# OECD Tourism Trends and Policies 2018

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# *Foreword*

*Tourism is one of the largest and fastest growing sectors in the world economy. It plays a key role in job creation, export revenue and domestic value added, and directly contributes, on average, 4.2% of GDP, 6.9% of employment and 21.7% of service exports in OECD countries. Globally, international tourist arrivals grew to over 1.2 billion in 2016, with arrivals to OECD countries accounting for just over half and matching the global growth rate of 3.9% as compared to 2015.*

OECD Tourism Trends and Policies 2018 *focuses on key policy and governance reforms in tourism and provides a global perspective with the inclusion of 49 OECD and partner countries. As always, it is a rich source of data on domestic, inbound and outbound tourism, and on the size of the tourism economy, and provides a clear picture of new policies designed to improve destination competitiveness.*

*With the tourism economy evolving rapidly, major long-term trends, such as changing demographics, evolving demand, digitalisation, and climate change, present new opportunities and challenges. As such,* OECD Tourism Trends and Policies 2018 *explores the impacts and relevance of megatrends for tourism to 2040. It underlines the need for countries to develop strategic approaches to adapt in an increasingly dynamic environment, as well as modernise regulatory and legislative frameworks, building on broad stakeholder engagement and taking account of new and innovative business approaches to service delivery.*

*This report also examines the need for a shift to investment and financing practices that better support sustainable tourism development. It particularly highlights that governments can promote investment and financing for sustainable tourism development by encouraging the uptake of green financing instruments, and by incorporating environmental and sustainability criteria into public financing and investment supports. Policies are also needed to better co-ordinate actions across government, and encourage more responsible business practices through the integration of environmental and social criteria into tourism policies and programmes. It is therefore essential that government, industry and civil society collaborate in order to take work forward in these areas.*

*Many of these policy issues were discussed at the 2017 OECD High Level Meeting on Tourism, where 45 member countries and partner economies endorsed the Policy Statement, Tourism Policies for Sustainable and Inclusive Growth. The Policy Statement recognises that tourism has an important role to play in the transition to a green economy and that an in-depth analysis of megatrends can help policymakers to bring currently unforeseen and emerging issues onto the strategic policy agenda. It highlights that a shift to more coherent and comprehensive approaches to tourism policy development will help reframe tourism growth to better spread the benefits, address inequalities, and improve the resilience of economies.*

*I would like to thank the OECD Tourism Committee for their work in preparing* OECD Tourism Trends and Policies 2018, *in partnership with the European Union. This publication remains an international reference and benchmark on how effectively countries are supporting sustainable and inclusive tourism growth.*

*Angel Gurría*

*OECD Secretary-General*

# *Acknowledgements*

This report presents the 2018 edition of the OECD Tourism Trends and Policies publication. It is prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), led by Lamia Kamal-Chaoui, Director.

*OECD Tourism Trends and Policies 2018* highlights good practices and key policy and governance reforms in tourism, providing a global perspective with the inclusion of 49 OECD and partner countries. The report is part of the programme of work of the OECD Tourism Committee, and is undertaken with the cooperation of the European Union.* It is a rich source of data on domestic, inbound and outbound tourism, and on the size of the tourism economy, and provides a clear picture of new policies designed to improve destination competitiveness.

The report benefitted from significant contributions, feedback and guidance from policy makers and statisticians from OECD member countries and partner economies. It also benefited from contributions and feedback from industry associations and inter-governmental organisations, including the Alliance for Excellency in Tourism (EXCELTUR), European Tourism Association (ETOA), European Travel Commission (ETC), International Air Transport Association (IATA), International Federation on Ageing (IFA), International Union of Railways (UIC), UN Educational, Scientific and Cultural Organization (UNESCO), UN Environment, and UN World Tourism Organization (UNWTO).

The report was coordinated and edited by Peter Haxton, Policy Analyst, under the supervision of Alain Dupeyras, Head of the Regional Development and Tourism Division (CFE). He was supported by Jane Stacey, Head of the Tourism Unit, and Taekyeong Jung, Policy Analyst, who undertook substantial drafting and editing. Laetitia Reille, Statistician, managed the statistical database and developed country statistical profiles and synthesis tables. Anna Bolengo, Junior Consultant, assisted with the coordination of written inputs from a variety of sources, and Charity Kome provided administrative support. The statistical component of the report is available via the OECD's statistical online platform – OECD.Stat.

External experts who drafted material included Richard Denman, Jackie Denman and Chris Evans, from The Tourism Company (Chapter 1 and country profiles). Chapter 2 was drafted by Sunil Johal, Jordann Thirgood, and Sara Ditta (Mowat Centre), with significant inputs from the Secretariat. Chapter 3 was drafted by Virginia Robano, with significant inputs from the Secretariat. In addition, the report benefitted from contributions and feedback provided by OECD colleagues in the Development Centre, Strategic Foresight Unit, the International Transport Forum, Directorate for Financial and Enterprise Affairs, and CFE.

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# Policy statement – tourism policies for sustainable and inclusive growth

We, the Ministers and other Representatives of OECD Members, Brazil, Bulgaria, Croatia, Egypt, Lithuania, Morocco, Peru, the Philippines, Romania, South Africa, the International Civil Aviation Organization (ICAO), United Nations Environment, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Tourism Organisation (UNWTO), met on 2-3 October 2017 on the occasion of the OECD High Level Meeting on Tourism, under the Chairmanship of Greece.

The purpose of the meeting was to mark the occasion of the 100th meeting of the Tourism Committee and support the future policy agenda of OECD Member and Partners, drawing attention to the major advances made in the implementation of effective tourism policies and programmes, and facilitating open discussions about long term objectives for sustainable and inclusive tourism growth and development.

## Tourism, an engine for economic, sustainable and inclusive growth

Tourism is one of the largest and fastest growing sectors in the world economy and the economic achievements of tourism are significant. Tourism plays a key role in global economic activity, job creation, export revenue and domestic value added, and directly contributes on average in the OECD area 4.1% of GDP, 5.9% of employment, and 21.3%* of service exports.

Despite the obvious opportunities presented by the expected growth trajectory, tourism faces a range of challenges, in particular: i) the complexity of tourism policy development due to its cross-cutting, multi- level, and fragmented nature, and competing policy priorities and budgetary constraints; ii) the impact of external factors on tourism, including macro-economic conditions, exchange rates, safety and security, and natural disasters; iii) the global shift to a resource-efficient economy; and iv) the continued transformation of tourism services linked with emerging technologies and digitalisation of the economy.

Tourism, when built upon broad stakeholder engagement and sustainable development principles, can contribute to more inclusive growth through the provision of employment and economic development opportunities in both urban and rural areas, and promote social integration. Tourism can also raise awareness of cultural and environmental values, and help finance the protection and management of protected areas, and the preservation of biological diversity. In recognition of tourism's potential to advance the universal 2030 Agenda for Sustainable Development, 2017 was declared International Year of Sustainable Tourism for Development.

* Latest available (2014) when the Policy Statement was adopted on 3 October 2017 – 2016 figures are 4.2% of GDP, 6.9% of employment, and 21.7% of services exports.

## Fostering a whole-of-government policy approach

Moving towards coherent and comprehensive approaches to tourism policy making, will help countries to reframe tourism growth to better spread the benefits, address inequalities and improve the resilience of economies. Long-term strategies and policies focused on promoting quality employment and job creation, skills development, entrepreneurship, innovation, effective investment, and integrated regional development, are integral to achieving sustainable and inclusive tourism growth – growth that takes into account current and future economic, social and environmental impacts, and addresses the needs of visitors, the industry, the environment and host communities.

Governments should strive to further develop integrated and coherent tourism policy responses that reflect the circumstances of individual countries and local communities, in pursuit of shared goals to: i) provide consumers with access to high quality, reliable and safe tourism experiences; ii) increase productivity in the tourism sector, and particularly among SMEs; iii) protect, manage and enhance natural and cultural resources; iv) improve competitiveness; and, v) promote inclusive growth and development within and across countries.

We agree that for whole-of-government policy responses to be effective, they should, as appropriate:

- Take into account that tourism is not simply the preserve of central governments, but encompasses all levels of government, where different mandates and levels of autonomy apply in different countries;
- Have the support and leadership of policy makers, and adopt a medium- to long-term focus;
- Clearly identify the roles, functions, and interactions of key public and private sector stakeholders and bring them together in an effective manner;
- Recognise the value of strong dialogue between government, industry, and civil society (including social partners and academic institutions) in the development, implementation and monitoring phases;
- Fully consider the trade-offs and complementarities with related policy areas, including transport, environment, culture, security, education, agriculture, new technologies, digital transformation, and wider economic policy;
- Identify win-win solutions that deliver stability for industry and promote economic growth, quality jobs, and prosperity for countries and regions;
- Promote environmentally sustainable growth and support country efforts to meet national and international commitments;
- Encourage tourism development and the creation of added value based on identified comparative advantages, diverse high quality tourism offerings, and sustainable management of natural and cultural resources;
- Use tourism as an engine for inclusive growth, to create quality jobs, business and regional development opportunities, mitigate the negative impacts on local communities, and better spread the benefits to all people and territories.

We note that in-depth analyses of megatrends may better enable policy makers to bring currently unforeseen and emerging issues onto the strategic policy agenda, develop potential scenarios and policy responses, and better assist public and private actors to capitalise on opportunities and challenges as they arise.

We agree that in order to develop a forward-looking agenda for the tourism sector, governments at all levels would benefit from developing, as appropriate, comprehensive long-term plans. This provides the consistency and certainty the tourism industry requires, and creates a framework for sustainable and inclusive growth.

We should strive to, when appropriate, mobilise investment, to stimulate growth and maximise the environmental, economic and social returns generated by tourism. Attracting tourism investment is a highly competitive process in many countries, given tourism's potential to contribute to economic development and need for quality infrastructure, combined with constrained public budgets and a shortage of investment capital.

We agree that the nature of investment, the infrastructure it creates and the tourism flows it supports create economic, environmental and social opportunities and challenges. Active policies and programs can serve to increase the quality and effectiveness of investment in tourism, in order to generate value, enhance attractiveness and competitiveness, support SMEs and local development, and manage growing demand in a sustainable and inclusive manner.

We welcome the OECD work currently underway promoting a whole-of-government approach to tourism, analysing the policy implications of megatrends for tourism and examining effective policy approaches to enhance the quality and sustainability of tourism investment.

## Policy areas for consideration for future work by the Tourism Committee

We encourage the Tourism Committee, when planning its future work programme according to OECD rules and procedures, to consider the following areas:

- Develop a better understanding of tourism's contribution to well-being and inclusive growth, and provide governments with coherent policy advice on how to deliver a fairer distribution of benefits to society as a whole.
- Continue to work with governments and other international organisations to identify and share effective approaches to delivering integrated policy responses that promote sustainable and inclusive tourism growth.
- Enhance dialogue with the private sector, to better incorporate the essential perspective of industry in the development and implementation of tourism policy.
- Support the development of innovative tourism policies that contribute to the 2030 Agenda for Sustainable Development and result in enhanced economic, social and environmental outcomes.
- Contribute to the development of policies and programs to spread the benefits of tourism to regions and local communities.
- Work with governments to provide an environment to encourage the creation and growth of small-scale tourism businesses, stimulate innovative product development, generate quality employment, support local communities, and integrate SMEs into global value chains.
- Work with governments and other relevant international organisations to further improve the quality and accessibility of tourism statistics, strengthen the evidence base, enhance policy and programme evaluation methodologies, and more effectively demonstrate the economic value of tourism to decision makers, in a timely and robust manner.

We call on the OECD to continue to provide us with strong evidence, innovative analysis and advice to assist us in our efforts to develop tourism policies and programs that are evidence-based and people-centred, and address challenges as they emerge.

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# Reader's guide

*This reader's guide provides information and methodological notes on the data sources used in this book: International Recommendations for Tourism Statistics 2008, Tourism Satellite Account: Recommended Methodological Framework 2008 and Balance of Payments and International Investment Position Manual.*

The statistical data contained in this report have been collected and processed using the OECD Statistical Information System. This system streamlines and strengthens the production, storage and dissemination of statistics. The data, metadata and sources are accessible online in a single, consolidated source of tourism statistics *http://stats.oecd.org/*.

The data closely align with the main methodological references and international standards used for tourism statistics:

- International Recommendations for Tourism Statistics 2008, UN/UNWTO, *http://unstats.un.org/unsd/publication/SeriesM/seriesm_83rev1e.pdf*.
- Tourism Satellite Account: Recommended Methodological Framework 2008, UN/UNWTO/EUROSTAT/OECD, *http://unstats.un.org/unsd/publication/Seriesf/SeriesF_80rev1e.pdf*.
- Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual 2010, IMF, *www.imf.org/external/pubs/ft/bop/2007/bopman6.htm*.

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

## International Recommendations for Tourism Statistics (IRTS)

The International Recommendations on Tourism Statistics (IRTS) provides a common reference framework for countries to use in the compilation of tourism statistics. It presents an internally consistent system of definitions, concepts, classifications and indicators, and provides general guidance with respect to data sources and data compilation methods.

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.

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.

## Tourism Satellite Account: Recommended Methodological Framework (TSA-RMF)

The Tourism Satellite Account (TSA) is a conceptual framework aimed at measuring the weight of tourism from a macro-economic perspective. It focuses on the description and measurement of tourism in its different components (domestic, inbound 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, establish the direct contribution of tourism to the economy and develop further analyses using the links between the TSA, the System of National Accounts and the Balance of Payments.

## Tourism characteristic products and activities

The TSA reconciles tourism data related with supply and demand. Tourism measurement and analysis therefore require a classification of products, mainly those belonging to tourism expenditure, and productive activities that are the basis for defining tourism industries. Tourism characteristic activities are those that typically produce **tourism characteristic products**. A **tourism industry** represents the grouping of those establishments whose main activity is the same tourism characteristic activity.

The IRTS 2008 and the TSA-RMF 2008 provide the typology of tourism characteristic consumption products and activities (tourism industries):

| Tourism characteristic consumption products | Tourism characteristic activities (tourism industries) |
|---|---|
| Accommodation services for visitors | Accommodation for visitors |
| Food- and beverage-serving services | Food- and beverage-serving activities |
| Railway passenger transport services | Railway passenger transport |
| Road passenger transport services | Road passenger transport |
| Water passenger transport services | Water passenger transport |
| Air passenger transport services | Air passenger transport |
| Transport equipment rental services | Transport equipment rental |
| Travel agencies and other reservation services | Travel agencies and other reservation services activities |
| Cultural services | Cultural activities |
| Sports and recreational services | Sports and recreational activities |
| Country-specific tourism characteristic goods | Retail trade of country-specific tourism characteristic goods |
| Country-specific tourism characteristic services | Other country-specific tourism characteristic activities |

*Note:* For detailed information on the coverage, please see Annexes 2 and 3 of the IRTS 2008.

## Internal 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. However, the latter transactions have to be separately evaluated. Therefore, the data might refer to either consumption or 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 tourism consumption:** the tourism consumption of both resident and non-resident visitors within the economy of reference. It is the sum of domestic tourism consumption and inbound tourism consumption.

## Tourism Direct Gross Domestic Product and other aggregates

The Gross Domestic Product (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 tourism GDP. Put simply, **tourism direct 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.

## Balance of Payments and International Investment Position Manual – sixth edition

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

### *Travel*

Travel credits (**international travel receipts**) cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits (**international travel expenditure**) cover goods and services for own use or to give away acquired from other economies by residents during visits to these other economies.

The goods and services may be purchased by the persons concerned or by another party on their behalf (e.g. business travel). The standard component breakdown of travel is between business and personal travel. *Business travel* covers goods and services acquired for personal use by persons whose primary purpose of travel is for business. *Personal travel* covers goods and services acquired by persons going abroad for purposes other than business, such as vacations, participation in recreational and cultural activities, visits with friends and relatives, pilgrimage, and education- and health-related purposes. This breakdown allows for closer links with tourism satellite accounts as well as supply and use tables.

### *Passenger services*

Passenger services cover the transport of people. This category covers all services provided in the international transport of non-residents by resident carriers (credit or

**international passenger transport receipts**) and that of residents by non-resident carriers (debit or **international passenger transport expenditure**). Passenger services include fares and other expenditure related to the carriage of passengers, any taxes levied on passenger services, and fares that are a part of package tours, cruise fares, rentals, charters, and leases of vessels, aircraft, coaches, or other commercial vehicles with crews for the carriage of passengers.

## Other issues

**Enterprises in tourism:** An establishment is an enterprise or part of an enterprise that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added.

**Employment in tourism:** data on employment refer to people or jobs. In the case of people, the data refer to employees only or to employees and self-employed people (employed people). 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 US dollar terms:** for some tables, national currency data has been converted to US dollar data. Exchanges rates are collected from the OECD database.

## Metadata and sources

The vast majority of the data used in this publication are submitted by countries. All the detailed metadata and sources can be found under the right-hand side information panel in the on-line OECD database at *http://stats.oecd.org/*.

## Country coverage

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

Other non-member economies covered in this report are: Brazil, Bulgaria, Colombia, Costa Rica, Croatia, Egypt, Lithuania, Malta, Morocco, Peru, the Philippines, Romania, the Russian Federation and South Africa.

### *Codes used for currencies*

- AUD Australian Dollar
- BGN Bulgarian Lev
- BRL Brazilian Real
- CAD Canadian Dollar
- CHF Swiss Franc
- CLP Chilean Peso
- COP Colombian Peso
- CRC Costa Rican Colon
- CZK Czech Koruna
- DKK Danish Krone

- EGP Egyptian Pound
- EUR Euro (Austria, Belgium, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)
- GBP United Kingdom Pound Sterling
- HRK Croatia Kuna
- HUF Hungarian Forint
- ILS Israeli Shequel
- ISK Iceland Krona
- JPY Japanese Yen
- KRW Korean Won
- MAD Moroccan Dirham
- MXN Mexican Peso
- NOK Norwegian Krone
- NZD New Zealand Dollar
- PEN Peruvian Sol
- PHP Philippine Peso
- PLN Polish Zloty
- RON Romanian Leu
- RUB Russian Ruble
- SEK Swedish Krona
- TRY Turkish Lira
- USD United States Dollar
- ZAR South African Rand

## Symbols for missing data and abbreviations

These symbols are used in the country tables:

| Break in series

.. Data is not available

c Confidential data

e Estimated data or data based on the use of a limited amount of data

f Forecast value

p Provisional data

In some cases, due to specifics of electronic data processing technologies, slight discrepancies may occur between totals and sums of components in those tables that are based on survey information.

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# Executive summary

Tourism is a major economic sector, directly contributing, on average, 4.2% of GDP, 6.9% of employment and 21.7% of services exports in the OECD area. Recent trends point to continued growth and outreach: globally, international tourist arrivals grew to over 1.2 billion in 2016, and OECD countries play a prominent role, with arrivals up 3.9%, representing 55% of the global total and accounting for 60.4% of global travel receipts (up 2.6% in real terms, reaching USD 1 226 billion in 2016). Despite widespread downward pressure on public finances, budgets for tourism have largely been maintained or increased, due to awareness of the important economic contribution of the sector.

Sustained development of the tourism sector will depend upon its ability to adapt to emerging economic, social, political, environmental and technological trends. Fulfilling tourism's potential as an engine for sustainable and inclusive growth will require the development of sound policies, integrated strategies, inter-ministerial structures, and mechanisms that involve the private sector and other stakeholders in tourism governance.

A large majority of countries have dedicated tourism polices, strategies and plans for the medium to long-term. There is much similarity between countries in their tourism policy priorities, which focus on improving competitiveness, sustainability and inclusiveness, addressing seasonality of demand, and enhancing the quality and appeal of the tourism offer. The last two years have seen a growing recognition of the importance of the development, management and promotion of local destinations, supported by regional or local structures and funding, and the preparation and execution of destination management plans.

A wide range of actions have been taken to develop and market distinctive products and destinations. Marketing activities have included various examples of successful regional and thematic branding. Many countries have established new offers and experiences based on their natural and cultural assets, and pursued opportunities for year-round growth through the promotion of health and wellness tourism, business tourism, events and various niche products. Tourism policies continue to give a high priority to opportunities presented by digitalisation, both in creative and targeted communication and in the handling and analysis of data.

The growth of international travel, notably from the Chinese and other Asian markets, is providing opportunities in all continents. Further action has been taken to improve connectivity and reduce barriers to travel, including visa requirements and entry procedures, while also addressing growing concerns about security. At the same time, various countries have strengthened promotion in the domestic market, including initiatives to extend holiday opportunities for all.

Supply-side policies to improve competitiveness include investment promotion and the simplification of business regulations, while recognising that there may be a need to extend and clarify regulations in emerging areas such as informal tourism services promoted through on-line platforms. The need to address labour and skills shortages in the sector is

recognised as a key issue in many countries, requiring action to improve the awareness and attractiveness of careers in tourism and the availability of relevant training.

The declaration by the United Nations of 2017 as the International Year of Sustainable Tourism for Development has drawn further attention to the sustainable tourism agenda and the contribution of the sector to the Sustainable Development Goals. This is reflected in policy priorities in many countries, with actions taken to improve the monitoring of tourism impacts, extend certification schemes, encourage the use of new technologies and green finance instruments, and generally promote environmentally sustainable and socially inclusive tourism growth.

## Key policy messages

***Fostering an integrated policy approach:***

- Develop long-term strategies that consider the trade-offs and complementarities with related policy areas, and clearly identify the roles, functions, and interactions of key stakeholders.
- Recognise the value of strong dialogue between government, industry, and civil society in the development, implementation and monitoring phases.

***Preparing for megatrends:***

- Build systemic and strategic approaches to adapt in an increasingly fast-moving, interconnected and dynamic environment.
- Modernise regulatory and legislative frameworks, broadly engaging with key stakeholders in their development, and supporting predictive mechanisms in the policy and regulatory process.
- Cultivate partnerships with industry, other governments, and civil society to address the cross-cutting impacts of megatrends, and developing responses that account for new and innovative business approaches to service delivery.
- Take steps to future-proof tourism policy and promote a culture of innovation and change management within government to ensure that long-term megatrends are given due consideration, notably through robust data analysis and scenario planning.

***Promoting investment and financing for sustainable tourism:***

- Incorporate environmental and sustainability criteria into public financing and investment supports, and encourage the uptake of green financing instruments for tourism projects, notably by leveraging private investment.
- Encourage more responsible business practices in tourism through the integration of environmental and social criteria into tourism policies and programmes, mobilisation of green investors, and uptake of sustainable practices by businesses.
- Build capacity and better co-ordinate actions across different levels of government and policy areas, including tourism, environment and innovation, to support the shift to more sustainable tourism investment and financing practices.
- Improve data and analysis on green finance and investment in sustainable tourism development, to accurately integrate environmental risk into tourism financing and investment decisions, and develop a better understanding of the economic, social and environmental outcomes of tourism investment.

