics Finland	*www.stat.fi*

Table 4.A1.1. **Tourism administration and related websites by country** *(cont.)*

OECD MEMBER COUNTRIES	
France	
Ministry of Economy, Industry and Employment	*www.minefe.gouv.fr*
France National Tourist Office	*www.franceguide.com*
Atout France, French Tourism Development Agency	*www.odit–france.com*
National Institute of Statistics and Economic Studies	*www.insee.fr*
Germany	
Federal Ministry of Economics and Technology	*www.bmwi.de*
Germany National Tourist Office	*www.germany-tourism.de*
Federal Statistical Office	*www.destatis.de*
Greece	
Ministry of Tourism	*www.mintour.gr*
Organisation of Tourism Education and Training	*www.otek.edu.gr*
Tourism Development Company.	*www.tourism–development.gr*
Greece National Tourist Office	*www.gnto.gr*
General Secretariat of the National Statistical Service of Greece	*www.statistics.gr*
Hungary	
Ministry of Local Government and Regional Development	*www.meh.hu*
Hungary National Tourist Office	*www.hungary.com*
Hungarian Central Statistical Office	*www.ksh.hu*
Iceland	
Ministry of Industry, Energy and Tourism	*www.idnadarraduneyti.is*
Iceland National Tourist Office	*www.visiticeland.com*
Statistics Iceland	*www.statice.is*
Ireland	
Department of Arts, Sport and Tourism	*www.dast.gov.ie*
Irish Tourist Industry Confederation	*www.itic.ie*
National Tourism Development Authority	*www.failteireland.ie*
Ireland National Tourist Office	*www.tourismireland.com*
Central Statistics Office	*www.cso.ie*
Italy	
Presidency of the Council of Ministers	*www.governo.it*
Italian Government Tourist Board	*www.italiantourism.com*
Italy National Tourist Office	*www.enit.it*
National Institute of Statistics	*www.istat.it*
Japan	
Ministry of Land, Infrastructure and Transport	*www.mlit.go.jp*
Japan National Tourism Office	*www.jnto.go.jp*
Statistics Bureau and Statistical Research and Training Institute	*www.stat.go.jp*
Korea	
Ministry of Culture, Sports and Tourism	*www.mcst.go.kr*
Korea National Tourist Office	*english.visitkorea.or.kr*
Korea National Statistical Office	*www.kostat.go.kr*
Luxembourg	
Ministry for the Middle Classes, Tourism and Housing	*www.mdt.public.lu*
Luxembourg National Tourist Office	*www.ont.lu*
Luxembourg Statistics Portal	*www.statistiques.public.lu*
Mexico	
Ministry of Tourism	*www.sectur.gob.mx*
Mexico National Tourist Office	*www.visitmexico.com*
National System of Statistical and Geographical Information	*www.inegi.org.mx*
Netherlands	
Ministry of Economic Affairs	*www.ez.nl/toerisme*
Holland Art Cities	*www.hollandartcities.com*
Netherlands National Tourist Office	*www.holland.com*
Statistics Netherlands	*http://statline.cbs.nl*

Table 4.A1.1. **Tourism administration and related websites by country** *(cont.)*