PART I

# Active policies for tourism

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PART I

*Chapter 1*

# Tourism trends and policy priorities

*This chapter covers recent trends in tourism and associated developments in tourism governance and policy. It is based on responses to a policy and statistical survey of OECD member countries and partner economies. The chapter outlines the economic importance of tourism and sets out the role of government in promotion and product development, and in supporting a competitive and sustainable tourism industry. The effectiveness of governance structures and funding issues are considered. Tourism policy priorities, reforms, and developments are analysed with examples of country practices highlighted.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Tourism is a highly important economic sector, making a significant contribution to the economies of OECD member and partner countries. Recent trends provide clear evidence of tourism's continued growth and outreach. The 2017 OECD High Level Meeting on Tourism Policies for Sustainable and Inclusive Growth recognised tourism's potential as a driver for sustainable development in OECD member and partner countries, when based upon sound policies and effective management. Governments are well placed to provide direction and support but it is increasingly recognised that this must be delivered in an integrated way, based on structures that involve the private sector and the many agencies and bodies, at all levels, whose activities can influence tourism performance and impacts.

## Recent trends

Tourism is well recognised for playing a key role in global economic activity, job creation, and as a source of export revenue and domestic value added. On average, tourism directly contributes 4.2% of GDP, 6.9% of employment and 21.7% of services exports to OECD countries (Figure 1.1), all of which are stable or slightly higher than figures for 2014.

Globally, inbound tourist arrivals (overnight visitors) grew to over 1.2 billion in 2016, an increase of 46 million (3.9%) on the previous year. This figure is forecast to reach 1.8 billion by 2030, with international tourist arrivals in emerging economy destinations projected to grow at double the rate of advanced tourism economies. As a result, the market share of emerging tourism economies is expected to increase from 45% in 2016 to 57% over the same period. France, the United States, Spain and China continue to fill the top four places for inbound arrivals in 2016, while China, the United States and Germany are the highest outbound markets in their respective regions (UNWTO, 2017a).

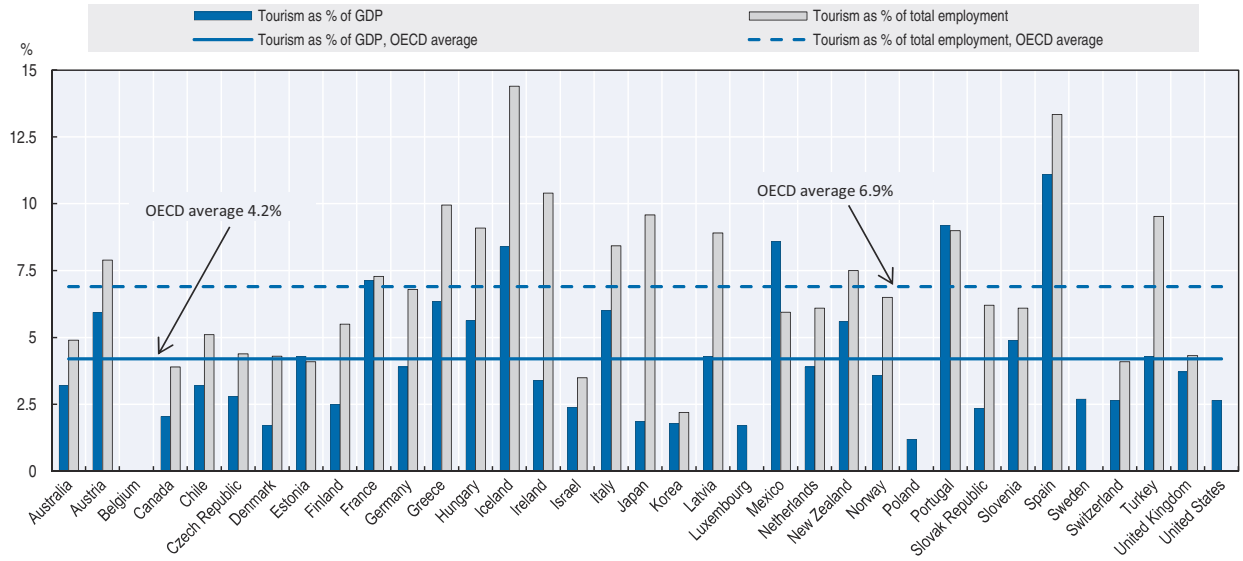
OECD member countries continue to play a prominent role in international tourism, accounting for just over half (55%) of total global arrivals in 2016 (up from 54% in 2014). After increasing at a faster rate than global arrivals in 2014 (6.4% compared to 4.2% globally), the average growth in international arrivals for OECD members reduced to 3.9% in 2016 (compared to 3.9% globally and 4.7% for the EU28). Despite the OECD rolling four year average annual growth rate of 4.9% slightly exceeding the global average, the 2016 figure is more reflective of the longer-term trend of a slowdown in arrivals to the OECD relative to tourism worldwide, resulting in a loss of market share.

More specifically, 14 OECD countries recorded double digit annual growth in 2016, with four in excess of 20% – Chile (26%), Iceland (39%), Japan (21.8%), Korea (30.3%) – while Belgium, Latvia and Turkey all experienced retractions of more than 10%. International arrivals grew by 10% or more in eight OECD partner countries (Bulgaria, Colombia, Costa Rica, Lithuania, Malta, Philippines, Romania, South Africa). A breakdown of international tourist arrivals to OECD member countries and selected partner economies is provided in Table 1.1.

Between January and August 2017, destinations worldwide welcomed just over 900 million international tourist arrivals, representing an increase of over 50 million (7%)

Figure 1.1. **Direct contribution of tourism to OECD countries**

As percentage of GDP and employment, 2016 or latest year available




*Notes:* GDP data for France refer to internal tourism consumption.
GDP data for Germany refer to GVA.
GDP for Greece refer to tourism GVA of industries 55-56 of NACE Rev. 2.
GDP data for Spain includes indirect effects.
*Source:* *OECD Tourism Statistics* (Database).

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Table 1.1. **International tourist arrivals, 2012-16**

| | Type of indicator | 2016 | Average annual growth rate 2012 to 2016 | Growth rate 2015 to 2016 |
|---|---|---|---|---|
| | | Thousand | % | |
| Australia | Visitors | 8 269 | 7.6 | 11.0 |
| Austria | Tourists | 28 121 | 3.9 | 5.2 |
| Belgium | Tourists | 5 557 | -2.5 | -13.7 |
| Canada | Tourists | 19 818 | 5.0 | 10.3 |
| Chile | Tourists | 5 641 | 12.2 | 26.0 |
| Czech Republic | Tourists | 12 808 | 6.1 | 10.2 |
| Denmark | Tourists | 10 781 | 6.0 | 3.4 |
| Estonia | Tourists | 3 147 | 3.5 | 5.3 |
| Finland | Tourists | 4 599 | 2.1 | -5.3 |
| France | Tourists | 82 570 | 0.2 | -2.2 |
| Germany | Tourists | 35 555 | 4.0 | 1.7 |
| Greece | Visitors | 28 071 | 13.4 | 7.5 |
| Hungary | Tourists | 13 474 | 11.9 | 8.6 |
| Iceland | Tourists | 1 792 | 27.8 | 39.0 |
| Ireland | Tourists | 8 425 | 8.7 | 8.8 |
| Israel | Tourists | 2 900 | 0.1 | 3.6 |
| Italy | Tourists | 32 552 | 2.1 | 7.3 |
| Japan | Visitors | 24 040 | 30.2 | 21.8 |

Table 1.1. **International tourist arrivals, 2012-16** *(cont.)*

| | Type of indicator | 2016 | Average annual growth rate 2012 to 2016 | Growth rate 2015 to 2016 |
|---|---|---|---|---|
| | | Thousand | % | |
| Korea | Visitors | 17 242 | 11.5 | 30.3 |
| Latvia | Tourists | 1 793 | 5.7 | -11.4 |
| Luxembourg | Tourists | 1 054 | 2.6 | -3.5 |
| Mexico | Tourists | 35 079 | 10.6 | 9.3 |
| Netherlands | Tourists | 15 829 | 6.7 | 5.5 |
| New Zealand | Tourists | 3 370 | 8.0 | 10.9 |
| Norway[1] | Tourists | 5 960 | 6.5 | 12.4 |
| Poland | Tourists | 17 471 | 4.2 | 4.4 |
| Portugal | Tourists | 10 622 | 8.4 | 12.4 |
| Slovak Republic | Tourists | 2 027 | 7.3 | 17.8 |
| Slovenia | Tourists | 3 032 | 8.9 | 12.0 |
| Spain | Tourists | 75 315 | 7.0 | 10.5 |
| Sweden[2] | Tourists | 10 750 | -6.8 | -3.5 |
| Switzerland[3] | Tourists | 10 402 | 5.0 | 11.8 |
| Turkey | Tourists | 30 289 | -4.0 | -23.3 |
| United Kingdom | Tourists | 35 814 | 5.2 | 4.0 |
| United States | Tourists | 75 868 | 3.3 | -2.1 |
| Brazil | Tourists | 6 578 | 3.8 | 4.3 |
| Bulgaria | Tourists | 8 252 | 6.0 | 16.2 |
| Colombia | Visitors | 5 092 | 9.9 | 14.5 |
| Costa Rica | Tourists | 2 925 | 5.7 | 10.0 |
| Croatia | Tourists | 13 809 | 7.4 | 8.9 |
| Egypt | Tourists | 5168 | -17.5 | -42.5 |
| Lithuania | Tourists | 2 296 | 4.9 | 10.8 |
| Malta | Tourists | 1 966 | 8.0 | 10.2 |
| Morocco | Tourists | 10 332 | 2.5 | 1.5 |
| Peru | Tourists | 3 744 | 7.1 | 8.4 |
| Philippines | Tourists | 5 967 | 8.7 | 11.3 |
| Romania | Tourists | 2 471 | 10.6 | 10.6 |
| Russian Federation[4] | Tourists | 24 571 | -1.7 | -8.5 |
| South Africa | Tourists | 10 044 | 2.3 | 12.8 |
| **EU28** | | | **4.5** | **4.7** |
| **OECD members** | | | **4.9** | **3.9** |
| **World[5]** | | **1 235 000** | **4.4** | **3.9** |

*Notes:* For more information, please see the country profiles.
Tourists: International tourist arrivals (excluding same-day visitors).
Visitors: International visitor arrivals (tourists and same-day visitors).
1. Average annual growth rate refers to 2013-16.
2. Data refers to 2014. No data is available for 2015 and 2016 due to a change in Border Survey methodology. Average annual growth rate refer to 2012-14. Growth rate refers to 2013-14.
3. Until 2015 only data for hotel and similar establishments available. Since 2016, data are compiled also with supplementary accommodation.
4. Average annual growth rate refers to 2014-16.
5. UNWTO data (2017b).

*Source: OECD Tourism Statistics* (Database).

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year on year. As such, 2017 is currently on target to be the eighth consecutive year of solid growth for international tourism (UNWTO, 2017a).

Globally, international travel receipts reached USD 1 226 billion in 2016, up from USD 1 202 billion in 2015 (but down slightly from USD 1 260 billion in 2014). This equates to growth of 2.6%

in real terms, taking into account exchange rate fluctuations and inflation, and follows the overall trend in international tourist arrivals, although at a slightly slower pace. Global expenditure on travel more than doubled between 2000 and 2016, accounting for 7% of global exports in goods and services (UNWTO, 2017b). OECD countries accounted for 60.4% of global travel receipts (exports) and 51% of global travel expenditures (imports) in 2016 (compared to 60.6% and 49.8% respectively in 2015). Just under two thirds of OECD member countries recorded a positive travel balance in 2016. Table 1.2 provides a summary of international travel receipts, expenditure, and the travel balance for OECD and selected partner economies.

Tourism's share of trade in services is both significant and increasing for many OECD countries. In 2016, international tourism receipts represented, on average, 21.7% of services exports in the OECD. This share varies by country and when considering G7 economies, ranges from 11.9% in the United Kingdom to 40.1% in Italy (Figure 1.2). Most notably, over

Table 1.2. **International travel receipts and expenditure, 2015-16**

Million USD

| | Travel receipts | | Travel expenditure | | Travel balance | |
|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Australia | 28 872 | 32 423 | 23 760 | 24 915 | 5 112 | 7 508 |
| Austria | 18 212 | 19 287 | 9 100 | 9 500 | 9 112 | 9 787 |
| Belgium | 11 965 | 11 830 | 18 927 | 19 567 | -6 963 | -7 736 |
| Canada | 16 541 | 18 022 | 30 119 | 28 743 | -13 578 | -10 721 |
| Chile | 2 482 | 2 737 | 1 963 | 2 137 | 518 | 600 |
| Czech Republic | 6 048 | 6 309 | 4 866 | 4 919 | 1 182 | 1 390 |
| Denmark | 6 684 | 6 903 | 8 916 | 9 200 | -2 232 | -2 298 |
| Estonia | 1 427 | 1 530 | 982 | 1 099 | 446 | 431 |
| Finland | 2 558 | 2 715 | 4 774 | 5 168 | -2 216 | -2 454 |
| France | 45 901 | 42 367 | 38 405 | 40 335 | 7 496 | 2 032 |
| Germany | 36 853 | 37 408 | 77 481 | 81 063 | -40 627 | -43 655 |
| Greece | 15 667 | 14 609 | 2 260 | 2 219 | 13 407 | 12 390 |
| Hungary | 5 344 | 5 653 | 1 831 | 2 162 | 3 512 | 3 491 |
| Iceland | 1 617 | 2 424 | 996 | 1 277 | 621 | 1 147 |
| Ireland | 4 791 | 5 182 | 5 680 | 6 108 | -888 | -926 |
| Israel | 5 794 | 5 722 | 6 012 | 6 844 | -218 | -1 122 |
| Italy | 39 434 | 40 614 | 24 413 | 24 706 | 15 021 | 15 908 |
| Japan | 24 983 | 30 679 | 15 973 | 18 485 | 9 010 | 12 194 |
| Korea | 15 214 | 17 210 | 25 270 | 26 642 | -10 056 | -9 432 |
| Latvia | 895 | 866 | 614 | 695 | 281 | 171 |
| Luxembourg | 4 294 | 4 290 | 3 313 | 3 348 | 982 | 941 |
| Mexico | 17 734 | 19 571 | 10 098 | 10 227 | 7 636 | 9 344 |
| Netherlands | 11 587 | 14 110 | 17 552 | 17 909 | -5 965 | -3 799 |
| New Zealand | 9 049 | 9 638 | 3 735 | 3 990 | 5 314 | 5 648 |
| Norway | 4 873 | 5 204 | 15 292 | 15 412 | -10 419 | -10 208 |
| Poland | 10 467 | 10 977 | 7 936 | 7 984 | 2 531 | 2 993 |
| Portugal | 12 700 | 14 026 | 4 006 | 4 258 | 8 694 | 9 768 |
| Slovak Republic | 2 362 | 2 746 | 2 126 | 2 237 | 236 | 509 |
| Slovenia | 2 327 | 2 423 | 912 | 944 | 1 415 | 1 478 |
| Spain | 56 444 | 60 303 | 17 361 | 20 184 | 39 082 | 40 119 |
| Sweden | 11 317 | 12 510 | 14 416 | 14 133 | -3 099 | -1 623 |
| Switzerland | 16 410 | 16 259 | 16 288 | 16 515 | 122 | -255 |
| Turkey | 26 616 | 18 743 | 5 368 | 4 783 | 21 248 | 13 960 |
| United Kingdom | 45 464 | 39 440 | 63 273 | 63 426 | -17 809 | -23 986 |
| United States | 205 418 | 205 940 | 114 723 | 123 618 | 90 695 | 82 322 |

Table 1.2. **International travel receipts and expenditure, 2015-16** *(cont.)*

Million USD

| | Travel receipts | | Travel expenditure | | Travel balance | |
|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Brazil | 5 844 | 6 024 | 17 357 | 14 497 | -11 513 | -8 473 |
| Bulgaria | 3 146 | 3 653 | 1 116 | 1 361 | 2 031 | 2 292 |
| Colombia | 4 245 | 4 694 | 4 322 | 4 209 | -77 | 485 |
| Costa Rica | 3 267 | 3 879 | 690 | 809 | 2 576 | 3 070 |
| Croatia | 8 797 | 9 593 | 756 | 945 | 8 041 | 8 649 |
| Egypt | 6 065 | 2 645 | 3 442 | 4 110 | 2 623 | -1 466 |
| Lithuania | 1 154 | 1 184 | 951 | 974 | 204 | 210 |
| Malta | 1 369 | 1 437 | 359 | 398 | 1 009 | 1 039 |
| Morocco | 6 260 | 6 556 | 1 402 | 1 457 | 4 857 | 5 099 |
| Peru | 3 320 | 3 512 | 1 691 | 1 838 | 1 629 | 1 675 |
| Philippines | 5 272 | 5 139 | 11 343 | 11 275 | -6 070 | -6 136 |
| Romania | 1 711 | 1 723 | 2 058 | 2 137 | -347 | -414 |
| Russian Federation | 8 420 | 7 788 | 34 932 | 23 951 | -26 512 | -16 163 |
| South Africa | 8 259 | 7 919 | 2 998 | 2 858 | 5 260 | 5 061 |
| **EU28** | **371 391** | **843 125** | **659 528** | **683 054** | | |
| **OECD members** | **728 341** | **740 668** | **598 740** | **624 750** | | |
| **World** | **1 202 000** | **1 226 000** | **1 202 000** | **1 226 000** | | |

*Note:* For more information, please see the country profiles.
*Source:* *OECD Tourism Statistics* (Database) and UNWTO (2017b).

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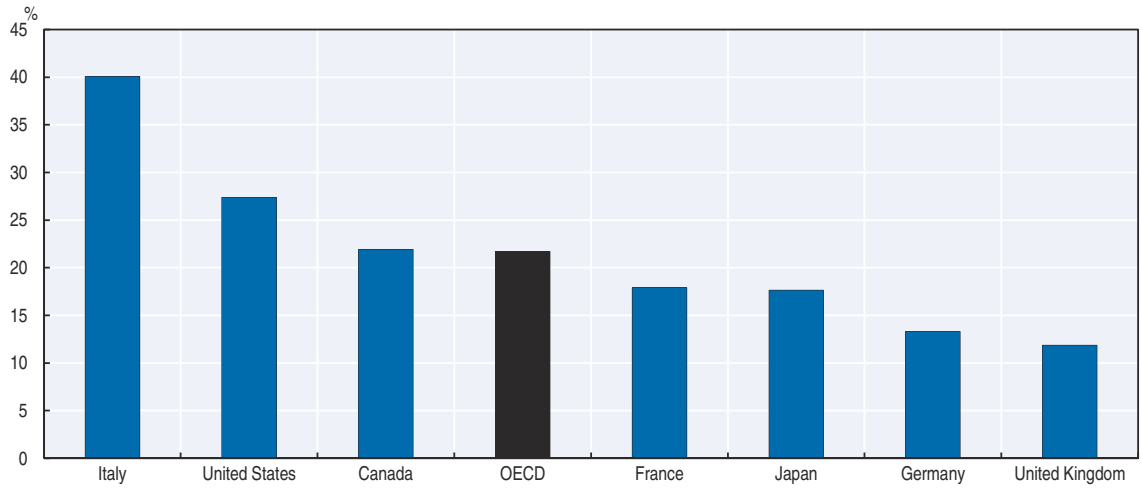
Figure 1.2. **Contribution of tourism to services exports, selected OECD countries, 2016**




*Source:* OECD Trade in services by partner country (Database), extracted November 2017.

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the period 2010 to 2016 tourism as a share of services exports increased by 3.1 percentage points in the United States and decreased by 5.3 in France.

Tourism exports are economically important as they contribute to the value added of the economy. While not all tourism exports result in increases in domestic value added, results from the OECD Trade in Value added (TiVA) initiative indicate that tourism receipts generate more than average value added for receiving economies, and have significant upstream effects in both receiving and other countries. According to TiVA estimates, approximately 80% of tourism exports generate domestic value added in OECD countries; the

remaining 20% result in value created in other countries (imports). It is also estimated that EUR 1 of value added in tourism creates 56 cents of value added in upstream industries.

Considerable variation in the significance of domestic tourism is evident at country level. Domestic tourism is particularly significant in Australia, Canada, Germany, Italy, Japan, Mexico, the Netherlands, Norway, and the United Kingdom and United States, where it represents over 70% of internal tourism consumption. In contrast, inbound tourism, as a proportion of internal tourism consumption is more important in the Czech Republic, Estonia, Hungary, Iceland, Poland, and Slovenia. Table 1.3 provides a breakdown of internal tourism consumption (domestic and inbound) for selected OECD member countries.

Table 1.3. **Internal tourism consumption, 2016 or latest available year**

| | Reference year | Internal tourism expenditure | Domestic tourism expenditure | Inbound tourism expenditure |
|---|---|---|---|---|
| | | Million USD, current prices | % share | |
| Australia | 2015 | 97 582 | 74 | 26 |
| Austria | 2015 | 36 692 | 46 | 54 |
| Belgium | .. | .. | .. | .. |
| Canada | 2016 | 69 125 | 78 | 22 |
| Chile | 2013 | 6 579 | 66 | 34 |
| Czech Republic | 2015 | 9 904 | 39 | 61 |
| Denmark | 2015 | 14 490 | 60 | 40 |
| Estonia | 2012 | 1 675 | 14 | 86 |
| Finland | 2014 | 15 105 | 65 | 35 |
| France | 2015 | 147 236 | 63 | 37 |
| Germany | 2015 | 293 020 | 85 | 15 |
| Greece | .. | .. | .. | .. |
| Hungary | 2013 | 6 480 | 39 | 61 |
| Iceland | 2015 | 2 838 | 30 | 70 |
| Ireland | 2007 | 8 978 | 46 | 54 |
| Israel | 2014 | 11 406 | 52 | 48 |
| Italy | 2010 | 149 103 | 74 | 26 |
| Japan | 2015 | 206 864 | 87 | 13 |
| Korea | .. | .. | .. | .. |
| Latvia | .. | .. | .. | .. |
| Luxembourg | .. | .. | .. | .. |
| Mexico | 2016 | 140 366 | 82 | 18 |
| Netherlands | 2016 | 83 785 | 72 | 28 |
| New Zealand | 2016 | 22 185 | 58 | 42 |
| Norway | 2015 | 19 716 | 71 | 29 |
| Poland | 2013 | 17 033 | 34 | 66 |
| Portugal | 2008 | 21 933 | 41 | 59 |
| Slovak Republic | 2014 | 4 705 | 42 | 58 |
| Slovenia | 2014 | 4 663 | 31 | 69 |
| Spain | 2013 | 151 675 | 52 | 48 |
| Sweden | 2016 | 34 572 | 60 | 40 |
| Switzerland | 2011 | 39 724 | 53 | 47 |
| Turkey | .. | .. | .. | .. |
| United Kingdom | 2014 | 214 929 | 80 | 20 |
| United States | 2015 | 935 464 | 79 | 21 |
| **OECD average** | | | **76** | **24** |

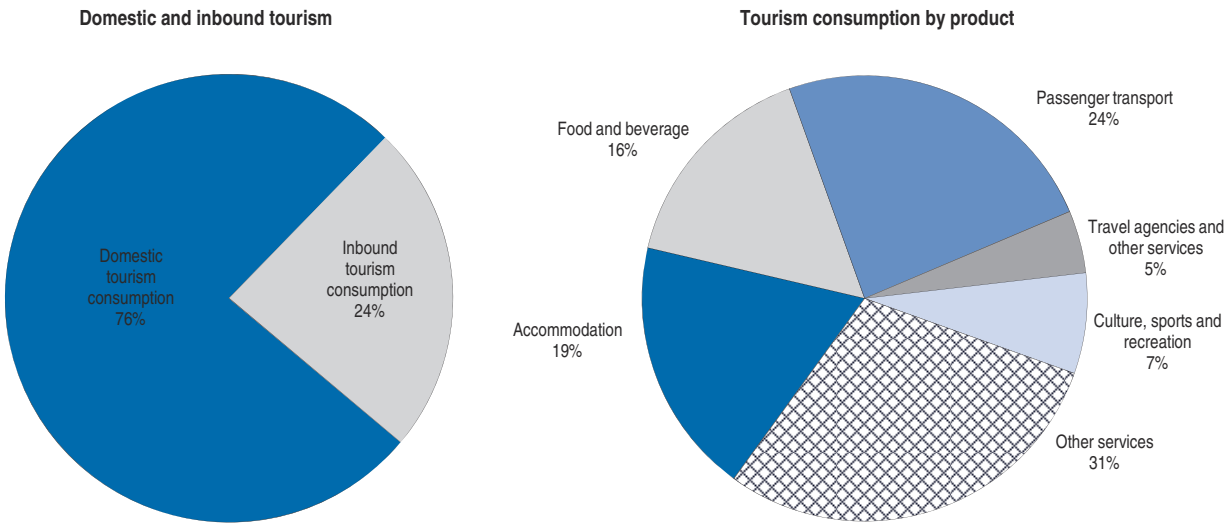
*Notes:* For more information, please see the country profiles.
Conversion from national currency to USD calculated using OECD annual average exchange rates for corresponding year.
Tourism consumption is composed of tourism expenditure (monetary transactions), plus other transactions.
*Source: OECD Tourism Statistics* (Database).

StatLink http://dx.doi.org/10.1787/888933639512

On average, domestic and inbound tourism account for 76% and 24% of internal tourism consumption respectively, in selected OECD countries (Figure 1.3). When considering internal tourism consumption by product, passenger transport (24%), followed by accommodation (19%), and food and beverage (16%) account for well over half of total consumption.

Figure 1.3. **Internal tourism consumption, selected OECD countries**

By type of tourism and product, 2016 or latest available year




*Source:* *OECD Tourism Statistics* (Database).

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Global tourism has now experienced steady growth for over six decades, benefitting from the rise of globalisation and technological advances that have led to cheaper airfares, while making it easier for people to plan and book their own travel. Throughout this period of sustained growth, tourism has demonstrated significant resilience in the face of a variety of challenges. In the last decade alone, these have ranged from the lingering impacts of the global economic crisis, geopolitical uncertainty, numerous terrorist attacks, natural disasters and other external shocks. Tourism demand historically tracks economic conditions closely, and since the downturn in 2009, global tourism has experienced more moderate year-on-year growth. This trend is expected to continue with international arrivals forecast to increase by an average of 3.3% per year to 2030 (4.4% to emerging destinations and 2.2% to advanced economies) (UNWTO, 2017a).

However, after many years of weak recovery, and with global economic growth in 2016 at the lowest rate since 2009, some signs of improvement have begun to appear. Trade and manufacturing output growth have picked up from a very low level, helped by firmer domestic demand growth in Asia and Europe, and private sector confidence has strengthened. But policy uncertainty remains high, trust in government has diminished, wage growth remains weak, inequality persists, and imbalances and vulnerabilities remain in financial markets. Against this background, a modest pick-up in global GDP growth to 3.5% is projected for 2017, strengthening further to 3.7% in 2018, before easing slightly in 2019. However, compared to the 20-year pre-crisis average, OECD per capita GDP growth remains over 0.5% weaker and global growth continues to lag (OECD, 2017c; OECD, 2017d).

Employment and unemployment rates are expected to continue to slowly improve in most OECD countries in the context of moderate growth. The OECD average unemployment rate is projected to move from 6.2% in Q4 2016 to 5.7% in Q4 2018. While an expanding majority of OECD countries have finally closed the substantial jobs gap that opened during the Great Recession of 2008-09, people in a number of countries are expressing rising dissatisfaction with economic policies promoting international trade and investment. The backlash against globalisation and trade highlight areas where employment, skills and social protection policies need to be reinforced and adapted to a changing economic environment (OECD, 2017e).

Tourism is highly labour intensive and a significant source of employment in OECD countries. The sector offers strong potential to support job-rich growth. It creates jobs for people of different ages and skill levels and provides opportunities to enter the labour market, gain experience, develop skills and move into higher level, better paid jobs.

Between 1995 and 2015 the share of middle-skill occupations in total employment has declined in almost all sectors of the economy in selected OECD countries. During this period, "hotels and restaurants" was the second fastest growing sector, with an increase of total employment in excess of 45%, behind only "real estate, renting and business activities" at 70% (OECD, 2017e).

The future of tourism will continue to be impacted by a range of current and emerging economic, social, political, environmental and technological changes, bringing new and often unseen challenges, threats and opportunities. For example, Chapter 2 explores the multi-dimensional implications of four megatrends likely to inform policy and shape the future of tourism to 2040: i) evolving visitor demand, ii) sustainable tourism growth, iii) enabling technologies, and iv) travel mobility. Similarly, investment and financing are an essential component of the challenge to shift to sustainable (low carbon, resource efficient and socially inclusive) tourism development. Chapter 3 explores policies, institutions and instruments for green finance and investment, highlighting good practices that catalyse and support this transition.

Addressing these and other multi-faceted challenges faced by the tourism industry, including the infrastructure and skills needed to meet expected future demand, requires an integrated approach across departments and levels of government, with input and support from industry and the research community. Long-term strategies and policies focused on promoting quality employment and job creation, skills development, entrepreneurship, innovation, effective investment, and integrated regional development, are integral to achieving sustainable and inclusive tourism growth – growth that takes into account current and future economic, social and environmental impacts, and addresses the needs of visitors, the industry, the environment and host communities.

## Governance, funding and strategic development

The challenges and opportunities presented by recent tourism trends provide the context for the preparation, review and delivery of tourism policies and the strategic development of the sector. In turn, this requires effective governance structures that enable the planning and coordination of actions by key players and the availability of sufficient funding for their implementation.

Governments have continued to engage positively in this process, recognising the importance of the sector and its relevance to a wide economic, social and environmental agenda. Their input has remained relatively consistent and has been directed towards:

- Policy formulation and implementation,
- Market access and facilitating travel,
- Marketing and promotion of the destination,
- Provision of necessary infrastructure,
- Stimulating and supporting product development, investment and business performance,
- Setting and regulating standards, including quality and safety,
- Encouraging sustainable and inclusive growth,
- Supporting human resource development and training,
- Addressing environmental issues and the management of natural and cultural resources,
- Responding to crises and disasters affecting the industry.

### *Effective national leadership and coordination*

The significance of the tourism sector is well recognised by governments, with clearly identified ministries or departments that are dedicated to its development, promotion and management. In some countries there is a single, separate Ministry of Tourism (Brazil, Bulgaria, Costa Rica, Croatia, Egypt, Greece, Israel, Malta, Mexico, Morocco, Philippines and South Africa), reflecting the importance placed on the sector by the government. Where tourism is identified as a departmental responsibility within wider ministries, in a large majority of countries it resides within the Ministry of Economy, or equivalent ministry dealing with trade and business (Canada, Chile, Colombia, Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Luxemburg, Netherlands, New Zealand, Norway, Peru, Portugal, Slovenia, Sweden, Switzerland and United States). In some countries it sits within the Ministry of Foreign Affairs (Australia, France, Hungary), while in others, it is linked to thematic areas such as sustainability, innovation or technology (Austria, Iceland, Spain). In Spain, for example, there is a newly named Ministry of Energy, Tourism and the Digital Agenda, while in Austria the creation of the Federal Ministry of Sustainability and Tourism was recently announced. In a handful of countries tourism is linked with culture (Italy, Korea, Romania, Russian Federation, Turkey and United Kingdom), with other linkages including transport (Ireland, Slovakia) and sport (Korea, Poland).

Government ministries and departments with responsibility for tourism are primarily engaged with setting tourism policy, directing its implementation, and overseeing the legislative and regulatory framework for the sector. National Tourism Organisations (NTOs), mainly reporting to the relevant Ministry, undertake marketing and promotion with many also supporting aspects of product development. In the last two years there has been some rationalisation of NTOs – for example in Slovakia the NTO function has been absorbed into the Ministry, while in Finland it has been merged with the funding agency to become "Business Finland".

In some countries, separate tourism development agencies exist to promote investment in the sector. In Mexico, for example, the National Fund for Tourism Development (FONATUR) was created by the Ministry of Finance and is coordinated by the Ministry of Tourism, with functions that include conducting feasibility studies, developing destination master plans, project management, executing infrastructure projects and engagement with

various forms of financing. In Spain, SEGITTUR is a government agency for research, technology and innovation in tourism development, while in Denmark there are three separate development agencies for coastal and nature, business and conference, and city tourism.

The cross-cutting and complex nature of tourism means that the sector relies on many areas of government policy and action. This requires a "whole-of-government" approach, involving ministries and departments with responsibility for transport, the environment, education and training, natural and cultural heritage, as well as the economy, business development, security and foreign affairs. This requirement has become more widely understood and most countries now have inter-ministerial committees or bodies covering tourism. In South Africa, bilateral agreements between the Ministry of Tourism and other ministries allow tourism officials to work in key policy forums to ensure consideration of policy impacts on tourism.

The need for an integrated approach was further reinforced at the 2017 OECD High Level Meeting on Tourism, where countries endorsed the Policy Statement – Tourism Policies for Sustainable and Inclusive Growth. The Statement highlights the importance of tourism as an engine for economic, sustainable and inclusive growth and notes that moving toward coherent and comprehensive policy approaches will help countries to reframe tourism growth to better spread the benefits, address inequalities and improve the resilience of economies.

It is also imperative that consultation and coordination on tourism policy and action occurs between government and wider stakeholders, notably the private sector but also civil society and other interests. Structures for this are now widely established. In some countries this is achieved by involving industry and other representatives in inter-ministerial groups; in others there are separate tourism advisory bodies or overarching tourism councils. Some examples of different approaches are shown in Box 1.1. Coordination has also been achieved through the establishment of task forces or working groups to implement specific tourism strategies or address key topics (Australia, Austria, Iceland, and the Russian Federation). Chambers of commerce and business associations frequently play a key role in representing sections of the industry, such as hotels, tour operators, and business tourism, sometimes in industry-wide confederations.

### *Strengthening regional and local structures*

Coordination in the governance and delivery of tourism needs to happen not only horizontally at a national level but also vertically between the central government and the regions and local destinations that receive the visitors and help create the experience "on the ground". The importance of effective destination management, including marketing and product development, has been increasingly underlined in global strategies to promote sustainable tourism. This calls for the presence of regional and local bodies that are able to plan and take action within destinations. Again, there is a strong need for a partnership approach at this level, bringing together local government and private sector businesses and enabling representation by local communities and other interests.

In some countries with a broadly federal government structure, each state or province may have a tourism ministry, department, or other government entity handling tourism (e.g. Australia, Germany, Brazil, and the United States). In most countries, regional, provincial and even municipal authorities will engage in tourism development, management and

Box 1.1. **National coordination structures for tourism: Country approaches**

The following examples illustrate different structures for providing inter-ministerial and wider stakeholder coordination.

In **Denmark** the National Tourism Forum is chaired by the Ministry of Industry, Business and Financial Affairs and includes the chair of VisitDenmark, two members from Danish Regions, one member from Local Government Denmark, two members representing the tourism industry, and a tourism researcher.

In **Egypt** the Supreme Council for Tourism is chaired by the President and involves 11 ministries together with the Egyptian Tourism Federation, a body composed of five tourism industry business associations.

In **Finland** an inter-ministerial working group on tourism meets several times per year. In 2016 a Tourism Cooperation Group was established consisting of 35 industry leaders representing different branches of tourism.

In **France**, an Inter-ministerial Tourism Committee (CIT) was established in 2016 and meets regularly, under the authority of the Prime Minister, with specific agendas planned in advance. Such an approach makes it possible to mobilise the different departments around priority projects, such as training, investment or promotion.

In **Morocco**, six committees are co-chaired by the Ministry of Tourism and the National Tourism Confederation, covering: governance, competitiveness, air travel, output and investment, human capital and sustainability.

In the **United States**, the Travel and Tourism Advisory Board (TTAB) consists of up to 32 private-sector representatives from companies and organisations, who are appointed to provide policy input to the Secretary of Commerce. The Tourism Policy Council (TPC) is an inter-agency council 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 coordinate national policies and programmes of federal agencies that have a significant effect on travel and tourism, recreation, and national heritage resources. It reviews and responds to TTAB recommendations.

marketing to a varying extent, according to their resources and priorities, although approaches will vary (Box 1.2).

Actions at the regional and local level can be highly significant and important in delivering a successful tourism industry. Some recent trends have included the rationalisation of local government, leading to fewer and larger authorities (e.g. Brazil, Finland, Norway). This can help to reduce fragmentation of tourism activity. Of most significance has been the ongoing creation of Destination Management Organisations (DMOs) which are formally constituted to deliver local tourism benefits with the involvement of the private sector. DMOs may be established at different levels and can mesh and network with each other, as demonstrated by the recent adoption of a law for the development and implementation of Destination Management Organisations in Romania (Box 1.3).

The relationship between legislation, national policies and programmes, and the functions and activities of local government and DMOs is of particular importance. In many countries, the competence for tourism is devolved to regions or states, while activities such as quality inspection and control, and the enforcement of regulations, are often undertaken

### Box 1.2. **Strengthening regional and local tourism structures: Country approaches**

In addition to coordinating a whole-of-government federal approach, the Government of **Canada** also works actively with provincial and territorial colleagues. In 2016, the Canadian Council of Tourism Ministers announced the Nunavut Declaration, which commits to federal-provincial-territorial collaboration, and aims to:

- Strengthen competitiveness by: collaborating on marketing; broadening understanding of the sharing economy; facilitating communication on importance of air competitiveness and access; and identifying potential solutions for labour and workforce challenges.
- Grow Canada's tourism offerings by: exploring opportunities to collaborate on Indigenous tourism, festivals and events, and sustainability; and economic development from federal, provincial and territorial parks visitation.
- Support a tourism statistical system in Canada that meets the information needs of decision-makers.

In **France**, responsibility for promoting tourism is devolved to several layers of regional and local government. A regional scheme for the development of leisure and tourism [*Schéma Régional de Développement du Tourisme et des Loisirs* (SRDTL)] sets out medium-term objectives for regional tourism development and determines the terms and conditions governing policy implementation. Each region has a Regional Tourism Committee (CRT). Regions are responsible for their own tourism data, and coordinate public and private initiatives related to tourism development, promotion and information. *Départments* draw up tourism planning schemes where necessary, taking account of the priorities set out in the SRDTL. Each is required to set up a Departmental Tourism Committee (CDT). Municipalities, and any inter-municipal authorities to which this responsibility has been transferred, may set up tourist offices which are responsible for receiving and informing tourists and promoting tourism within the municipality or inter-municipal authority. They also have the option to engage with other activity, such as marketing tourist services.

In 2017, **Switzerland's** Federal Council adopted a new tourism strategy developed by the State Secretariat for Economic Affairs (SECO) on behalf of the Federal Department of Economic Affairs, Education and Research (EAER). Coordination and co-operation is one of eight key areas of activity in the new strategy. The strategy strengthens the coordination of the Confederation's tourism policy, with the primary focus being to develop the *Tourismus Forum Schweiz* (Tourism Forum Switzerland – TFS) into a platform for dialogue and coordination. The aim is to create temporary, broadly diversified work groups comprised of representatives of the tourism industry, cantons, municipalities and Federal Administration. The topic- and project-specific co-operation within these work groups aims to identify targeted challenges and develop optional actions and approaches to solutions.

by regional or local offices of the tourism ministry or NTO. However, some of these functions, together with a range of development, management and marketing activity may be carried out by local bodies in liaison and agreement with the NTO and other national agencies. In Morocco the Ministry of Tourism's work is relayed through seven regional and 18 provincial bodies. In Colombia, the national ministry coordinates tourism planning with the regional and local authorities through Competitiveness Agreements, which identify the priorities for joint work over a three-year period. While in France, "destination contracts", are designed to

Box 1.3. **Law on Destination Management Organisations in Romania**

Romania has recognised that an integrated and cohesive tourism sector can only be developed and managed through a destination management organisation with the optimum involvement of all operating structures. It has therefore established a law for the development and implementation of Destination Management Organisations (DMOs) which will create a partnership between the public and private sectors and NGOs and raise awareness of their roles in promoting the tourism destination as a whole by all stakeholders. The law determines that there will be a three-tier structure for DMOs, and that the private sector should constitute at least 50% of membership for all DMOs:

- **A central or national DMO.** This will be the primary institution responsible for the operation and management of the tourism sector as a whole and for inter-sectoral coordination. Its interests will include: policies and strategies, administration, governance, management, legislation, regulations, human resource development, marketing and promotion, sustainable development and quality control. It will bring together relevant ministries (including the Ministry of Tourism, Transport, Culture, Education and Research, Water and Forests, Regional Development, Public Administration and European Funds, Environment) and other major stakeholders (Professional associations, NGOs, managers of protected areas, tourism education and training institutions, employers' associations, regional DMOs and other relevant entities). It will be a high-level body with a board of directors.
- **Regional DMOs.** These will have a strong relationship with the national DMO and will manage specific regions. They may involve a cluster of several local DMOs. Membership will include local authorities, the private sector, professional organisations, universities and others. Managed by a board of directors, they will have full autonomy for product and destination development, marketing, human resources, organisation of events, regional/local laws and regulation of the sector.
- **Local DMOs.** These will be in charge of a single destination – a town, village or a thematic destination. Local authorities will be the prime drivers but in partnership with the private sector. Managed by a local executive committee, they will operate under the overall guidance and support of the regional DMO and coordinate with other local DMOs in the region.

rally public and private stakeholders in a given region around inspiring themes, with the aim of creating and promoting an attractive, intelligible offer for national and international audiences. In many countries, advice, support and often funding is provided to regional and local tourism organisations to fulfil their functions. In Belgium-Wallonia a new Tourism Code is facilitating a restructure and clarification of stakeholder roles and a reduction in the number of *Maisons du Tourisme*.

It is also important to ensure effective bottom-up integration occurs, with local and regional bodies having a say in the development of national policies and programmes. Most countries include regional representatives within their national tourism coordination structures. Coordination and support can also be provided by non-tourism bodies – in Sweden, for example, the Association of Local Authorities and Regions (SALAR) has become increasingly engaged with tourism and supports the work of its members through platforms, networking and conferences.

### *Tourism budgets and funding*

The quality of destinations and the performance of tourism is affected by many kinds of public spending, on infrastructure, heritage conservation, essential services, security, enterprise support, education and training, as well as on destination marketing and promotion. Therefore, the sector is sensitive to the overall state of the economy, the generation of revenue to the exchequer and the availability of resources. In many countries public finances have remained tight.

Looking at budgets specifically allocated to tourism, the picture is mixed. In a few countries there has been a decrease in the annual budget for tourism between 2015 and 2016/17 (e.g. Belgium Flanders, Croatia, Czech Republic, Greece) while in others there has been an increase (e.g. Canada, Chile, Finland, Germany, Hungary, Luxembourg, Malta, Spain, Switzerland). There are competing forces at play here, with restricted government resources and austerity policies on the one hand and a growing recognition of the economic importance of tourism on the other. An extreme example is the case of Hungary, where the budget for tourism quadrupled in 2017 after being identified as an area of strategic priority by the Hungarian government.

In general, the largest share of the tourism budget tends to be allocated to marketing and promotion, including the operation of the NTOs, and which is often used as leverage to stimulate increased marketing activity by the private sector. In some countries significant sums are allocated to projects and programmes to improve infrastructure and enhance the tourism product, often in regions in need or with potential. An example is the Tourism Infrastructure Fund in New Zealand (Box 1.4).

In most countries the majority of funding for tourism comes from central government budgets. European Union Structural Funds also provide a significant source in countries where they are available. Other sources include taxes and charges on accommodation stays, air travel, arrivals and departures and the use of certain resources. Businesses may also pay contributions for services provided. In Colombia, for example, other sources of funding include, obligatory contributions from tourism service providers for the promotion of national tourism destinations, income from the use of government owned tourism-related brands, and penalties imposed on tourism service providers for legal infractions.

In a few countries, taxes and charges constitute the primary source – in Portugal over half the tourism budget comes from taxes on gambling, while in Costa Rica over half the budget comes from a flat rate entry charge with much of the rest coming from taxes on tickets for travel originating or purchased in the country. Policy tends to vary as to whether funding secured from specific sources is dedicated to pre-determined beneficiaries and causes.

### *National tourism policies, strategies and plans*

The level of attention and support that a country gives to tourism is influenced by how it is perceived in the context of overarching national policies, especially for the wider economy and development. In Mexico, for example, the National Development Plan 2013-2018 recognises the importance of tourism in creating jobs and supporting the conservation of heritage. In Japan, the Japan Revitalization Strategy 2016 identifies tourism as one of ten key pillars; in Slovakia it is identified in the government manifesto; and in Switzerland it plays a key role in the New Regional Policy.