OECD MEMBER COUNTRIES	
New Zealand	
Ministry of Tourism	*www.tourism.govt.nz*
New Zealand National Tourist Office	*www.newzealand.com*
Statistics New Zealand	*www.stats.govt.nz*
Norway	
Ministry of Trade and Industry	*www.regjeringen.no*
Norway National Tourist Office	*www.visitnorway.com*
Statistic Norway	*www.ssb.no*
Poland	
Ministry of Sport and Tourism	*www.msport.gov.pl*
Institute of Tourism	*www.intur.com.pl*
Poland National Tourist Office	*www.poland.travel/en*
Central Statistical Office of Poland	*www.stat.gov.pl*
Portugal	
Ministry of Economy and Innovation	*www.min-economia.pt*
Turismo De Portugal	*www.turismodeportugal.pt*
Portugal National Tourist Office	*www.visitportugal.com*
Statistics Portugal	*www.ine.pt*
Slovak Republic	
Ministry of Economy	*www.economy.gov.sk*
Slovak Republic National Tourist Office	*www.slovakiatourism.sk*
Statistical Office of the Slovak Republic	*www.statistics.sk*
Spain	
Ministry for Industry, Tourism and Trade	*www.mityc.es*
Turismo 2020	*www.turismo2020.es*
Spain National Tourist Office	*www.spain.info*
National Institute of Statistics	*www.ine.es*
Sweden	
Ministry of Enterprise, Energy and Communications	*www.sweden.gov.se*
Agency for Economic and Regional Growth	*www.tillvaxtverket.se*
Sweden National Tourist Office	*www.visitsweden.com*
Statistics Sweden	*www.scb.se*
Switzerland	
State Secretariat for Economic Affairs	*www.seco.admin.ch*
Switzerland National Tourist Office	*www.myswitzerland.com*
Swiss Statistics	*www.bfs.admin.ch*
Turkey	
Ministry of Culture and Tourism	*www.kultur.gov.tr*
Turkey National Tourist Office	*www.tourismturkey.org*
Turkish Statistical Institute	*www.turkstat.gov.tr*
United Kingdom	
Department for Culture, Media and Sport	*www.culture.gov.uk*
United Kingdom National Tourist Office	*www.visitbritain.com*
Office for National Statistics	*www.statistics.gov.uk*
United States	
Department of Commerce	*www.commerce.gov*
Office of Travel and Tourism Industries	*www.tinet.ita.doc.gov*
United States National Tourist Office	*www.discoveramerica.com*
Bureau of Economic Analysis	*www.bea.gov*

Table 4.A1.1. **Tourism administration and related websites by country** *(cont.)*

NON-OECD MEMBER COUNTRIES	
Brazil	
Ministry of Tourism	*www.turismo.gov.br*
Brazil National Tourist Office	*www.embratur.gov.br*
Network for Tourism Professionals	*www.brasilnetwork.tur.br*
Institute for Statistics and Geography	*www.ibge.gov.br*
Chile	
Ministry of the Economy	*www.economia.cl*
Chile National Tourist Office	*www.sernatur.cl*
National Statistics Institute	*www.ine.cl*
China	
China National Tourism Administration	*www.cnta.gov.cn*
China National Tourist Office	*www.cnto.org*
National Bureau of Statistics	*www.stats.gov.cn*
Egypt	
Ministry of Tourism	*www.touregypt.net*
Egypt National Tourism Office	*www.egypt.travel*
Central Agency for Public Mobilisation and Statistics	*www.capmas.gov.eg*
Estonia	
Ministry of Economic Affairs and Communications	*www.mkm.ee*
Estonia National Tourist Office	*www.visitestonia.com*
Statistics Estonia	*www.stat.ee*
India	
Ministry of Tourism	*www.tourism.gov.in*
Rural Tourism Website	*www.exploreruralindia.org*
India National Tourist Office	*www.incredibleindia.org*
Ministry of Statistics and Programme Implementation	*mospi.nic.in*
Indonesia	
Ministry of Culture and Tourism	*www.budpar.go.id*
Indonesia National Tourist Office	*www.my–indonesia.info*
Statistics Indonesia	*www.bps.go.id*
Israel	
Ministry of Tourism	*www.gov.il*
Israel National Tourist Office	*www.goisrael.com*
Central Bureau of Statistics	*www1.cbs.gov.il*
Romania	
Ministry of SMEs, Trade, Tourism and Liberal Professions	*www.mimmctpl.ro*
Romania National Tourist Office	*www.romaniatravel.com*
National Institute of Statistics	*www.insse.ro*
Russian Federation	
Ministry of Sports, Tourism and Youth Policy	*www.minstm.gov.ru*
Russia National Tourist Office	*www.russiatourism.ru*
Federal State Statistics Service	*www.fsgs.ru*
Slovenia	
Ministry of the Economy	*www.mg.gov.si*
Bank of Tourism Potentials	*www.btps.si*
Tourist Association of Slovenia	*www.turisticna–zveza.si*
Slovene Enterprise Fund (SEF)	*www.podjetniskisklad.si*
Public Agency for Entrepreneurship and Foreign Investments (JAPTI)	*www.japti.si*
Slovenia National Tourist Office	*www.slovenia.info*
Statistical Office	*www.stat.si*
South Africa	
Department of Tourism	*www.tourism.gov.za*
Tourism Business Council of South Africa	*www.tbcsa.travel*
South Africa National Tourist Office	*www.southafrica.net*
Statistics South Africa	*www.statssa.gov.za*

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Further reading

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Tourism in OECD Countries 2008: Trends and Policies (2008)
Innovation and Growth in Tourism (2006)

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