### Box 1.4. **Supporting the development of tourism infrastructure in New Zealand**

Record tourism growth in New Zealand has led to increased yields across the sector. However, it has also placed pressure on the capacity of local public infrastructure and services in some areas, and particularly in those communities receiving high visitor numbers relative to the local population. Furthermore, the fact that economic benefits can accrue to areas other than those where costs fall, has left some communities unable to respond to these pressures in a timely manner, and consequently to concerns about visitor numbers. Other regions claim that their inadequate existing infrastructure is a constraint on their ability to realise their tourism growth potential. These factors have combined to drive an expectation for central government intervention.

To respond to these challenges, the government established the Regional Mid-sized Tourism Facilities Grant Fund (MFF) in 2016. The MFF comprised NZD 12 million appropriated over four years. Across the funding two rounds, NZD 8.28 million in co-funding was provided for 42 tourism-related infrastructure projects including carparks, toilets, sewerage and water works. The projects have also enhanced amenity for local residents.

The MFF was closed in 2017 with the remaining funds transferred into the new and larger Tourism Infrastructure Fund (TIF) announced in the 2017 budget. The TIF provides up to NZD 25 million per year over four years as co-funding for the development of tourism-related infrastructure, particularly in areas where the local population is too small to completely fund the work themselves. It aims to protect and enhance New Zealand's reputation both domestically and internationally by funding infrastructure which contributes to quality experiences for visitors. A panel of independent advisors and sector representatives will assess and recommend eligible projects to the Minister of Tourism, who will give final approval to the projects to receive funding.

A large majority of countries have published dedicated medium or long term tourism policies and/or strategies. Most are for periods of five years, but some countries have policy frameworks for ten years or more, on which shorter strategies and plans are based (e.g. Ireland). It is common for policy and strategy documents to set out a combination of principles, policies and objectives, which then form the basis for identified actions. The preparation and launch of new policies and strategies can serve to galvanise the sector and stimulate a range of new commitments and agreements, as with Canada's New Tourism Vision, and Italy's new Strategic Plan for Tourism (Box 1.5).

There are many similarities between countries in the direction of tourism policies and areas of priority and focus. Key recurring themes include:

- Increasing competitiveness while also pursuing the sustainability of the sector,
- Improving the quality of infrastructure, facilities and services,
- Strengthening the country's international position and distinctiveness as a tourism destination,
- Improving the conditions for investment and growth and supporting innovation,
- Addressing seasonality of demand – increasing tourism in the off-season,
- Spreading tourism geographically – encouraging development and spending in areas of high potential,

### Box 1.5. **A new Strategic Plan for Tourism in Italy**

The Italian National Strategic Plan for Tourism (*Piano Strategico del Turismo-PST*) for 2017-2022 has been developed by the Ministry of Cultural Heritage, Activities and Tourism. It brings together all tourism operators in Italy with a consistent and coordinated approach, improving policies in terms of both demand and supply, and putting tourism programming at the centre of national policies. The PST takes on a new and innovative approach based on an open and participative method to share strategies, targets and areas of intervention, with the aim to become a stable system of governance for the sector. It aims to deliver two primary objectives, namely, enhancing Italy as a country of art and culture, and ensuring effective governance of tourism development.

Three strategic principles underpin the Plan's targets and measures:

- Sustainability is a key element of competitiveness in tourism, which must therefore help to preserve natural resources and landscapes, and attract investment for their protection. A sustainable vision for tourism is geared towards sharing opportunities throughout the country and throughout the year, bringing employment to new as well as established destinations.
- Innovation covers tourist destinations, business models, professional profiles, marketing, communication, pricing, and the quality of services and products. Digitalisation is at the frontier of innovation, cutting across the distribution of information, decision-making by travellers, and the development of communication tools.
- Accessibility includes the provision of access to places (including less-visited areas), using sustainable mobility systems, giving all people the chance to benefit from tourism (regardless of their age or health conditions), and giving tourists the opportunity to fully appreciate the beauty and uniqueness of the heritage they are visiting (*www.pst.beniculturali.it/*).

- Addressing labour supply shortages and increasing levels of skills and training,
- Attracting new source markets and meeting their needs,
- Improving transport and connectivity,
- Improving knowledge and data on tourism.

A number of trends in policy are discernible in the last two years, with new or enhanced emphasis being placed on the following areas:

- A further shift away from the dominance of increasing tourism volume towards enhancing levels of spending and value retained from tourism as well as achieving other social benefits. In Korea, for example, the new administration introduced a policy direction emphasising "tourism welfare" and promoting tourism as mechanism to enhance quality of life as well as the national economy. Global concepts of inclusive growth are being increasing reflected in policies, in relation to engagement of communities, provision of quality jobs and providing access for all.
- Concern about the pressures resulting from rapid and often unplanned tourism growth in certain locations, with a threat of "over-tourism" and the need to focus on management solutions and address issues of carrying capacity. In Iceland some measures are being taken or considered to manage growth and improve visitor handling (Box 1.6).
- The imperative of embracing digitalisation in many areas of tourism development, management and marketing.

- Greater awareness of safety and security issues affecting visitor decisions and wellbeing, and the need to ensure that they are addressed in travel to and within destinations.

Box 1.6. **Tourism management in Iceland**

Tourism management issues are becoming more prominent in Iceland's tourism policy as the rapid increase in tourist arrivals continues. In addition to measures intended to maintain Iceland's competitiveness as a destination and improve the sector's productivity and profitability, the Government has recognised that management measures are needed in order for tourism to continue to thrive in harmony with the community, environment and other sectors of the economy. Measures need to be applied at many levels to moderate the growth tourist arrivals, increase regional dispersion, reduce seasonality, and better manage visitor flows at popular tourist sites. The following actions defined in Iceland's official Road Map for Tourism 2015-2020 have been implemented to improve the management and distribution of tourists around Iceland:

- A Route Development Fund has been established to encourage direct international flights to other airports in the country,
- Destination Management Plans are being prepared that take into account the distribution and management of tourist flows in each of the seven regions,
- Reforms to the Tourist Site Protection Fund together with a new 12-year National Infrastructure Plan for the Protection of Nature and Sites of Cultural and Historical Value, to improve infrastructure and encourage new developments in less visited areas,
- New legislation that allows local authorities to apply parking fees in rural areas in order to better control tourist numbers at popular sites and for maintenance,
- Revision and coordination of official tourist information provision to improve quality of service and the safety of visitors.

Other initiatives have been implemented to help manage the impact of tourism on the local community and environment. These include new legislation on home sharing, which aims to help level the playing field in the short-term rentals market, and raising the accommodation tax, which will provide additional funds for infrastructure at tourist sites around the country. In addition, Funding for various research projects e.g. on tourism carrying capacity, the formulation of sustainability indicators and a market segmentation exercise that aims to help increase rates of return in the sector.

### *Regional and local destination plans*

A significant dimension of many national tourism policies is the increasing emphasis on regional and local destinations as the location for planned and integrated action. A number of countries have been implementing programmes based on selected local destinations, identified on account of their tourism potential or economic need. This is seen as an effective way of focusing resources and harnessing stakeholder engagement. Some examples are listed in Box 1.7.

Destinations, in turn, require their own policies and plans in order to achieve successful, well supported and integrated tourism development. Frameworks and guidelines for this can be provided from central government. An example is the programme of Destination Management Plans in Iceland, referred to in Box 1.6, which are joint policy statements

### Box 1.7. **Destination frameworks providing a focus for tourism policy and action**

In **Chile**, work is underway to improve the management and sustainability of 10 selected destinations to improve industry competitiveness and increase opportunities for participants in the tourism value chain.

In **Hungary**, four priority tourism areas have been nominated. In each, the steps are to: define the area; prepare a destination management plan and programme; and establish a new destination brand.

In **Mexico** a new programme, Zones for Sustainable Tourism Development, has been launched, based on destination plans implemented with local governments in selected destinations.

In **Slovenia**, the country has been divided into four macro-destinations for the development of tourism, each with a distinctive theme and identified potential.

In **Sweden,** five destinations participated in the Sustainable Destination Development Initiative, undertaking actions to establish new products and to improve quality, sustainability, skills and knowledge sharing.

intended to steer growth and development, define stakeholders' roles and specify actions and resources.

Destinations have also been the recipients of various forms of support and assistance in the delivery of their plans and in the execution of development projects and other initiatives. The Tourism Infrastructure Fund in New Zealand provides one example (Box 1.4), another is the *Valorizar* programme in Portugal (Box 1.8). In the United Kingdom, the Discover England Fund provides project funding of GBP 40 million between 2016/17 and 2019/20 to stimulate international visits to destinations across England.

### Box 1.8. ***Valorizar* – Enhancing destination value in Portugal**

The *Valorizar* Program aims to support investment and enhance the quality and value of Portugal as a tourist destination. The programme was created specifically to address the challenges associated with reducing seasonality and achieving a more balanced distribution of demand throughout the country. With an annual budget of EUR 30 million, *Valorizar* provides financial support for the regeneration and rehabilitation of public spaces for tourism purposes, the development of new tourism products, and leverage value from Portugal's unique cultural and natural heritage.

*Valorizar* comprises three funding programmes:

- Enhancing tourism value in the interior – supporting development of tourism offer in the inland regions of Portugal and increasing their attractiveness,
- Accessible tourism – promoting adaptation of the tourism offer enabling Portugal to become a tourist destination increasingly accessible to all,
- Wifi projects in historical centres – enhancing the visitor experience in destinations and promoting innovation.

By June 2017, *Valorizar* had supported over 100 projects, representing investment in excess of EUR 64 million.

## Development and marketing of distinctive products and destinations

Successful tourism depends on the provision of tourism products and destinations that provide attractive, stimulating and satisfying experiences in line with market trends and visitor expectations. It also relies on their effective and efficient promotion. These requirements are well understood. Countries engage in many actions to identify the needs of established and new source markets, identify and develop tourist offers based on distinctive themes and experiences, and run effective and creative marketing campaigns.

This activity also needs to deliver on identified strategic objectives and priorities. Particular emphasis has been placed by many countries on the need to enhance competitiveness through the distinctiveness of the offer, to spread interest and spending to less known areas, and, most especially, to address seasonality and gain more business at different times of the year. The strategic attention given to digitalisation also plays a strong part in the tactical actions pursued.

### *Strategic and thematic approaches to products and destinations*

Many countries point to their cultural and natural heritage as lying at the heart of their visitor appeal. Policy demands that these precious assets are conserved in their own right as well as in the interests of tourism. Various actions are also being taken to gain further market advantage from them, especially to more evenly spread visitor spending geographically and throughout the year.

A recurring theme is the development of more opportunities focusing on nature based tourism, wilderness areas and outdoor activities. A number of countries, including Canada and Chile, have active programmes to strengthen their destination image through links to their national parks. Walking and cycling are seen as providing important market opportunities in many countries with very different terrain and landscapes. Projects include the further extension of *Nga Haerenga,* the New Zealand Cycle Trail, and additions to that country's set of Great Walks, promotion of the award-winning walks network in Luxemburg, the development of cycle trails in Israel, and the continued development of the European cycle route network – *Euorvelo*. Nature-based tourism has proved to be successful as a sustainable development tool in rural parts of Romania and other countries in Central and Eastern Europe and it is strongly supported in their policies.

More widely, rural and community-based tourism has been encouraged in various destinations, partly to create distinctive alternative visitor experiences but also to support local livelihoods. In Germany, an ongoing project entitled "The destination as a stage: How can cultural tourism make rural areas successful?" has received considerable interest and has been extended to six regions, which are coached to function as role models for others. By bringing people involved in culture and arts together with destination management professionals the project aims to develop unique and lasting cultural brands, create resilient networks of relevant stakeholders, and identify sustainable financing schemes. In Peru, an initiative has focussed on strengthening the use of local produce and handicrafts in the tourism supply chain (Box 1.9), and in South Africa the Department of Tourism is developing a framework for "precinct development" with an emphasis on townships and rural tourism.

A number of countries have sought to further diversify their tourism offer by focusing on additional and alternative markets that enable them to strengthen occupancy in the low season and attract higher spending visitors. Health and wellness tourism is being pursued or expanded for these reasons in various countries, including Mexico, Latvia, Lithuania and

### Box 1.9. **Strengthening local tourism supply chains in Peru**

The inclusive development initiative *Al Turista, Lo Nuestro* promotes the direct incorporation of local products (agricultural, livestock, fishery, handicrafts, etc.) in the provision of tourism services. It aims to promote tourist supplies that incorporate quality regional services and products purchased directly from local entrepreneurs into the tourism value chain.

The Ministry of Foreign Trade and Tourism has undertaken studies and initiatives on the market demand, the offer and business proposition, and relevant aspects of heritage, complemented with a diagnosis of the gastronomic offer of possible communities to benefit, in order to start a process of capacity building, promotion and marketing.

The initiative has benefited producers in four Peruvian regions (Cusco, Arequipa, Puno, and Ica) with the participation of rural associations, producers and tourist service providers. In 2018, the initiative will be implemented in four new regions of the northern Peru (Tumbes, Piura, Lambayeque and La Libertad) contributing to the economic recovery of the citizens affected by the *El Niño* coastal phenomenon.

Turkey, where the Ministry of Culture and Tourism has selected three Thermal Tourism Development Regions to implement pilot projects.

The development of alternative and distinctive products can influence investment in individual businesses and thematic groupings in all parts of a country. Distinctive products and thematic visitor experiences may also be created from particular types of landscape and associated cultural heritage. An example is the new creation of a desert tourism product in and around the Negev in southern Israel (Box 1.10).

### Box 1.10. **Developing the desert product in Israel**

The Israeli desert has a vast historic significance and provides many opportunities to promote tourism and the well-being of all desert residents, but the "Desert Tourism" product is at an early stage of commercial development in Israel. Most incoming tourists to Israel tend to follow a classic route through Jerusalem, Tel Aviv and the north, with an itinerary that rarely includes the areas of Negev (desert), Eilat and the Arabah (known in Hebrew as Arava, to the south of the Dead Sea basin). While local initiatives have increased the scope of tourist services in these areas in terms of accommodation, catering, art and training, many of these products are not yet available to incoming tourists, due to poor access, a lack of information available in foreign languages and an absence of essential tourism services such as outdoor water sources and shaded rest areas. The Israel Ministry of Tourism is working to create a desert product based on the new Ilan Ramon airport, which will brand and market the desert area, including new routes in a rich variety of locations throughout the desert, developing new tourism sites and upgrading existing ones.

The goal of this project is to increase the number of tourists from abroad who land in Eilat and position it as a tourism hub in the region, increase their stay in the southern regions, and contribute to reducing seasonality.

For similar reasons, events are highly valued attractions. As key drivers of demand, they act as catalysts, animators and image-makers for both business and leisure travel. The close links between major events and tourism are clearly recognised by many cities, regions and

countries that have identified event tourism as a specific priority within long-term tourism strategies (e.g. Australia, Canada, the Czech Republic, Denmark, Estonia, France, Ireland, Japan, Korea, Latvia, New Zealand, Portugal, Slovenia, Spain, Switzerland, Turkey and the United Kingdom), with many devoting considerable resources to develop, attract and support major events in order to enhance destination attractiveness and competitiveness, and spread the benefits of tourism to regional areas (OECD, 2017a). Business and conference tourism has been identified as a policy priority in certain countries, addressing both supply and demand as in the example from Luxembourg (Box 1.11).

Box 1.11. **A comprehensive approach to the MICE market in Luxembourg**

The government of Luxembourg has highlighted the importance of conference and business tourism for the Grand Duchy and the need to improve coordination in this segment and raise external visibility. With this in mind, in 2015 the MICE Luxembourg cluster was established by the Ministry for the Economy.

Based on a SWOT analysis of the sector, a common MICE strategy has been developed, setting out the main approach to development, defining markets and targeting clientele, and describing the promotional tools to be used. Alongside the cluster's technical committees, the government is working with the sector to implement a number of development projects, including a timetable for MICE events, business quality guidelines, and a Green Meetings project designed to promote and showcase ecologically responsible events.

The flagship promotional project is the prestigious biennial "Meet Luxembourg" event, introduced in 2016 to invite potential MICE clients from target markets, present the advantages of Luxembourg as a destination, and bring together supply and demand.

The ultimate goal is to create a national conference bureau for the MICE sector. In addition to serving as a single point of contact, the bureau will play a key role in Luxembourg's economic promotion linked to priority sectors of the economy which have been identified as particularly fruitful sectors for conferences and events.

### *Effective marketing and promotion*

Tourism marketing is a primary function of National Tourism Organisations. Marketing activity tends to be informed by general tourism policies and strategies although sometimes separate Marketing Strategies are prepared. Recent trends in the approach to marketing that are generally apparent but specifically illustrated in different countries include:

- Awareness of the rapid growth and future potential of a number of emerging markets, especially China, but also some other countries primarily in Asia. Almost all countries, in all continents, have identified opportunities in these markets and have built them into their strategies.
- Recognition of the need to maintain diverse source markets in order to avoid over-dependency and risk from unexpected downturns in certain markets. This is particularly referred to in the marketing policies in Turkey and the Philippines but is widely applicable.
- A growing interest in seeking to identify and attract high-end, independent markets. Spain, for example, is focusing on the "cosmopolitan" segment, who might be described as having an interest in culture, art, unique experiences, gastronomy and shopping. Korea is targeting new independent Chinese travellers, with simplified visa processes.

- An increasing focus on digital strategies, with digital platforms opening new partnership opportunities and routes to market with reduced costs compared to traditional marketing approaches.

While there is downward pressure on public sector funding for marketing, budgets have been broadly maintained, partly reflecting the extremely competitive nature of the global tourism market. Nevertheless, the need to further develop opportunities to leverage and stimulate private sector funding for destination promotion is widely recognised and pursued. Challenges for countries include how to identify commercial partnership opportunities, effectively demonstrate the reach, impact and effectiveness of value-in-kind contributions, and increase recognition of in-kind benefits as a relevant form of return-on-investment (OECD, 2017b). Some countries have shown flexibility in boosting resources for marketing in response to rapid changes in circumstance – for example an emergency fund for the promotion of tourism was established in France in the face of a market downturn following the terrorist attacks in 2016.

Box 1.12. **Developing and promoting regional brand experiences in Ireland**

In an innovative response to declining visitor numbers and market share in the West of Ireland, where tourism is a vital contributor to local economies, Fáilte Ireland has developed distinctive regional branding experiences. The Wild Atlantic Way was developed in 2014 as a new experience and presents the West Coast of Ireland as a compelling international tourism product of scale and singularity. Within this over-arching brand, individual destinations and businesses can trade collectively in the international marketplace with much greater visibility and clear messaging. In the early stages of development, international visitors had low awareness of the Wild Atlantic Way prior to arrival, despite indicating very positive experiences on the ground, however, following international marketing efforts, awareness increased significantly. In 2015, Fáilte Ireland set out a strategy, implementation framework and programme for sustainable implementation of the Wild Atlantic Way over the period 2015-2019.

Building on the success of the Wild Atlantic Way, Fáilte Ireland developed further experience brands in 2015. Ireland's Ancient East was developed building on international consumer research and preliminary brand development work undertaken by Fáilte Ireland, in collaboration with trade partners. This resulted in a distinctive "story-based" approach, ensuring that the experience of Ireland's culture, history and heritage is brought to life by the stories found at its tourism offerings. Also in 2015, Fáilte Ireland launched a new brand for Dublin – A Breath of Fresh Air, together with a destination marketing campaign focused on Great Britain, Germany and France.

These regional branding experiences have proved very successful and contributed to increased visitor numbers to the regions covered. They continue to gain traction internationally and are central to Ireland's overseas marketing effort.

A particular area of creativity in tourism marketing has been in the identification and promotion of new destination brands. In Russia, re-branding has involved engagement of local residents in order to raise awareness and support for the brand. Sub-national branding, partly linked to newly identified or prioritised areas of tourism development and involving new product concepts and offers to support the brand, has been a strong feature in some countries. Examples include the Netherlands, where they have recognised that as

a country the tourist offer is made up of a number of small key cities, and have adopted a "HollandCity" branding & marketing strategy, and Poland, with the House of Polish Tourism Territorial Brands, and the success of culture and corridor-based experience brands in Ireland (Box 1.12).

Creative marketing initiatives and campaigns have been adopted in some countries that have picked up on strategic policy priorities including the need to promote visits out of season, as in the Croatia 365 campaign, and developing cross-border partnerships such as Visit Arctic Europe, and utilising social media to tap into the high-growth markets. Promotional activity continues to involve traditional tactical approaches such as working with travel agents and tour operators, engagement with travel media and journalists and attendance at travel shows. However, on-line marketing and sophisticated use of social media are now at the forefront of most tourism marketing campaigns. For example, Destination Canada's Millennial Travel campaign aimed to leverage social media channels (e.g. Instagram, Facebook, Pinterest, Twitter and YouTube) to build awareness and interest in visiting Canada, by being present where travellers are speaking with other travellers and supporting the conversation through content distribution.

Indeed, many NTOs are placing digital at the core of their methodology. For example, VisitDenmark, Destination Canada, and NBTC Holland Marketing, are seeking to build new partnerships with online tour operators (OTAs) and other digital platforms such as Airbnb, while Visit Portugal has adopted a 100% digital approach across all marketing activities (OECD, 2017b).

### *A focus on digitalisation*

The digital revolution has had a profound and ongoing impact on tourism. It presents both opportunities and challenges for destinations and individual tourism businesses, who need to fully embrace new technology if they are to remain competitive. This is well recognised in tourism policies and strategies. While all countries are taking relevant action, some have commissioned studies or prepared specific plans and programmes on digitalisation in the tourism sector, including Austria (Box 1.13), Bulgaria, Croatia, Denmark, Italy, Korea, Mexico, Russia, Spain, Switzerland and Turkey.

Box 1.13. **A Digitalisation Strategy for Austrian Tourism**

Digitalisation is transforming the tourism sector at a rapid pace, with strong implications on both, demand and supply. In view of an active role in this process, the Ministry of Science, Research and Economy together with the Austrian NTO and the Federal Economic Chamber launched a digitalisation strategy for Austrian tourism in September 2017. The strategy has been developed in an open innovation process with the involvement of many stakeholders (national and regional, industry experts from tourism, technology and the creative economy, universities and research, etc.) and pursues three strategic objectives i) to shape digital change ii) to strengthen the innovation capacity of enterprises and iii) to create skills and processes for digital transformation. The strategy defined 22 measures to meet these objectives including nationwide coverage of broadband technology, good information and co-operation structures for data management, support for digital innovation in SMEs, as well as for the development of digital skills for the sector.

*Source:* Ministry of Science, Research and Economy.

There are two main areas in which digitalisation is having a profound impact on actions to develop, manage and market tourism. The first is in the process of communicating with tourists. There are various dimensions of this that countries are having to address, including: all forms of web-based presentation of marketing messages and information; effective use of social media in influencing choice and sharing experiences through personal exchange but also via commercial channels; the growing importance of customer generated rating of tourist facilities; the increasing dominance of Online Travel Agents in handling travel purchases, with significant impact on business performance; and the rapidly growing use of mobile technology in delivering instant information to visitors during their stay. A further aspect of digitalisation is the opportunity it presents for new and highly creative ways of enhancing the visitor experience, including the growing use of virtual reality (Box 2.3), not only in the interpretation of attractions but also to add new dimensions to branding and marketing, such as in the Spirit of Scotland campaign in the United Kingdom.

The second major impact of digitalisation is in opportunities it presents for handling transactions and in the capturing and processing of information and data on tourism supply and demand. This can include use of new data sources and larger volumes of more complex data. Work in this area in the tourism sector is still in its infancy. A number of countries are embarking on new projects for the systematic handling of digital information, such as the Integrated Tourist Information System in Bulgaria and the Data Tourism project in France. An example of an integrated approach is the eVisitor platform in Croatia (Box 1.14).

### Box 1.14. **A national online information and management platform for Croatia**

In 2016, the Croatian National Tourist Board (CNTB) established eVisitor as a central platform for tourism data management. A comprehensive database of over 160 000 accommodation providers enables online check-in and check-out by all businesses as well as tourist offices (national/regional/local) across Croatia. Today, eVisitor is used not only by the CNTB and industry players but also by the Ministry of Administration, the Ministry of the Interior, Customs Administration and Inspection Services, the Central Bureau of Statistics, and other stakeholders involved in shaping, improving, and monitoring the tourism sector.

All accommodation service providers register guests directly via the web interface, irrespective of the device, browser or operating system. eVisitor automatically compiles the guest booking and calculates the accommodation fees, reducing the need for additional administrative effort or the review of documents in paper form. All data is available with no extra cost in real time with the appropriate authorisation. Participants have access to complex reports, which can contain one or more criteria including length of stay, location, gender, age, country of residence, type of facility, destination etc. This creates a synergistic effect for all Croatian tourism stakeholders and contributes to ensuring their competitiveness.

The system supports the sharing of information for the purpose of monitoring, reporting, statistical and marketing evaluation, and planning. As well as processing, analysing and reporting real time data, the system controls the collection of tourist taxes. The service has been carefully designed to benefit both local and county tourist boards as well as accommodation providers.

In their digital strategies for tourism, countries will need to find ways to fill the various gaps that are likely still to exist in their systems. These include any infrastructural and connectivity deficiencies, for example the provision of fast broadband network, easy access to wifi while travelling, and the removal of barriers caused by high roaming charges. A number of projects have focused on the need to enhance digital skills and access to technology by small tourism businesses. Capacity building amongst stakeholders is a key part of the programme to expand digitalisation of tourism in Austria, for example.

The all-encompassing nature of digitalisation has led to this issue generally becoming more central to the way that destinations are perceived, planned, managed and identified. The concept of a "Smart Destination" has be gaining traction, defined as an innovative tourist destination using state-of-the-art technology for its sustainable development. The world's first International Congress on Smart Destinations was held in Spain in 2017, where the concept is being pursued through a Smart Destinations Project (Box 2.4).

## Supporting a competitive, sustainable, and inclusive tourism industry

Countries in all parts of the world face common challenges in overcoming barriers to the competitiveness of the tourism sector and in strengthening its resilience and sustainability. Essentially this is all about improving openness and the flow of visitors, knowledge and resources. Key priorities, reflected in policies and actions on the ground, lie in the fields of improving transport, strengthening accessibility in all its forms, improving quality, stimulating investment and business performance, and expanding skills, careers and employment opportunities in tourism.

At the same time, it is widely recognised that tourism, when built upon broad stakeholder engagement and sustainable development principles, can contribute to more inclusive growth through the provision of employment and economic development opportunities in both urban and rural areas. It can also raise awareness of cultural and environmental values, and help finance the protection and management of protected areas, and the preservation of biological diversity. In recognition of tourism's potential to advance the universal 2030 Agenda for Sustainable Development, 2017 was declared International Year of Sustainable Tourism for Development.

### *Improving transport and seamless connectivity, reducing barriers to travel*

Efficient transport infrastructure and services are essential to maintaining the flow of visitors that provides the lifeblood of the tourism sector. To be successful in developing their tourism economy, countries must establish good connections to existing and potential source markets and provide convenient, efficient and enjoyable ways for visitors to move around within the destination. Seamless travel involves the removal of all kinds of unnecessary impediments, be they physical, economic, legal or administrative or resulting from poor perceptions, insufficient information and failure to provide the necessary encouragement, assistance, security and welcome. Key factors to enhance the visitor experience include: good accessibility; efficient visa and customs processing; convenient multimodal transport options to access destinations; efficient connections between interregional and local modes; integrated ticketing; multilingual user information and way-finding; and; ease of access for travellers with limited mobility (OECD, 2016).

Complex visa and entry procedures are well proven inhibitors of travel. Despite heightened security concerns in many parts of the world, countries have continued to

introduce swifter and more user-friendly processes. The United States has further expanded the use of trusted traveller programmes, self-service kiosks, improved signing and queuing systems and other technological advances in arrival processes at ports of entry. In the United Kingdom, driving continuous improvement is one of five top priorities in the Government's Tourism Action Plan. France has set lower minimum times for the delivery of visas to ten new countries in 2018 and for clearance at entry points. Russia has relaxed its visa requirements for selected short tours of up to three days. Improvements in visa processes and other aspects of travel facilitation can be assisted by bilateral agreements, such as those negotiated between China and many countries, including Australia (Box 1.15), New Zealand, the United States and the 28 member countries of the European Union.

### Box 1.15. **Streamlining access for high growth markets in Australia**

Australia has progressed reforms to streamline visitor visa processing in key source markets. These include: trialling a 10 year multiple entry visitor visa for eligible Chinese nationals and three year multiple entry visas for nationals from India, Thailand, Viet Nam and Chile; online lodgement for applicants from China and India; and trialling a user-pays fast-track processing option in China, India and the United Arab Emirates.

The Australian Government recognises China as an important driver of tourism growth. The Approved Destination Status (ADS) scheme is a bilateral arrangement between the Chinese Government and a destination country that establishes a regulatory framework for Chinese tourists to undertake group leisure travel to that country. The tourism relationship between Australia and China is supported by a Memorandum of Understanding (MOU) on tourism cooperation in areas such as marketing and supply side issues such as labour and skills development, investment, research and infrastructure. Under the MOU, an annual Australia-China Tourism Dialogue is held to report on the status of activities and determine future areas of cooperation in the tourism sector. 2017 was designated as the China-Australia Year of Tourism.

Liberalisation of air transport continues to be actively pursued in various destinations. A number of countries have active programmes to secure new routes, such as Australia, Brazil, Greece, Iceland, and Israel. The importance of working with local airport authorities on route development and the tangible growth that can be achieved as a result is demonstrated in Malta (Box 1.16).

The focus on tourism transport is by no means limited to air connectivity. Some countries have been pursuing initiatives to improve a range of different infrastructure and services. Improving multi-modal air, land and sea based transport networks is a key priority in the Philippines. In the United Kingdom, a key government priority for tourism is to make it easier for international visitors to explore beyond London by rail, bus and coach. In New Zealand, the government releases a Government Policy Statement (GPS) on land transport to signal government priorities that influence transport investment decisions across the country. Tourism was emphasised in the draft GPS 2018 to ensure that roads and supporting infrastructure used by visitors were fit for purpose. The draft GPS 2018 is currently being reviewed to ensure it reflects current government priorities.

Provision of infrastructure to help visitors travel and explore is not only motivated by a desire to improve connectivity and growth. A number of countries, including Austria, Italy

Box 1.16. **Promoting strategic air connectivity to Malta**

Given the small size of its domestic tourism market, Malta's tourism industry almost exclusively depends on foreign inflows for its sustained wellbeing and profitability, which in turn relies on air transport. Travellers from European short-haul markets are increasingly choosing destinations that are accessible with direct flights, ideally more than weekly, from the airport closest to their place of residence. The Malta Tourism Authority has recognised the strong relationship between growth of inbound tourism and the number of routes and seat capacity, and this is now an important pre-requisite for its marketing activity.

In response, Malta has embarked on a strategy to increase the number of direct air services, which have risen from around 45 in 2006 to over 92 in 2016. This significant increase contributed to record growth in tourism volume, overnights and expenditure in almost every year of this period.

The Malta Tourism Authority has developed a strong and synergetic relationship with the island's only international airport, Malta International Airport. These two organisations share market intelligence, devise joint strategies and complement each other's activities to ensure the efficient use of resources and maximise returns.

and Slovenia, have been pursuing mobility projects based on walking, cycling and the use of public transport, partly as attractive tourism products in the their own right but also in line with policies to reduce traffic congestion and the carbon footprint of tourism related travel. In Italy, 2016 was designated as the year of Italian paths (*I Cammini d'Italia*) with the objective of enhancing the value of cultural routes, assisted by improved information and marketing.

### *Expanding domestic tourism and providing access for all*

There is considerable variation between countries in the relative importance of the domestic market to the tourism economy. In many developed countries it can be many times more valuable than the international market in terms of total visitor spend. Various countries are looking to increase domestic tourism, recognising its importance in strengthening business performance and securing profitability. A strong domestic market can reduce the risk of over-dependence on some international markets which can be more volatile. It may also help to address seasonality, although in some countries domestic tourism is in fact more seasonally peaked. There are also sustainability arguments for pursing the domestic market, which may generate lower transport-related carbon emissions per visitor, although this is not often recognised in policy.

Countries that have reported particular themes and initiatives in the domestic market include Chile, Germany, Italy, Korea, France, Mexico, Poland, Slovakia, South Africa, Turkey, the United Kingdom and the United States. Some have engaged in general marketing campaigns, such the "Let's All Travel Through Mexico" promotion which, in addition to encouraging domestic tourism, also aims to promote the diversification of products and reduction of seasonality. The "Poland See More – Weekend at half price" campaign was developed by the Ministry of Sport and Tourism and involves a wide range of attractions, activities and accommodation providers coming up with offers on chosen weekends. In Turkey, the Ministry of Tourism is focusing on growing domestic tourism by giving support to appropriate fairs and events; it also works in co-operation with the Association of Turkish Travel Agencies, through an "early reservation campaign" offering low prices for domestic visitors making reservations four to seven months in advance.

Some initiatives to promote domestic tourism are not only undertaken for economic purposes but are also closely linked to policies that aim to provide all local residents with opportunities to have holidays irrespective of their personal circumstances, as part of a social tourism agenda. This can involve the provision of subsidised offers aimed at particular groups and work to incentivise, improve and promote the provision of highly accessible facilities. Some country examples are provided in Box 1.17.

Box 1.17. **Tourism for all: Country approaches**

In **Belgium-Flanders** the policy to make tourism available to all Flemings has led to work in three areas: making Flanders a leading family-friendly heritage destination; expanding the Holiday Participation Centre as a leading reference point for people with budgetary and care needs; and providing high quality accommodation for a range of disadvantaged groups.

In **Chile**, three programmes have been established to provide opportunities shaped to the needs of different segments. The Third Age Vacation Programme promotes internal off-season tourism to seniors, retirees, pensioners and people with reduced capacity, through a government subsidy that reduces the cost of tour packages. The Study Tour Initiative is aimed at students in educational establishments receiving state subsidies. The Family Tourism initiative provides vacation opportunities for vulnerable families based on all-inclusive packages in certain regions.

In **France**, promoting access to holidays, and especially for families, seniors and people living with a disability, represents both a social objective and a factor in enhancing the competitiveness of destinations. The *Tourisme et Handicap* brand certifies sites (hotels, restaurants or other tourism provider) that develop a tourism offer adapted to people with a disability, including the provision of reliable information. To date, more than 5 500 sites have been labelled. The *Destination pour Tous* brand values the tourist and service offer of an entire territory that guarantees accessibility throughout the entire travel chain, as well as the financial accessibility of the offer.

In **Germany** accessibility for all remains a tourism policy priority, including the provision of comprehensive and reliable information concerning barrier-free offers available for people with disabilities. Such information can also benefit senior people and families with small children. The "Tourism for All" project is funded by BMWi to support the creation of a nation-wide labelling and certification system including a central database. Licence holders, such as state tourism organisations and supra-regional service providers, will be able to link their digital marketing platforms to the database, providing an incentive for the industry to invest in accessible tourism and create a self-financing system based on licence and certification fees.

In **Korea** a vacation support plan seeks to ensure that employees of SMEs take adequate vacation leave. It involves a pre-paid debit card that is 25% funded by government, 25% by the employer and 50% by the employee.

### *Strengthening business performance, regulation, quality and investment*

Policies to improve the competitiveness of tourism need to give significant attention to the performance and quality of tourism businesses and the level of investment in the sector. This is partly about improving the overall business environment, but also includes actions to identify and promote quality and to provide various forms of incentive and support.

A number of countries have been taking action to reduce the regulatory burdens relating to the operation of tourism businesses and making investments, sometimes as part of wider legislative change in the sector. Brazil has been reviewing 118 proposals to modernise its tourism law; Malta has undertaken a major exercise to ensure that its regulatory framework is better equipped to react and adapt to the rapid change in the sector; and Slovakia has undertaken a study of regulatory impacts on tourism businesses, especially SMEs, leading to actions to reduce them. In Greece, a systematic exercise has led to a new framework for tourism legislation (Box 1.18).

### Box 1.18. **A consolidated framework for tourism legislation in Greece**

A comprehensive project, focusing on the "Codification of Tourism Legislation" in Greece was recently completed and set in operation. The project brought together all the legislation and regulations pertaining to tourism from 1914 to the end of 2016, with the purpose of reducing administrative-regulatory barriers, improving the business environment, and thereby promoting transparency and increased investment in the tourism sector.

The regulations of existing tourism legislation were consolidated and systematically classified so that all tourism stakeholders could be aware of the provisions in force. The following framework was used for legislation covering:

- Organisational Structures of Greek Tourism – central and regional tourism entities and services, including public and private bodies and associations,
- Tourism enterprises with infrastructure – all types of accommodation, tourist attractions, leisure complexes etc.,
- Other tourism enterprises and activities – e.g. specific forms of tourism transport and retailing,
- Tourism professions and education – tourism training bodies, vocational schools, tourist guide training schools etc.,
- Contractual relations in tourism – all laws relating to contracts and matters such as hotelier/customer relations, timeshare etc..

The major outcomes of the project are a consolidated legislative framework presented through a free access platform to Greek citizens, businesses and tourism stakeholders, which provides clarity over the required procedures and documents for each administrative action, and dramatically reduces search and retrieval times.

The ongoing rapid development of informal tourism services, especially online accommodation platforms, has led to the establishment of many additional micro businesses in the sector. In many countries this has been welcomed and sometimes it has helped to address an under-supply of accommodation. However, actions are now being taken in various destinations to regulate this form of tourism in order to reduce any unfair competitive advantages, ensure the welfare of tourists and local residents, and address negative impacts on the local housing market. This has included a comprehensive study in Germany, new laws on the registration of furnished rentals in France in areas where housing is scarce, and new regulation of private lodgings in Japan (Box 1.19).

Another area of action and intervention concerning the operation of tourism businesses is the setting of standards and their use to indicate levels of quality and to serve as an incentive for improvement. Quality certification and grading schemes, usually voluntary,

Box 1.19. **Regulating private lodgings in Japan**

The informal renting of accommodation in private houses has been rapidly expanding in Japan, as in many other countries. This is seen as an opportunity for developing the private economy, increasing short-term stays, overcoming problems arising from the limited supply of hotels and meeting the needs of an ongoing growth in demand. However, regulation is required to ensure that this activity meets public health standards and does not create issues with local residents. Previously, lodgings in Japan were required to register as "ryokans" (traditional Japanese inns or guesthouses) under the Hotel Business Law, but many new private lodgings were operating without permission. Therefore, a Private Lodging Business Act was introduced in June 2017.

This new law defines a set of rules for operating a private lodging. It provides for notification and registration systems specifically for operators of private lodging businesses and for agencies that act as intermediaries between the guests and the operators. Governments are currently making preparations for enforcement, including the development of operational rules and ordinance limiting such business at the regional level. Enforcement of the Act will begin in June 2018.

have been significantly impacted by the advent of customer generated reviews and ratings. However, various countries have adapted and further expanded their schemes, sometimes embracing customer evaluation and also linking them to the delivery of advice to SMEs. New quality service schemes have been introduced in the Czech Republic, Slovakia and Luxembourg, and France is taking action to modernise its *Qualité Tourisme* label.

In addition to improving the business environment, there are various examples of where governments have supported more direct intervention to promote investment and the performance of tourism businesses through funding, fiscal measures and other forms of assistance. These include major investment projects as well as support for SMEs. A set of examples that illustrate the range is provided in Box 1.20.

While the programmes and initiatives referred to above relate principally to investment, financial measures have also been taken in some countries to benefit businesses by stimulating tourist spending. In Korea, a Tour Card has been introduced that provides international visitors with discounts on transport, attractions, shopping, dining and entertainment, and a Tax Refund Automated System, and Immediate Tax Refund Policy enables swift tax refunds and the purchase of certain items exclusive of tax. In Latvia, VAT on accommodation has been reduced to below the generally pertaining level to enhance the competitiveness of the sector.

As outlined in Chapter 3, *Towards Investment and Financing for Sustainable Tourism*, in order to fulfil tourism's potential as a driver of the transition to a green economy, and contributor to sustainable and inclusive growth, governments will need to take steps to further promote and mainstream investment and financing for sustainable tourism development. Policy options include, taking steps to: promote access to finance for sustainable tourism investment projects of all sizes; incentivise the transition to low carbon, climate resilient investments and encourage more responsible business practices in tourism; build capacity and better coordinate actions across government; and improve data and analysis on finance and investment in sustainable tourism development.

Box 1.20. **Supporting tourism businesses and promoting investment: Country approaches**

In **Australia,** a partnership between Tourism Australia and Austrade has led to a programme with various components: a Major Project Facilitation service assists selected projects with navigating approvals processes as well as providing information and pursuing solutions to investment barriers; a Senior Investment Specialist works with states and territories to bring strategically important investment opportunities to fruition and to promote reinvestment; and the Tourism Demand-Driver Infrastructure programme funds projects that support the priorities of state and territory governments.

In **Austria**, the Austrian Bank for Tourism Development provides favourable loans and encourages new business start-ups. A subsidy programme supports innovative flagship tourism projects and a bi-annual Tourism Innovation Prize is awarded. Various other initiatives encourage tourism businesses to invest and the crowdfunding platform "we4tourism" has been established.

In **Italy**, the tax credit system "Art Bonus Decree" has been refinanced with EUR 460 million until 2020 with special regard to the refurbishment and modernisation of tourism establishments.

In **Peru** the *Turismo Emprende* programme provides grants for the improvement and expansion of established businesses and the creation of new enterprises that include aspects of conservation, sustainable use and economic development. In addition, a tool called the "Single Window of Tourism" uses electronic media to streamline the administrative procedures relating to tourism investment.

### *Addressing labour supply challenges and improving sector skills*

Labour shortages and the availability of skills in the tourism sector have been identified as a major challenge that is high on the policy agenda of many countries in all parts of the world (Australia, Austria, Brazil, Canada, Egypt, France, Greece, Latvia, Mexico, Peru, Philippines, Poland, Slovakia, Slovenia, Sweden, Turkey, and the United Kingdom). For some countries, insufficient availability of human resources, notably in the hospitality sector, act as an inhibitor to growth. For others, poor service quality due to unskilled staff is a particular challenge.

This situation has led to the creation of a range of programmes and specific activities to address these problems. Sometimes new structures have been established for this purpose, involving relevant parts of government and industry representatives, such as the Tourism and Hospitality – Labour and Skills Roundtable in Australia and the Labour Skills Committee for the Tourism Sector in Peru.

The following actions are being pursued by different countries, designed variously to influence both employees (existing and potential) and businesses:

- The establishment of new training programmes, which may be subsidised. These may be aimed at different skill levels and types of business, as in Brazil (Box 1.21).
- Undertaking comprehensive reviews of future employment profiles and training needs in the sector (Peru).
- Initiatives to encourage employers to provide training. Examples include the provision of incentives for businesses in Greece to help unqualified employees to gain more skills, and a policy to boost apprenticeships in the United Kingdom.

Box 1.21. **Improving tourism service quality in Brazil**

In April 2017 the Ministry of Tourism of Brazil launched a package of measures called "Brazil + Tourism" to boost the development of tourism in the country. An important element was a programme to provide practical skills training for young people and adults to improve the quality of service for tourists, involving different forms of delivery at a basic and more advanced level, based on national partnerships with the Ministry of Education and others, including:

- A scheme providing 10 000 opportunities for technical courses in areas such as travel agency, restaurants, events, tour guiding, lodging, leisure, and bar work. The vacancies were distributed regionally based on the demands presented by the States.
- A programme for frontline tourism professionals, which offers free vocational courses based on distance learning for adults and young people over 15 years.
- A training platform aimed at small entrepreneurs, such as street and kiosk vendors, which provides them with easy access to courses in hospitality and tourism service. Its content can be accessed by mobile devices – such as smartphones and tablets.
- A higher-level programme, provided in co-operation with the United Kingdom, offers scholarships for technical and undergraduate students for three months of foreign language training in hospitality techniques, based in international schools of excellence (*www.pqi.turismo.gov.br/*).

- Reviewing and changing the structure of tourism qualifications, certification and the accreditation of courses, to better address the current situation (Egypt, Latvia, Peru, Turkey).
- Raising awareness and promoting interest in tourism as a career. In Austria, an initiative has been launched to increase the attractiveness of jobs in the sector that includes career guidance in schools for teachers, pupils and parents. A student competition on tourism has been organised in secondary schools in Slovakia.
- Increasing the capacity of institutions and businesses to deliver training. In Turkey this has included train-the-trainers programmes and strengthening consultancy support.

One of the reasons for labour shortages in the sector and the difficulty in recruiting staff is to do with negative perceptions of the sector as a long-term career option, driven largely by the quality of jobs on offer, in terms of pay and conditions. This needs to be addressed in some countries. Problems can extend to matters such as affordable housing and travel to work. The latter issue is recognised in Mexico where the physical plan for the redevelopment of the resort destination of Los Cabos includes a "Great Employers" programme that pays attention to workers' housing needs and their quality of life.

### *Following the sustainable tourism agenda*

Many countries in their policies refer to the need to pursue sustainable development and to commit to the social, economic and environmental agenda of sustainable tourism. This requires tourism development and management to take account of current and future impacts on the global and local environment and local communities as well as the long term resilience of the sector.

Sometimes the attention paid to sustainable tourism is influenced by wider national or global policies. In Norway, for example, a new policy on infrastructure has placed a

special emphasis on reducing greenhouse gas emissions from transport, with implications for tourism. Worldwide, the declaration by the UN of 2017 as the Year of Sustainable Tourism for Development has raised the profile of these issues, including the relationship between tourism and the 17 Sustainable Development Goals (SDG), and in particular SDGs 8, 12, and 14 (Box 3.5). Some countries have made formal commitments during the International Year, including Mexico, where tourism authorities, private sector representatives, academia, environmental organisations, and international NGOs have signed a National Commitment on Sustainable Tourism for Development.

A range of different actions are being pursued to put policy on sustainable tourism into practice, including:

- Enhancing knowledge and monitoring of sustainability impacts in the sector. Croatia has launched a new Observatory for this purpose. In Costa Rica a new Social Progress Index is being used to monitor the well-being of local people in tourist destinations (Box 1.22).
- Maintaining environmental or sustainability certification schemes for tourism businesses. Growth in participation in schemes has been reported in some countries, such as the Green Star scheme in Turkey. In Italy an integrated approach has been adopted with a new hotel classification scheme that includes a special focus on sustainability and accessibility.
- A growing movement to certify and recognise local destinations for their sustainable practices. Examples include initiatives in Spain (Box 2.4), Sweden, Colombia and Germany).
- Supporting the take-up of environmentally friendly technology and operations in tourism, as in the Philippines and Germany.
- Utilising investment and finance instruments to support capacity building, and to promote the uptake of green energy and reduce greenhouse emissions. In Mexico, there is an initiative targeting the hotel sector (Box 3.6); while in Chile, the *Foco Destino* programme builds capacity at the local level to boost sustainable tourism development (Box 3.9); and the German Hotel and Restaurant Association energy and climate mitigation campaign has been recognised as a good example of an industry-based approach to promote energy efficiency awareness and sensitivity (Box 3.10).

The above measures may be supported by promotional activity and used to underpin a destination's brand. In Slovenia, programmes of sustainability certification are being pursued for businesses and destinations, initiatives are promoting green investment in businesses and infrastructure, and the country is being positioned as "green, active and healthy".

### *Ensuring security and contributing to peace*

In the last two years the close relationship between tourism, peace and security has become more visible in global and national tourism policies. This was identified as one of five key themes for the International Year of Sustainable Tourism for Development, 2017.

A number of countries have taken steps to strengthen security in transport operations, border controls and main visitor sites and destinations. For example, the United States took action to strengthen security measures applied to all commercial inbound flights, including more effective screening measures. It is seeking co-operation with international partners in this approach, leading to a global raising of standards. At a supra-national level,

Box 1.22. **A Social Progress Index for tourist destinations in Costa Rica**

The Social Progress Index (SPI) was launched in March 2016, when Costa Rica became the first country to measure social progress in all its 81 cantons. The SPI allows Costa Rica to measure the well-being of people in tourist destinations, serving as an indicator to better promote and establish public-private partnerships, and to foster social progress and inclusive and sustainable economic growth.

A key aspect of the project is the use of new methodologies to measure the sustainability of destinations. The knowledge gained from the SPI initiative stimulates the participation of local communities and has helped to develop a road map to strengthen tourism's role as a driver for development and a contributor to the country's efforts to meet the SDGs.

This project enables the design of tailor-made indicators that can better reflect the integral and multidimensional nature of tourism and the particularities of each territory, considering the different types of tourist areas, their degree of development and other aspects that influence the evolution of the sector and its orientation towards sustainable development.

This project has been developed through a strong multi-sector collaboration between the government, the private sector and civil society.

and in line with the Schengen Borders Code, several Schengen Area (the largest free travel area in the world) members have temporarily reintroduced border control at internal borders in response to identified threats to public policy or internal security, such as the secondary movement of irregular migrants, and persistent terrorist threats.

While maintaining and improving security standards is a high priority for the sector, there is also increasing recognition of tourism's role as a force for mutual understanding and peace. A culture of peace through tourism can be fostered through experiencing other cultures, guest-host interactions, sensitive interpretation of relevant themes and historical sites, and cross-border interaction. More generally, as an agent for potentially rapid sustainable development in post conflict areas, tourism can help to establish the conditions for peace to grow. An example is the linking of peace and tourism in Colombia's National Development Plan (Box 1.23).

Box 1.23. **Tourism as a force for peace in Colombia**

Following the years of conflict in Colombia, The Strategy of Tourism, Peace and Coexistence has been developed in response to National Development Plan aims to build an educated, equitable, and peaceful society.

In order to develop tourist destinations in the territories affected by conflict, the Ministry of Trade, Industry and Tourism has prepared the strategy involving four pilot territories: Ciudad Perdida (Magdalena), Sierra de la Macarena (Meta), Golfo Urabá – Darién (Chocó, Antioquia) and Valle de Sibundoy and Mocoa (Putumayo). In these areas, tourism is seen as i) a tool of transformation towards a culture of peace, ii) contributing to sustainable development and the empowerment of the communities, and iii) providing a catalyst to develop other industries. The main objective of this program is to use tourism to rebuild the social fabric and culture of the territories, developing value chains and improving the quality of life of the host communities through responsible and sustainable practices.

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PART I

*Chapter 2*

# Megatrends shaping the future of tourism

*The future of tourism will be impacted by large-scale social, economic, political, environmental and technological changes, bringing new and often unseen challenges, threats and opportunities. These "megatrends" are slow to form, but once they have taken root, exercise a profound and lasting influence on human activities, processes and perceptions, including for tourism. Four megatrends are likely to have significant impacts and relevance for tourism: i) evolving visitor demand; ii) sustainable tourism growth; iii) enabling technologies; and iv) travel mobility. Exploring the multi-dimensional implications of these megatrends to 2040 is important to inform policy and shape the future of tourism.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

The next 50 years will see the centre of gravity of the world economy shift east and south. By 2030, developing countries are expected to contribute two-thirds of global growth and half of global output, and will be the main destinations of world trade. Emerging economies such as China and India are increasingly important markets for firms in many industries. A new middle class is fast emerging that will lead to a rise in consumption of basic consumer products and other product categories. These demand-side factors mean emerging economies are likely to remain favoured locations for production activities, while significant shifts towards services will see China and other emerging economies gain large shares in services trade at the expense of OECD countries in the long-run (OECD, 2016a).

Global tourism has grown significantly in recent decades, benefitting from the rise of globalisation and technological advances that have led to cheaper airfares, and also make it easier for people to plan and book their own travel, and then share their experiences with friends in real time. While that growth is projected to continue, shifting environmental conditions, technological innovations, and changing demographics are likely to dramatically transform the face of tourism by 2040.

To understand how tourism might evolve over the coming decades, this chapter explores those megatrends most likely to impact the sector. Megatrends capture significant, globally relevant, social, economic, political, environmental and technological changes over the long-term. They typically have decades-long impacts and, therefore, have the potential to fundamentally alter and upend industries around the world, including the tourism sector.

To determine and assess the key megatrends likely to impact for tourism in the years ahead, this chapter draws on responses to an OECD survey of member and partner countries, feedback from participants of an OECD workshop on Analysing Megatrends to Better Shape Future of Tourism (including representatives from government, international organisations, and industry), outcomes from the 2017 OECD High Level Meeting on Tourism Policies for Sustainable and Inclusive Growth, and is supported by a review of recent literature and data.

The chapter begins with an overview of megatrend concepts and the growth of the tourism sector in recent years. It then identifies and analyses key megatrends expected to drive change in coming decades, with a focus on four that will likely transform tourism: i) evolving visitor demand; ii) sustainable tourism growth; iii) enabling technologies; and iv) travel mobility. Each megatrend is examined with respect to its likely impact on the tourism sector, including key facts and projections for the future.

Finally, the chapter explores the policy implications of these megatrends and outlines a potential path forward for policy makers to help navigate the opportunities and challenges that megatrends will present. In particular, it suggests three areas of focus for policymakers: modernising regulatory and legislative frameworks, cultivating partnerships with key stakeholders and exploring ways to future-proof policies.

The specific impacts of megatrends for tourism to 2040 remain uncertain. In order to begin to look forward, however, governments must first have a clear sense of the value of

tourism for their economies and invest accordingly. They need to have a clear strategic vision with well-articulated objectives, and adopt an integrated approach bringing together key stakeholders. Developing comprehensive long-term plans that extend beyond the political cycle – while maintaining the flexibility to quickly identify and respond to emerging trends and evolving priorities – provides a stable platform for sustainable and inclusive growth. Growth that not only takes into account current and future economic, social and environmental impacts, but also addresses the needs of visitors, the industry, the environment, and host communities.

## Overview of global megatrends

Around the world, a number of trends have emerged which have the potential to transform society. The most significant of these are megatrends, as they are large in scale and long-term in nature – usually relevant for at least two decades. Consequently, megatrends usually refer to circumstances that will unfold across the globe in a number of countries and that can often drive the global economy and society in specific directions.

Megatrends are likely to result in meaningful, long-term changes impacting social, economic, political, environmental and technological issues. Despite their potential for high impact, they often unfold slowly and follow relatively stable trajectories. Global megatrends that are likely to impact countries around the world over the next decade include demographics, economic interconnectedness, public debt, climate change and urbanisation, among others. A megatrend like urbanisation, for example, is likely to both unlock social and economic opportunities, while also straining infrastructure and resources as ever increasing numbers of people reside in cities. While the exact outcomes of these trends are not certain, informed predictions can be made which enable governments to start to take early steps to plan for them.

In order to prepare for megatrends, it is first necessary to fully understand them. Governments around the world must be proactive and look ahead now to make decisions that will have long-term implications, as well as to address potential challenges and to take advantage of opportunities that may result. Therefore, policy makers must consider the implications of megatrends in areas in which they bear responsibility, including ensuring economic prosperity, security, social cohesion and environmental sustainability (KPMG and Mowat Centre, 2013).

To assist with responding to megatrends, the OECD has developed an approach that focuses on four key categories: people, planet, productivity and polity (Table 2.1).

Table 2.1. **OECD Megatrends Framework**

| Megatrend | Description |
|---|---|
| People | Generally refers to changing demographics, as well as trends related to health, labour and social cohesion. In the context of tourism, this trend is most closely related to evolving visitor demand, which refers to trends such as aging populations and the growth of the global middle class. |
| Planet | Generally refers to the state of the environment and the impacts of climate change, as well as access to resources such as food, energy and water. In the context of tourism, this trend is most related to sustainable tourism growth. |
| Productivity | Generally refers to sources of growth, such as technology, innovation and entrepreneurship. In the context of tourism, the rise of enabling technologies has impacted the way people around the world can travel, such as through platforms in the sharing economy. Advancements in automation are also likely to transform the sector. |
| Polity | Generally refers to the state of governance, trust and accountability in the public sphere. In the context of tourism, public decisions will have a role in a number of areas, particularly on travel mobility. For instance, mobility is significantly impacted by the degree to which national governments support international transport and facilitate travel. |

The tourism sector and related industries are parts of the global economy set to be affected by a variety of megatrends. For instance, the International Air Transport Association (IATA) predicts that passenger demand over the next 20 years will be impacted by the emerging middle class in developing countries, diverging demographic outlooks, increasing liberalisation of aviation markets, and climate change (IATA, 2016). Based on feedback from member and partner countries, industry and international organisations, this chapter will explore similar trends, in relation to:

- Evolving visitor demand,
- Sustainable tourism growth,
- Enabling technologies,
- Travel mobility.

Global tourism has experienced steady growth for over six decades, culminating in an estimated 1.2 billion arrivals in 2016; a figure which is forecast to rise to 1.8 billion by 2030, with international tourist arrivals in emerging economy destinations projected to grow at double the rate of that in advanced tourism economies. Global expenditures on travel more than doubled between 2000 and 2016, rising from USD 495 billion to USD 1.2 trillion and accounting for 7% of global exports in goods and services (UNWTO, 2017a). In OECD countries, tourism accounts for, on average, 4.2% of GDP, 6.9% of employment and 21.7% of service exports.

Overall, projected growth in the tourism sector may be both helped and hindered by the key megatrends that have been identified. To effectively respond and adapt to these megatrends, policy makers and industry need to better understand what they are and the likely impacts they will have on tourism in coming decades.

## Megatrends transforming tourism

When considering its likely evolution over the coming decades, it is clear that tourism will be transformed by large-scale social, economic, political, environmental and technological changes. While slow to form, once such "megatrends" have taken root, they exercise a profound and lasting influence on human activities, processes and perceptions.

Megatrends bring new and often unseen challenges, threats and opportunities, the impacts of which may vary between the economy as a whole, and individual sectors. While we cannot be certain how these influences will present for tourism, we can be confident that the structure of the visitor economy will evolve significantly between now and 2040, as: i) income and education levels increase in emerging economies, the global population continues to age, and new consumer groups emerge; ii) the global economy continues to shift towards low-carbon, resource-efficiency; iii) enabling technologies and peer-to-peer/shared usage platforms continue to create new tourism marketplaces and business models; and iv) the expected growth in visitor numbers, safety and security concerns, changes in travel facilitation policies, transport innovations, access infrastructure, and aviation regulations, all affect travel mobility.

It is critical for both governments and industry to explore and understand the multi-dimensional implications of these megatrends in order to inform policy and shape the future of tourism. An in-depth discussion of such trends will better enable policy makers to bring currently unforeseen and emerging issues onto the strategic policy agenda, develop potential scenarios and policy responses, and better assist public and private actors to capitalise on opportunities and challenges as they arise.

### *Evolving visitor demand*

Over the next few decades, the structure of the visitor economy will evolve as income and education levels increase in emerging economies, gender imbalances are addressed, the global population continues to age, and new consumer groups emerge. Combined, these factors will impact on the propensity to travel as well as the expectations of travellers. Although expected to grow at a slower rate than in the past, the world population is forecast to rise from 7.4 billion in 2015 to 9.7 billion in 2050, driven by growth in developing countries.

Changing demographics will have a major impact on visitor demand in coming years. In particular, trends such as the continued growth of the global middle class and aging populations mean that the global population will generally be richer and older in the decades ahead. Additionally, the rise in prominence of emerging generations will further upend current considerations that fuel the tourism market. Indeed, Millennials and Generation Z will become key forces in mobility and their travel behaviour could lead to significant shifts in the tourism market.

As a result of these trends, not only will the way people travel change, but their needs and demands are likely to be quite different when compared with tourism today – prompting new opportunities, and challenges, for the future, and a likely shift away from a currently dominant western view defining travel, holidays and related practices (Kyyrä and Rantala, 2016).

Due primarily to increased wealth in emerging economies, the world is experiencing a significant and rapid ***expansion of the global middle class***. This major increase in middle class purchasing power and consumption is likely to play a major role in the world economy in the years ahead. Indeed, it has been estimated that the world is only a few years away from the majority of the world's population being considered middle class (Kharas, 2017). Not only is the middle class increasing, but it is doing so at a rapid rate.

This trend will have broad implications, particularly since this growing demographic will have more spending power. The combination of this growth alongside advances in technology means that people in the middle class will have greater access to goods and services around the world.

Despite this high-paced expansion of the global middle class, challenges will abound in coming decades. For example, the impact of technology and automation on the labour force is one issue that could fundamentally alter the number of people in the middle class (Bremmer, 2016). Indeed, inequality could continue to rise within this large demographic.

Furthermore, growth trends vary across different parts of the world. The fast-growing middle class predominantly stems from emerging economies. Developed countries will experience a much slower expansion, and in some western jurisdictions, this has stalled or declined. As the middle class grows in developing economies, these parts of the world are going to play an increasingly important role as source markets for global tourism.

Another expanding demographic group is that of the elderly – due to a combination of increases in life expectancy alongside decreases in fertility rates (ESPAS, 2015). Due to ***aging populations***, the share of people in the global population over 60 years of age is expected to nearly double over the next 35 years, with some regions experiencing more significant growth than others. The next 50 years will see population ageing affecting most OECD countries, and developing countries, notably in Africa and South Asia, experiencing considerable population increases. Fertility rates are below replacement rates in many

advanced countries and in some large emerging economies like China and Brazil. Between 2010 and 2060, the OECD's population is expected to increase by 17%, but the working age population (age 15-64 years) may fall by 7%, which could lead to a labour shortage that is unable to meet increased tourism demand. The ageing of the work force may have negative effects on long-term growth, put pressure on social systems, and introduce major changes in consumption and investment flows.

As such, the range and volume of goods and services that older people are likely to consume, including tourism, are also positioned to grow substantially. Infrastructure and support services will need to be tailored to accommodate both increased demand and changing visitor needs and preferences. For example, accessibility (both physical access and information provision) is likely to be an area of particular concern for older tourists.

***Emerging generations*** refer to demographic groups that are on the horizon. Generation Z (born in the late-1990s to early-2010s) and Millennials (born in the early-1980s to mid-1990s) will both represent important market opportunities in the tourism sector by 2040.

Both of these demographics have grown up with technology and were raised with the Internet, which will play a key role in how they access, navigate and interact with different tourism products and services. Indeed, they are likely to be particularly demanding compared to previous generations, having grown up with the quick and direct access to information enabled by digital technology. They are also more likely to travel independently compared to past generations and be open to temporarily accessing or renting products or services, such as modes of transport or accommodation, rather than owning them outright.

Different policy and industry pressures will result from changes in these demographic groups, each of which has very unique travel preferences.

### *Key facts and projections*

At the end of 2016, there were approximately 3.2 billion people considered to be in the middle classes around the world. Annually, approximately 150 million people are joining this demographic group, with the majority of those (an estimated 88%) residing in Asia (Kharas, 2017).

As of 2015, the global middle class was spending USD 35 trillion annually – about one-third of the total global economy – however, that figure is forecast to nearly double (USD 29 trillion) by 2030, with only USD 1 trillion of the increase coming from developed economies (Kharas, 2017). Other projections indicate that, by 2030, this rapidly expanding middle class will result in increased populations in major cities, particularly in Asia (ESPAS, 2015).

The United Nations (UN) has projected that by 2050, nearly all regions of the world will have almost a quarter of their population aged 60 or older. This demographic group is currently growing at a rate of about 3% per year, and is expected to reach 1.4 billion people in 2030 and 2.1 billion by 2050 (UN, 2017).

The rate of aging is not expected to be equal around the world. For instance, in Europe, 25% of the population is already 60 years of age or older and that figure is expected to increase to 35% by 2050 (UN, 2017). Other parts of the world are not expected to see such a dramatic rise, though increases will occur around the world.

Research indicates that tourism is one of the major areas that will benefit from an aging population that is increasingly more inclined to pursue leisure-oriented experiences

compared to past generations. Indeed, tourism targeted at older markets has been identified as a particularly high yield and high growth opportunity for the industry. For instance, individuals 65 years and older in the UK increased spending on overseas travel by GBP 1.3 billion between 1999 and 2011 while those between the ages of 16 and 34 decreased spending by GBP 922 million over the same period (Kingman, 2012).

Similarly, a recent study commissioned by the European Commission highlights the growth potential for accessible tourism in Europe. The study shows that accessible tourism demand by people with special access needs from the European Union currently generates a total economic contribution of EUR 394 billion in terms of GDP within the European Union (3% of total EU27 GDP in 2012). Furthermore, it estimates that if European Union tourism destinations were improved to achieve almost complete accessibility of buildings, hotels, restaurants, museums, and various accessible services, by 2020 demand would increase almost 44% resulting in a potential rise of 39% in economic contribution (Miller, 2014).

One such example is reflected in the rise of multi-generational travel, often involving families, and fuelled by older tourists with high spending power and significant leisure time. Approximately one-third of retired individuals have taken trips with people in other generations (Age Wave and Merrill Lynch, 2016). A unique challenge for destinations posed by this growing market is the ability to develop and align activities of interest to all members of the travel party.

Another niche segment that is likely to experience significant growth in the coming years is that of medical tourism. As the cost of medical insurance and procedures, whether for health or cosmetic purposes, continue to increase in developed economies, emerging economies will be become attractive options. As the quality of medical practitioners and infrastructure improves and the costs remain low, relative to those in source markets, tourists will be more likely to consider travelling abroad for wellness purposes and/or to combine a medical procedure with a short break (Alén et al., 2015).

Millennials currently account for approximately 20% of international travel, spending an estimated USD 203 billion around the world. By 2040, they will range in age from 45 to 60, with the oldest beginning to approach retirement, and having accumulated additional wealth over the next 25 years, their proportion of total spending is expected to increase substantially.

Meanwhile, the generation that follows Millennials – Generation Z – will also be a major force in the tourism market and labour force by 2040, ranging between the ages of 30 and 45. By as early as 2020, this demographic group will make up the largest share of the global population at 2.6 billion, projected to overtake Millennials who are estimated will number 2.3 billion (Weinswig, 2016).

Data indicates that Millennials take more trips annually compared to other generations – at four or more per year. However, trips tend to be shorter in duration compared to other demographic groups (Globetrender, 2017). Furthermore, they are more likely to pick travel experiences that they consider to be "authentic" – preferring to head off the beaten track and "live like a local" (Future Foundation, 2016).

A study by Airbnb found that many Millennials consider travel more important than other priorities, including buying a home or a car. Additionally, Millennials surveyed in the United States, United Kingdom and China valued experiences more than ownership (Airbnb, 2016).When combined with a second nature use of digital technologies, this group are more likely to create their own travel itineraries than to rely on the advice of travel agents or participate in package tours.

### *Implications for tourism sector*

All of these demographic factors appear to present significant growth opportunities for the tourism industry. As the population ages and more people enter the retirement phase of their lives, they are more likely to spend income and savings on leisure activities such as travel. Similarly, the overall growth of the middle class will mean more people are likely to spend on activities such as tourism.

While there is significant potential for tourism growth associated with an expansion of the global middle class, challenges may arise in the future. As populations in Asia are observing the most significant middle class growth, they are likely to experience the most significant increase in demand for pursuing travel and tourism. However, the tourism industry may need to take into account potential colliding interests, with fast growth in emerging markets contrasting with slow growth in developed economies (Kharas, 2017).

Furthermore, middle class growth may not be stable, with the current trajectory susceptible to influence from geopolitical or macroeconomic instability, while automation and emerging technologies could alter growth patterns and expectations. Governments and industry will need to continue to monitor these signals, estimate their likely impacts and adjust long-term strategies and target markets where necessary.

With an ageing global population, seamless transport to and within destinations (including the challenge presented by the "first" and "last" mile – that travel from a person's home to an airport, port or train station, and then on from their point of arrival to their destination) is a strategic issue that will increasingly need to be addressed. Tourism-related infrastructure, modes of transport, and information provision, will need to be carefully designed and operated to cater for a greater number of customers with reduced mobility and limited communications abilities, in order to help tourists confidently navigate their way around a destination. In the context of mobility, universal design refers to those transport systems that accommodate diverse abilities and needs. The adoption of such an approach can expand potential tourist markets to include people with special needs, whilst also benefitting travellers without mobility impairment. For example, walkway ramps provide access for those tourists with limited mobility or wheelchair users, but also convenience for those with wheeled luggage or parents travelling with a child in a pushchair.

While the purchasing power of older populations is projected to remain high in coming decades (Dobbs et al., 2016), the current trajectory could alter if work becomes less stable and the retirement age in countries continues to rise. This could lead to increased variation in levels of spending power for those approaching retirement in 2040. Flexibility will be critical in order to effectively respond to their evolving needs and changing expectations.

Various circumstances can impact the travel decisions of older tourists. For instance, those still in the labour force are more likely to make leisure travel decisions based on whether they have the money or time to do so, while travel decisions of those who are retired are more likely to be influenced by their health status (Alén et al., 2015). The implication being, that for those people that need to continue to work beyond the traditional age of retirement, simply whether they are healthy enough to travel will unlikely be the only consideration in any travel decision.

Despite the projected increase in the over 60s market in the years ahead, Millennials, Generation Z and other emerging generations will comprise the bulk of domestic and international tourists by 2040. An increasingly large proportion of these will be middle-class and originating from emerging markets. For example, recent research has found that

Millennials in China – which has experienced significant middle class growth – place a higher significance on travel than Millennials in other countries (Airbnb, 2016). The tourism sector will need to adapt to these trends and adopt innovative approaches to accommodate new demands and specific preferences of these individual groups. New Zealand's marketing strategy in response to China's growing importance as a source market is one such example (Box 2.1).

### Box 2.1. **New Zealand marketing to Chinese travellers**

New Zealand has already experienced some of the impacts of evolving visitor demand. China is currently New Zealand's fastest growing source market and the second largest overall. New Zealand's Ministry of Business, Innovation and Employment forecasts that Chinese travellers will double between 2017 and 2023, expecting growth to 913 000 visitors who will spend an estimated NZD 4.3 billion per year. These trends prompted New Zealand to develop efforts that focus on helping the tourism industry respond to the influx of Chinese travellers.

In 2012, the government initiated a review of the Chinese market. That review included a recommendation calling for the development of a nation-wide toolkit that was designed to "accelerate the ability of New Zealand businesses and destinations to raise their service levels for the Chinese visitor market." Tourism New Zealand took leadership in administering the toolkit, which is supported by the government, tourism industry groups and the private sector. As part of its efforts, Tourism New Zealand develops training and networking events with various industry segments.

The government's efforts also involve a shift toward independent travellers and away from tour groups. In light of this shift, the Ministry of Business, Innovation and Employment commissioned the ***China Visitor Insight program*** in 2015 to help the tourism industry better understand the needs and preferences of independent travellers from China. The program provides webinars and online services on topics such as developing products specific to that market and reaching out via social media. It is focused on marketing toward independent travellers, as they are believed to be more likely to stay longer and travel further distances. Workshops developed to support these efforts have had more than 1 000 tourism operator attendees. Furthermore, the government is taking steps to encourage Chinese travellers to visit during off-peak periods and new and emerging destinations within New Zealand.

Also as part of its efforts to aid travel for visitors from China, New Zealand's government has made it simpler for travellers from the country to visit, such as by extending the timeframe for multiple-entry visas for Chinese visitors and by providing them with access to more expedited processing at the border.

*Source:* New Zealand Ministry of Business, Innovation & Employment.

The predominance of emerging generations and their preferences for unique, customised, and sustainable travel experiences could lead to a shift away from more traditional sun, sea and sand, and attraction based tourism. Generation Z, for example, appears to be highly influenced by social media and recommendations by peers when making travel decisions. They are interested in taking risks on vacations and having unique experiences, as well as trips focused on relaxation (Globetrender, 2017). While the appetite for risk-taking may decline as Generation Z approaches retirement, it is likely that this preference will be taken up by following generations.

In order to capitalise on these changing trends, policy and industry decision makers will need to consider how to more effectively develop and connect travellers with more remote destinations, where appropriate, to provide diverse and distinct experiences outside of traditional tourism destinations, and support the socio-cultural and economic development of local communities.

However, the purchasing power of these groups in 2040 may impact their willingness and/or ability to travel, as they have faced economic circumstances that have generally made it more difficult for them to accumulate wealth as easily as for preceding generations (Dobbs et al., 2016). Indeed, Millennials were hit hard by the global recession, which impacted career advancement, and now face a changing workforce that is often precarious and increasingly automated, as well as greater inequality in general. These changing circumstances may also go some way to explaining the trend towards shorter trips and increasing popularity of cheaper travel options such as low cost airlines, home-sharing and ride-sharing platforms, hostels etc. These issues must all be considered in assessing the travel preferences of emerging generations in the decades ahead.

### *Sustainable tourism growth*

Tourism is widely recognised as a human activity that is dependent on natural resources, while at the same time contributing to the depletion of these same resources. As for many sectors, tourism is a relevant factor in the consumption of energy and generation of greenhouse gas emissions. It also contributes to fresh water and land use, environmental degradation, and unsustainable food consumption. The sector also has various impacts on global biodiversity. Tourism's interrelationship with these resources can be direct or indirect, and even though all tourism activities are ultimately local, they add up to phenomena of global significance.

At the same time, however, tourism can also raise awareness of cultural and environmental values, help finance the protection and management of protected areas, and increase their economic value and importance. When built upon broad stakeholder engagement and sustainable development principles, tourism can contribute to more inclusive growth through the provision of employment and economic development opportunities in both urban and rural areas, and promote social integration.

Tourism can play a key role in driving the transition to a low-carbon and resource efficient economy. Due to its cross-cutting nature and close connections to numerous sectors, even small improvements will have important impacts. In recognition of tourism's potential to advance the universal 2030 Agenda for Sustainable Development – by mainstreaming sustainable consumption and production patterns that are resource efficient and result in enhanced economic, social and environmental outcomes – 2017 was declared the UN International Year of Sustainable Tourism for Development.

### *Key facts and projections*

Estimates of ***tourism related emissions*** include all domestic and international leisure and business travel, with a focus on transportation to and from the destination, accommodation, and activities at destinations. Taken together, the tourism sector is estimated to contribute approximately 5% of global GHG emissions (UNWTO, 2017b). A more complete analysis would also include food and beverages, infrastructure construction and maintenance, as well as tourist retail and services.

Transport is responsible for around three quarters of the tourism total (aviation accounting for 40% and cars for around 32%), followed by accommodation (over 20%), and cruise ships. International aviation has increased its emissions by 83% since 1990, generating an estimated 781 million tonnes of carbon in 2015 (ATAG, 2016). In a business as usual scenario, it is estimated that the sector will generate three times this amount by 2035 (CREST, 2016).

Tourism is both dependent on ***fresh water resources*** and an important factor in local fresh water use. Tourists need and consume water when showering or using the toilet, when participating in activities such as skiing (snowmaking), and when using spas, saunas, wellness areas or swimming pools. Fresh water is also needed to maintain hotel gardens and golf courses, and is embodied in tourism infrastructure development (including accommodation), and food and fuel production. Changes in the availability or quality of water resources can have negative impacts on tourism (OECD, 2015).

Tourism growth and the trend towards higher-standard accommodation and more water-intense activities, and declining water resources, will lead to increased pressure on water resources in many destinations. As a consequence, tourism development may become less feasible or impossible due to declining water quality and the costs associated with providing fresh water. Impacts will ultimately depend on several factors, including the relative scarcity of fresh water in existing and potential tourism destinations, competition with other economic sectors such as agriculture or biofuels, and the structure of the tourist industry (e.g. small guesthouses vs. large resort hotels), and the level of water use per guest night. Regional conflicts over water use have already been reported (ITP, 2013), and are projected to increase in the future due to increasing demand and declining supply.

***Food production and waste minimisation*** have a wide range of sustainability implications. For example, UNWTO-UNEP (2008), estimates that 25 billion tourist days were spent in 2005 alone. At an average of three meals per tourist per day, this represents roughly 200 million meals per day. With the number of international arrivals increasing by over 50% to 2016, this figure increases towards 300 million per day. Hotels, consequently have considerable power over food production and waste minimisation and can directly influence sustainable food production through regional or organic food purchasing policies. For example, the initiative by the Scandic hotel chain to only purchase organic and fairly traded coffee affects 20 million cups of coffee served per year (Gössling et al., 2011).

While well-planned tourism development has the ability to contribute to the ***economic and socio-cultural well-being*** of host communities, rapid and unplanned tourism growth can equally result in negative impacts, such as overcrowding, which can impact upon both the communities and the environment upon which it depends. For example, some studies have correlated tourism growth with the deterioration of traditional culture, as well as increased gambling, drug trafficking and even prostitution. There is also some evidence to suggest that increased tourism can result in higher property taxes and higher cost of living in host communities, which may become unaffordable for local residents (Kim et al., 2013).

The exponential growth in the tourism sharing economy is a case in point. Peer to peer platforms have the potential to drive economic growth and job creation, and generate added value by encouraging tourists to disperse to less well-known destinations. However, it may also generate negative externalities. Accommodation sharing services in particular may impact neighbours and local residents, due to noise and other disturbances, and by contributing to pressure on the local housing market. In a worst-case scenario, poorly

managed growth of these services may also have a detrimental impact on the historical fabric of destinations and reduce the appeal of areas as places to live and visit (OECD, 2016b).

The OECD report on *Green Innovation in Tourism* (OECD, 2013) highlighted an industry perception that ***customer reluctance*** to pay a premium for more environmentally sustainable products or services. However, customer perceptions may be changing. Results from a 2015 study showed that 66% of global consumers were willing to pay more for sustainable brands, up from 55% in 2014, while for Millennials, the figure was significantly higher at 73%, up from only 50% (Nielsen, 2015). However, while a growing number of travellers express a willingness to pay a higher price for sustainability, in some markets, there is still a large proportion of those who are not (López-Sánchez and Pulido-Fernández, 2016). A key factor influencing purchasing decisions is brand trust, which is why third-party certification programs have become so common in the field of sustainable tourism.

Each year, the World Travel and Tourism Council (WTTC) recognises tourism destinations and enterprises for best practices in sustainability relating to the community, environment, innovation, and people. In its most recent report, there were a number of key trends identified that provide insight into the future of sustainable tourism (WTTC, 2016):

- There has been a notable increase in quality and quantity of applications from urban destinations, highlighting the growth in urban tourism as well as an increased use of tourism for economic development by municipal governments.
- Conservation and preservation of biodiversity have always remained a constant priority over time. However, as a result of a global push for climate action, climate change and GHG emissions are increasingly seen as critical elements of any sustainability initiative.
- Social enterprises are becoming more engaged in the tourism sector, due in part to the role of social media and mobile technology in connecting people quickly and easily.
- The "people" aspect has become more prominent in the tourism sector, resulting in greater promotion of employment, training and workforce participation as key drivers for industry development.
- There is a greater focus on measurement and evaluation of sustainability initiatives, which has in turn increased the overall standards in this area.

### *Implications for tourism sector*

The consequences of climate change will be felt across the travel and tourism sector over the coming decades. Existing tourism offers in many countries will be challenged as the physical environment is altered and ***extreme weather events*** become common. For instance, much of international tourism occurs in coastal regions, which are under significant threat of storms, flooding and tidal surges. Southern destinations are likely to face extreme heatwaves in the summer seasons, and northern destinations that rely on outdoor winter activities will face shorter periods of snowfall, leading to potentially larger ***seasonal variations*** for many countries. For both government and industry, this will require a serious rethinking of how travel activities are offered and how tourism is managed over the long-term (Box 2.2).

It will become increasingly important for governments and industry to work together in a pro-active approach to ensure the sustainable development and management of attractions for the benefit and enjoyment of local communities and tourists in both the short and long term.

Box 2.2. **Sustainable Destination Development Programme in Sweden**

In 2012, over 40 regional and local organisations applied to the Swedish Agency for Economic and Regional Growth (*Tillväxtverket*) to take part in a four year initiative to strengthen and develop sustainable tourism destinations in Sweden. The five regions of Bohuslän, Kiruna, Stockholm Archipelago, Vimmerby and Åre were selected. Each region has its own unique character and development needs, and while sharing common objectives, each had its own specific goals as well. The total budget for the project was EUR 6.4 million, of which around EUR 1 million was allocated to each destination. Destinations initiated activities to prolong the tourist season, improve quality in hosting, develop new and more sustainable products and services, enhance accessibility, and generally improve the destination's quality and competitiveness.

The project highlighted the benefits of a national initiative, bringing credibility and status, as well as driving practical actions. By sharing knowledge, clear communication and targeted activities, each location increased its number of international visitors and developed programmes of sustainable development that were sensitive to both social and environmental factors. The programme is recognised as contributing to UN Sustainable Development Goal 12.

A new programme was launched in 2016 and is due to run until 2019, with seven projects across Sweden focused on cultural and nature tourism.

With the number of international arrivals estimated to reach 1.8 billion by 2030, and domestic arrivals potentially four times that figure, the transition to a low-carbon and resource efficient economy presents a range of opportunities and challenges for tourism policy makers. These include the need to better understand the current and potential impacts of different forms of tourism on the environment and natural resources, and providing the right incentives throughout the value chain to promote sustainability, and demonstrate that environmentally-friendly policies can also be business friendly.

To achieve ***greater resource efficiencies***, green investment structures, and cross-sectoral synergies there is a need to consider various sustainability drivers (UNEP, 2011). These include, for i) energy – increased costs and carbon surcharges; government incentives; eco-labels; as well as regulations/legislation on energy efficiency; ii) water – price structures reflecting water scarcity and responsible water management; and iii) biodiversity – regulation regarding sensitive ecosystems, as well as national policies attracting revenue through tourism for protecting critical biological habitats. Under such a green investment scenario, tourism could make a larger contribution to GDP growth, while significantly reducing water consumption, energy use and $CO_2$ emissions, compared to a business-as-usual scenario.

Within this context, and due to its cross-cutting and fragmented nature, tourism policy needs to be considered within its broader policy context. Support and leadership from policy makers at the highest level can help ensure that the impacts on tourism of related policy areas and initiatives are also considered. The linkages between different policy areas together create a policy mix that shapes how tourism develops over the short, medium and long term.

An ***integrated governmental approach***, with input and support from industry and civil society, is therefore necessary to address the multi-faceted challenges faced by the tourism industry. These include protecting, managing and enhancing natural and cultural resources, and developing the infrastructure and skills needed to meet expected future demand. Such

an approach will help to secure the longevity of tourism as an economic and social force by focusing on environmental sustainability, inclusiveness, diversification, innovation and strategic improvements to productivity; rather than simply reacting or seeking to meet short-term objectives to stabilise, adjust or shift towards new market opportunities.

### *Enabling technologies*

New technologies continue to reshape markets and sectors around the world, and the pace and scale of disruption appears to be hastening. From the sharing economy to the Internet of Things, to autonomous vehicles and artificial intelligence, and blockchain technology to big data analytics, a range of new and emerging innovations are promising to unlock more opportunities for people around world.

Together, these trends could make travel more affordable, efficient and accessible to many people. The reconceptualisation of intermediaries likely means that long-standing models of tourism in areas like accommodation or travel agencies will continue to be radically reshaped, with more travellers connecting directly through a technological platform with a service provider, rather than dealing with a hotel, a booking agent or professional travel agent.

Policy makers will need to consider how to provide a supportive environment that promotes innovation as new technologies emerge, with the potential benefit of more easily connecting tourists with a broader array of business partners and destinations. At the same time, however, new technologies will also have complex and less well-understood implications on workers employed in the tourism industry. For example, the advent of new technologies that can automate human tasks through machine learning and artificial intelligence could completely change how people work, what they do, and more generally how many jobs are available. Policy makers must also consider how to manage these rapid changes to mitigate potential negative consequences.

In recent decades, technological advancements have made travel more affordable, accessible and simpler for many people, and in the future, technology has the potential to completely changing what is thought of as tourism (e.g. integrated ticketing, mobile payment systems). For example, as virtual reality technology continues to improve, it is conceivable that virtual tourism could either complement or supplant physical journeys for some travellers. Conversely, as people live increasingly digital and connected lives, the opportunities to unplug and have analogue, natural experiences while on trips may well become a preferred alternative to purely digital experiences.

How people's behaviours will change in light of these types of paradigm-shifting technologies is not yet clear, but technology poses both broad opportunities and challenges for policy makers who will want to ensure that their national and local economies are best positioned to thrive in the world of tourism in 2040.

### *Key facts and projections*

***Digital platforms*** are often used to inform travel decisions and their impact is likely to grow in coming decades. Indeed, online platforms are used to advertise and book vacations online, making it easier and simpler for travellers to plan. In particular, social media is often used to influence the decisions of emerging generations, such as Millennials or Generation Z. While the increasing pervasiveness of social media presents opportunities for those marketing destinations, it can also present a threat for vulnerable destinations

(communities, cultural or environmental attractions) unprepared or unsuited to rapid growth in tourist traffic due to sudden popularity on one of more platforms. However, as environmental conservation efforts need to become more agile, technology can also be a solution. Despite potential challenges, digitalisation is expected to greatly benefit the tourism sector, creating an estimated USD 305 billion in value between 2015 and 2016.

Over the same time period, digitalisation in the aviation, travel and tourism industries is estimated to migrate USD 100 billion in value from traditional players to new competitors, and generate USD 700 billion in value for customers and broader society (WEF, 2017). However, while use of digital platforms can bring convenience to consumers and increase capacity to accommodate travellers, there are also challenges that come with disrupting the traditional system.

The sharing economy in particular has grown quickly in the past five years to capture a sizable portion of economic activity. The growth has been most notable in transportation and accommodation, but continues to extend to many other sectors. The top five sharing economy sectors could see global revenues jump from USD 15 billion in 2014 to USD 335 billion by 2025 (PwC, 2015). Home-sharing platforms such as Airbnb, HomeAway and Couchsurfing are now significant competitors to the hotel industry – Airbnb is valued at an estimated USD 30 billion, which compares favourably to the Hilton chain at USD 19 billion and Marriott at USD 35 billion. Airbnb bookings continue to grow at a rapid pace, from 4 million nights in 2011 to 40 million in 2014 and a projected 80 million in 2017 (Duryee, 2012; Somerville, 2015). Only one in 10 travellers from the United States used private accommodation in 2011, a figure which jumped to one in three travellers by 2015 (Quinby, 2016). However, concerns have been raised about the quality of home-sharing accommodations compared to hotels. Some jurisdictions have made progress on regulating home-sharing but many more are still determining how best to respond to its emergence and growth.

The same is true for ride-sourcing, which has also encountered similar challenges despite its significant growth in recent years. The continued, rapid growth of ride-sourcing firms such as Uber, Lyft and BlaBlaCar is also providing more options for people when travelling that can be cheaper and more efficient. Employment by ride-sharing firms in the United States increased by 69% between 2010 and 2014, and then by another 63% in 2015 alone (Hathaway and Muro, 2017). Ride-sourcing firms are experimenting with new offerings such as rides with drivers who are proficient in English or cross-border trips to further gain a foothold with tourists (Sawers, 2016).

Future growth in the dining and travel experience realm can be expected in the sharing economy as well, as consumers become more comfortable and familiar with the opportunity to eat in someone's home when on a trip (through platforms such as BonAppetour and VizEat), or take advantage of a tour or personalised experience through platforms like Vayable, ToursbyLocals and recently through Airbnb's Trips feature, which offers tours and unique experiences hosted by locals.

Rapid advances in ***automation*** through robotics, machine learning and ***artificial intelligence*** are poised to disrupt labour markets around the world in the next two decades, potentially eliminating up to 69% of existing jobs in India, 47% in the United States and 30% in the United Kingdom (Frey and Osborne, 2013; Kim, 2016). However, these disruptions in sectors ranging from manufacturing to retail to administration are also likely to deliver more efficient, affordable goods and services in a range of areas.

In 2015, the world's first hotel staffed by robots opened in Japan and the firm behind the idea has plans to open 100 more locations by 2021 (Kikuchi, 2017). Many jobs in the tourism sector, ranging from travel agents to hotel staff, are likely to be impacted by the increased penetration of automation into the economy. At the same time, real-time translation software is making it more convenient for tourists to travel to areas in which they do not speak the language. Indeed, translation apps are now able to translate signage and are expected to go beyond that capability into translating verbal statements in coming years (NITB, 2013). This can add to the options made available to tourists, but also have the potential to impact the duties of tour guides.

Additionally, companies in the tourism sector are using big data and predictive analytics to increase knowledge of consumer behaviour and customise travel experiences accordingly. Indeed, the industry is already developing virtual assistants powered by artificial intelligence to help travellers book trips more easily (Boztas, 2017; Levere, 2016). Big data is also being used to make services more efficient and targeted by using such data to track purchasing behaviour and predict service demand (Song and Liu, 2017). For instance, data generated through social media sites can impact the way decisions are made in the sector (Miah et al., 2017). However, with the increased use of big data come concerns over privacy, inaccuracy and misuse of such information.

Autonomous vehicles (AVs) are already successfully being piloted on the roads in a number of jurisdictions and it is anticipated that the application of this technology on a broader scale could happen by 2025 or sooner (Keating, 2017; Assis, 2017). Sales of AVs could reach more than 20 million by 2035 (IHS Markit, 2016). Widespread adoption of AVs would have major implications for travel mobility and tourism both within major urban centres as well as for inter-city or regional travel.

***Blockchain technology***, known predominantly for underpinning cryptocurrencies such as Bitcoin, has a broad range of potential applications in many sectors. For example, it permits people to securely register their ownership over data and also to engage in transactions more efficiently and with higher degrees of trust. Blockchain applications in tourism could include better forms of identity management and more secure, efficient communication for travellers with the entire spectrum of travel service providers, from airlines to loyalty reward programs (Gjerding, 2017; Aitken, 2016).

Furthermore, it could also reduce costs associated with exchange rates among foreign currencies when travelling abroad. Indeed, the use of cryptocurrency such as Bitcoin, would eliminate any fees or the need to exchange currencies at all when travelling abroad, potentially increasing the appeal of international travel. This is particularly the case for emerging economies, as cryptocurrencies could be an effective hedge against inflated currencies and therefore offer greater certainty and security. Blockchain technology also has the potential to change and simplify loyalty programs for frequent travellers (Kowalewski et al., 2017).

At present, ***virtual reality*** (VR) technology is used primarily in video games, however, tourism is a sector that could obviously be impacted if people were readily able to experience new and exotic locations without leaving the comfort of their own homes. In the tourism sector, balancing the potential and promotion of VR destination experiences against the interests of those along the traditional tourism value chain, will likely become a key decision point for many marketing entities.

In Canada, Destination BC has developed an immersive VR tour of the Great Bear Rainforest designed primarily for travel trade and media partners. Similarly, Tourism

Australia has captured high-resolution footage of their most popular tourist destinations for use in immersive VR experiences (Box 2.3). Some hotel chains have also experimented with VR in-room experiences that make it possible to experience destinations without ever stepping foot outside.

### Box 2.3. **Experience Australia in 360°**

In 2016, Tourism Australia produced a number of virtual reality videos that allow online users to experience some of the country's most famous sites such as the 12 Apostles, Sydney Harbour, Whitehaven Beach, and the Gold Coast. A total of 18 clips were developed as part of the latest iteration of its global "There's Nothing like Australia" campaign which focuses on aquatic and coastal experiences. The 360-degree mobile technology is immersive, allowing viewers to feel as though they are experiencing the product when viewing videos of helicopter flights, kayaking, snorkelling or sailing. The footage can be viewed through VR headsets as well as online and via mobile phone apps.

The immersive VR experience aims to entice prospective travellers to visit and experience the unique aquatic and coastal tourism attractions in Australia, targeting key markets such as the United States, United Kingdom, China, India, Japan, South Korea, Singapore, Indonesia, Malaysia and Hong Kong. The global marketing push proved successful with more than 10 million views in the few months after its launch and a 64% increase in engagement on the Australia.com website. Emerging VR technologies are providing new ways for consumers to engage with destinations, providing a level of immersion and engagement unmatched by other media platforms, through a more compelling mode of storytelling.

Tourism Australia partnered with TNS and Google Think Board to understand the potential of VR as a marketing and promotional tool for tourism businesses and destination marketing organisations. Research findings highlighted that VR experiences bring a destination to life and can help to make travellers consider destinations they otherwise would not have. According to their estimates, 25% of travellers plan to use VR in the future to assist with choosing a holiday destination (22% in the United States, 25% in the United Kingdom, 30% in Australia). This technology is reported to allow travellers to get a feel of the destination, to preview the experiences on offer, and to assist with managing expectations. Consumers appeared to be most interested in experiencing VR content relating to nature and wildlife, and aquatic and coastal offerings (*www.australia.com/360*).

Virtual tourism experiences may increasingly provide an opportunity for alternative on-site experiences at locations considered too environmentally or culturally sensitive to allow physical visitor access. For example, climbing on the Uluṟu monolith, within the UNESCO World Heritage listed Uluṟu-Kata Tjuta National Park, will cease from 26 October 2019 to reflect its significance as a sacred site to the *Anangu*, the park's traditional Aboriginal owners. VR might provide future visitors with the option to enhance their experience at Uluṟu, while contributing to the local economy. However, any VR activities would not be focused on the Uluṟu climb area, but on other areas of the park that promote the parks cultural and natural values.

Augmented reality (AR) could end up being equally transformative for the sector, as travellers and service providers adapt to technologies such as holograms or mobile apps that add virtual elements to real-life situations. Easier access to navigation information,

translations, and even virtual interactions with historical figures are possible ways of enhancing visitor experiences using AR technology. For example, the International Centre for Cave Art, near Montignac in south-west France, is a vast site cut into the landscape that houses a full-scale replica of the Lascaux cave system augmented with the latest digital technologies to help protect fragile archaeological finds.

### *Implications for the tourism sector*

The inherent unpredictability of how enabling technologies that are already in existence will continue to evolve – as well as the emergence of new and yet unknown technologies – makes specific actions today by policy makers a challenge. The rapid rate of technological change in society, which is likely to only accelerate in scale and speed, further exacerbates the difficulty of adjustments to existing approaches and novel policy responses. Technological innovations could, either radically or incrementally, alter the tourism experience, how people work within the sector, and raise questions about how to best manage these transitions.

However, there do appear to be shared key characteristics of new and anticipated emerging technologies that can help guide policy responses. Digital technologies will help connect people with more information, people and experiences, more quickly than ever before. They will likely make marketplaces and operations across a range of endeavours more efficient. These changes are likely to be disruptive to a variety of sectors, including tourism, and in the short-term may dislocate many workers from their existing work patterns. Increasing fluency and the ability to make data-driven decisions in an environment with vast amounts of information will become increasingly important.

New technologies may offer the opportunity to provide highly customised products and experiences to travellers, as tourists increasingly have more transparent and comparable information at their fingertips when making decisions about where to stay, how to get to a destination and where to eat. However, the rise of digital platforms and aggregators in travel and tourism may also squeeze the profit margins of existing tourism suppliers across sectors ranging from transportation to accommodation to dining.

Policy makers will also need to consider how and whether to pursue more digital strategies to market and deliver tourism services in a global environment where that approach is likely to be prevalent. For example, Austria launched a digitalisation strategy for Austrian tourism in September 2017 (Box 1.13). Some destinations, however, will likely opt to differentiate their travel experience by offering more analogue and offline options that are not overwhelmed with visitors at the same sites and locations that are consistently ranked highly online.

A priority area for policy makers will be the continued emphasis on future-proofing and anticipating how enabling technologies will unlock new opportunities and pose challenges to the tourism sector should be a priority focus. Regular review processes of how particular sectors are vulnerable to disruption and potentially can be re-oriented to stay ahead of the disruption curve should be held, with perspectives of all key stakeholders, including innovators.

A second key priority should be to strengthen regulatory and compliance frameworks to make them more permissive of innovation and responsive to rapid technological changes. These approaches need to be considered within the context of overall economic and social policy frameworks which necessarily overlap and touch on the operations of

both national, sub-national and local governments and many different sectoral fields, ranging from housing to transportation to security issues.

A third key issue for consideration in both the tourism sector and more broadly, is how to best balance concerns about privacy and security in an increasingly connected, data-rich world. For travellers, the benefits of sharing more data could include faster transit and security clearances, but there will likely be a growing demand for the development of appropriate safeguards to ensure data is not being used for unauthorised purposes.

Technologies have continually and progressively reshaped tourism value chains, and will continue to do so. The ongoing evolution of business models within the sector will offer new opportunities for many entrepreneurs while disrupting others. A greater focus on communication, networking and partnership management skills for businesses in the space will be critical. Therefore, working closely with government bodies to develop strategies should be a top priority to seize on the potential to offer better services for travellers (Box 2.4).

Box 2.4. **Smart Destinations Project in Spain**

A Smart Destination is an innovative tourist destination using state-of-the-art technology for the sustainable development of a tourist area, accessible to everyone, that facilitates the visitors' interaction with and integration into their surroundings, increases the quality of the experience at the destination while also improving the quality of life of its residents.

This initiative has been developed and promoted by the Spanish Secretariat of State for Tourism, through SEGITTUR (a state owned company responsible for promoting research and development for innovation and new technologies in the Spanish tourism industry), to improve the position of Spain as a world tourism destination. The methodology developed fosters innovation, sustainability and competitiveness at a local level through the development and deployment of ICT with the aim of creating differentiated and highly competitive services.

Destinations seeking to become SDs must implement a strategy aimed at increasing competitiveness through more sustainable use of their natural and cultural attractions, the creation of additional innovative resources, and improvements in the efficiency of their production and distribution processes. Issues considered as part of the Smart Destinations initiative include, ensuring sustainable development, managing the carrying capacity of destinations, contributing to the seasonal and territorial distribution of tourism flows, increasing profitability, ensuring that residents share in the wealth generated by the tourist activity, and increasing tourist satisfaction.

On the way to becoming a Smart Destination, stakeholders are confronted with vast challenges and possibilities which need to be carefully considered, prioritised and selected. Geo-referenced data, Big Data, the Internet of Things, Open Data and many other data-related sources and concepts represent fundamental elements for the transition towards more intelligent, sustainable and competitive tourist destinations that meet the needs of all stakeholders involved (*www.segittur.es/en/inicio/index.html*).

### *Travel mobility*

Transport is an essential component of the tourism system and plays a vital role in moving tourists efficiently from their place of residence to their final destination and on to

various attractions. Transport connects the markets in tourism generating regions to destinations and facilitates the internal movement of visitors between components of the tourist experience (e.g. accommodation, attractions, commercial services, etc.), and can be a major element of the attraction or an experience in their own right. The location, capacity, efficiency and connectivity of transport can play a significant role in how a destination physically develops, influencing the mobility of visitors and the connectivity of tourist experiences within destinations.

The synergies between transport and tourism policy are significant and clear, and governments have an important role to play in leveraging the linkages between these policy areas. While transport policy aims to achieve strong connectivity and seamless transport that meets both the short- and long-term needs of the economy and the community, these same policies affect tourists as they move around a destination. Providing integrated, multi-modal transport systems (including land, sea and air transport) between cities or across borders, requires coordinated responses to technical, institutional and financial issues from a variety of stakeholders (OECD, 2016c).

Transport has always been a key enabler of international tourism, bringing consumers to commercial services and providers to global markets. However, inflows of tourists can put significant pressure on transport infrastructure and related services such as roads, buses, railways, maritime transport and – perhaps most notably – aviation.

From an international tourism perspective, the dominant role that air transport plays in delivering tourists to destinations is clear. In 2015, for example, the UNWTO estimates that air transport accounted for just over half (54%) of all international arrivals, while travel by road accounted for 39%, water 5%, and rail 2% (UNWTO, 2016a). While air and road are by far the primary choices of transport for international tourists, rail and water, and by extension, cruise terminals and international train stations, have an important role to play in distributing visitors to and around their destination of choice.

The rapid growth in tourism and air transport, in recent decades, is in response to two major factors i) higher incomes and an emerging middle class in emerging economies, which encourage greater consumption expenditure, including travel (by all modes) and; ii) air travel has become better value for money, as a result of improved aerospace technology and market liberalisation. Aviation liberalisation has encouraged competition, fostered the creation of new routes and enabled new airline business models to emerge, such as charter and low-cost carriers, which injected a greater level of competition in the airline industry (ICAO, 2013).

The projected growth of tourism over the next 20-25 years will provide enormous economic benefits and job opportunities in destinations all over the world. However, the growth and success of the sector relies upon the ability of people to travel safely and freely cross borders (WEF, 2016). Travel mobility will be affected by a range of internal and external factors presenting opportunities and challenges for industry and policy makers. All of which must be considered in tourism policies and strategies to ensure sustainable growth of the sector.

Travel facilitation measures in particular, including customs and immigration policies and visa requirements for visitor entry, are key components in ensuring ease of mobility between destinations. When these processes are made time-consuming, expensive or bureaucratic, they can act as disincentives for travel to that destination. Indeed, a destination can be made more desirable when such processes are instead streamlined and efficient.

Border measures and overall safety and security efforts are, of course, shaped by larger external factors such as geopolitical instability and increased risk of terrorist attacks. The world has entered a time of significant uncertainty, as protectionist sentiments rise and many nations retreat inwards. While travel mobility is inextricably linked to these geopolitical changes, they are inherently unpredictable and difficult to prepare for in any sector.

### *Key facts and projections*

The number of international tourist arrivals is projected to grow significantly in coming decades. ***Air passenger traffic*** in particular is expected to nearly double between now and 2035, expanding from 3.8 billion to 7.2 billion passengers (IATA, 2016). The International Transport Forum (ITF), forecasts that the number of passenger-kilometres will double to 9 trillion by 2030, pushed by the large growth in the Asia-Pacific region, which will represent 40% of world passenger traffic, up from 30% in 2015 (OECD/ITF, 2017).

The ITF has also forecast strong growth in global ***road and rail*** passenger travel to 2050, with estimates ranging from 120% to 230%, depending on future fuel prices and urban transport policies. This growth is driven by non-OECD countries, where passenger volumes are projected to grow between 240% and 450% (OECD/ITF, 2015). Similarly, the ***cruise*** industry has enjoyed strong growth over a period of 30 years, driven initially by demand from North America and more recently by growing demand from Europe and the rest of the world. Cruise Lines International (CLIA), estimates that over the ten years 2004/2014 demand for cruising worldwide increased from 13.1 million to 22 million passengers (+68%) with 3.4% growth achieved in 2014. In 2018 global passengers are expected to exceed 25 million before reaching 30 million in 2024 (CLIA, 2015).

The strong growth in world air passenger traffic experienced in recent decades is expected to slow between 2030 and 2050, for two main reasons. Firstly, slower growth after 2030 is driven by projected GDP and population growth, which slow or even decrease (e.g. the expected population peak in China is 2030). Secondly, the network gradually reaches saturation, with fewer and fewer potential new links. This is especially true of very long distance routes, for which the low-cost carrier business model cannot be readily adapted, and leaving regional networks with more capacity to grow (OECD/ITF, 2017).

In Asia, for example, this means that passenger numbers at mature, long-haul airports are expected to grow at a slower rate than at secondary and often regional airports. Regional airports, many of which are still largely dependent on domestic traffic, only recently started to accept international flights. Their growth has been facilitated by the commencement of regional flights, in particular from low-cost carriers. For instance, the number of international flights at Chongqing airport increased five-fold between 2010 and 2015, while passenger demand is expected to increase at more than 15% in the region over the next two decades. This contrasts with the Beijing or Shanghai regions, which have experienced less than 5% growth in international passenger numbers in recent years, and a figure that is not expected to rise in the foreseeable future (OECD/ITF, 2017).

For shorter routes, growth in high-speed rail, with established networks in Europe and a quickly expanding network in China, may present increasing competition for the aviation sector, particularly in light of it being perceived as a convenient and more environmentally friendly alternative. For example, in the European Union, rail travel significantly increased in the decades preceding the economic crisis, largely thanks to the building of a large

high-speed rail network. For some city pairs (e.g. Paris and London and Paris and Brussels), high-speed rail has now largely or completely replaced aviation as the mode of choice for most passengers (OECD/ITF, 2017).

While old and new destinations alike stand to benefit from the upward trend in international passenger aviation, and the expansion of the global aviation industry more broadly, the sheer growth in movement will also pose significant challenges.

For example, as the number of international arrivals grows, there will be greater demand pressures on the tourism sector to adapt in the face of climate change. Although tourism is currently responsible for around only 5% of global GHG emissions, the aviation industry is responsible for the large majority of that figure, generating 781 million tonnes of carbon in 2015 alone (ATAG, 2016). If travel and tourism remain on a business-as-usual pathway, the sector will become an increasingly important source of GHG emissions.

However, climate change itself imposes further risks. While average daily temperatures could rise around three degrees, maximum daily temperatures could rise as much as four to eight degrees by 2080. These extreme heat waves are likely to ground one-third of airplanes in the future, resulting in more costly cancellations and delays (Coffel et al., 2017). Extreme weather events are also expected to cause more frequent and severe turbulence, especially on a number of popular transatlantic routes (Williams, 2017). Both government and industry will require a rethink of aviation and its regulations to prepare for these threats.

***Security and border measures*** not only play an important role in travel mobility, but also in the customer experience. IATA reports that security wait times are among the top grievances of travellers, and these complaints are likely to worsen in the coming years (WEF, 2016). In the United States, for instance, the United States Department of Homeland Security has indicated that such burdens are inevitable, especially during peak seasons (Hetter and Pearson, 2016).

Similarly, the World Economic Forum has declared ***entry visas*** "one of the worst bureaucratic inefficiencies for travellers" that can deter people from visiting a destination (WEF, 2016). In fact, there is some evidence to suggest that countries that have improved their visa facilitation processes have seen an increase in the number of international visitors of between 5% and 25%, with positive economic impacts rippling throughout the economy (UNWTO and WTTC, 2012). On the whole, most countries are seeking to balance enhanced travel facilitation processes with maintaining or improving border security, while fewer nations now requiring entry visas from particular citizens. In 2008, destinations on average required 77% of the global population to have an entry visa, dropping to only 61% in 2015 (UNWTO, 2016b).

Travel and tourism is also highly sensitive to the threat of ***terrorism, pandemics***, and other large-scale crises. Examples include, the H1N1 outbreak in Mexico in 2009, which resulted in a loss to the tourism industry in the order of USD 5 billion, and the United States, which took six years to reach pre-crisis levels following the terrorist attacks on September 11, 2001 (WEF, 2016). More recently, during the outbreak of MERS (Middle East Respiratory Syndrome) in 2015, more than 54 000 people cancelled trips to South Korea and economists estimated that the impact on the economy was in the region of several billion US dollars as a result (Misrahi, 2015).

***Natural disasters*** such as the Hurricane Maria, which devastated Caribbean Islands including Puerto Rico in 2017, are forecast to grow in regularity and destructive capacity in the coming years. Such storms have the ability to cripple transport networks both in the

direct aftermath and for extended periods following such events, with potential impacts on international and domestic accessibility and connectivity.

***Political instability*** can especially dissuade travellers from visiting a destination if there is a real or perceived threat involved. This will pose a unique challenge in the coming years, as the global middle class grows and emerging economies account for an increasing number of inbound and outbound trips. These nations, which tend to have a higher risk of political instability, will account for nearly 57% of international arrivals by 2030 (WEF, 2016).

### *Implications for the tourism sector*

Managed effectively, transport and tourism synergies can improve visitor mobility to and within destinations, enhance visitor satisfaction, and help to secure the economic viability of local transport systems and services by servicing both residents and tourists. Ensuring that the medium- to long-term needs of the tourism industry are considered by governments as part of transport access and infrastructure planning can help to maximise and spread the socio-economic benefits of tourism more widely and manage visitor impacts over time.

The future growth of tourism and air transport are very much interlinked, and will depend largely on sustained world economic and trade growth, a growing middle class in developing economies, as well as declining ticket prices and airline operating costs, which will be impacted by aircraft technology, improvements in airline resource management and the price of fuel. Airspace and airport congestion could also constrain the growth of selected markets (OECD, 2016c).

Policy makers will need to be agile in order to respond effectively to these and other developments, to implement policies and practices that enable greater traveller mobility and confidence, while promoting sustainable tourism growth and maintaining or enhancing security and border integrity. Examples include the likely need for greater consistency and harmonisation of international standards in relation to safety and security, and international transport regulations to reflect geopolitical power shifts (e.g. aviation). Governments might also envisage the need to impose restrictions or limits on inbound (e.g. visa restrictions) or outbound travel (e.g. carbon footprint limits or mandatory carbon offsetting), in order to meet international emissions reduction commitments and/or achieve sustainable development goals.

The aviation industry in particular will face significant challenges as a result of climate change and increased demand for air travel. Emerging literature suggests that the industry may need to brace for thinner profit margins or push more aggressively on climate action, by designing lighter vessels or developing engines that produce fewer emissions (Williams, 2017; Coffel et al., 2017).

However, global market based measures that incorporate the price of carbon are likely to be one of the most effective mechanisms to reduce emissions with potential implications for both short and long haul destinations. There is evidence to suggest that increasing the price of travel may be the only way to have a meaningful reduction in GHG emissions. However, policy options to reduce the impact of tourism on climate change will need to reflect the wider context of tourism's place in the structure of a country's economy and, more broadly, the complex dimensions that underpin a country's connectedness to the global economy (OECD/UNEP, 2011).

At the destination level, good accessibility will continue to play an instrumental role in overall competitiveness and in spreading the benefits of tourism beyond major centres. The provision of suitable infrastructure and adequate means of transportation are fundamental requirements to facilitate the mobility of tourists. In order for tourism to deliver on its potential as an engine for economic growth, it requires access to source markets and multimodal transport systems in-country that offer convenience, capacity, reliability and connectivity to suit all destination types (e.g. integrated seaside resort, or small scale isolated eco lodge). By promoting the development of intermodal hubs and gateways, transport policies at the national and sub-national level can not only help attract, manage or direct visitor flows but also facilitate a shift to more eco-friendly transport options, which can help consolidate a destination's reputation as sustainable.

Many of the underlying difficulties in meeting the associated infrastructure challenges can be attributed to governance issues that span infrastructure planning, policy, regulation, financing, procurement and management. The importance of institutional coordination cannot be stressed enough when it comes to the seamless operation of multimodal transport systems. Good governance at all levels of government and co-operation with the private sector is needed to improve decision-making and create incentives to invest in connectivity. There is a need to think in terms of mobility systems rather than modes and modal networks.

In addition to diversifying the tourism offer, better connectivity with regional and rural destinations can serve another function by helping to eliminate overcrowding and infrastructure pressures in major tourism centres. Such issues have become prevalent among popular tourist destinations such as Barcelona, Amsterdam and Santorini, all of which have found it challenging to manage massive inflows of tourists. Transportation infrastructure initiatives could be beneficial in destination planning and combating "over-tourism" by improving access to nearby destinations.

Given the anticipated growth of the Asian region as a source market for global tourism, jurisdictions are pursuing targeted initiatives to improve mobility and increase access. For example in November 2014, the United States and the People's Republic of China concluded a reciprocal visa validity arrangement to strengthen the ever-broadening economic and people-to-people ties between the two countries. Both countries agreed to increase the validity of short-term tourist and business visas issued to each other's citizens from one to ten years – the longest validity possible under United States law – and increase the validity of student and exchange visas from one to five years. This arrangement will improve trade, investment, and business ties by facilitating travel and offering easier access to both economies. Since this policy change was implemented, Chinese demand for United States visas has grown by more than 50% compared to the same period in 2014 (OECD, 2016b).

In 2017 the Australian and Chinese governments established held the "China-Australia Year of Tourism", to increase tourism between the two countries and provide opportunities for further engagement at the economic, commercial, social and academic levels. Australia commenced a trial Frequent Traveller Visitor visa for Chinese nationals in December 2016, valid for up to ten years and allowing multiple short stays of up to three months for tourism or business. Other Australian initiatives for the Chinese market include online lodgement for visitor visa applications; trials of a fast-track (48-hours) visitor visa processing service; and a simplified Chinese lodgement option through a service delivery partner. Similarly, 2018 will be the EU-China Tourism Year, with the multiple aims of i) promoting lesser known

destinations, ii) improving travel and tourism experiences, iii) providing opportunities to increase economic cooperation, and iv) providing a launchpad to make progress on EU-China visa-facilitation and air connectivity. Additionally, the governments of Canada and China have officially named 2018 the Canada-China Year of Tourism, with the goal of doubling two-way visits by 2025, based on 2015 statistics.

Another example of the type of innovative measure that national governments and industry are seeking to introduce to improve travel mobility across borders is that recently introduced by the Airports Council International (ACI) and IATA. The Smart Security Strategy is a multi-pronged strategy to modernise security measures at the border for ease of mobility (Box 2.5).

### Box 2.5. **Airport Smart Security Strategy**

Security checkpoints continue to be among the greatest grievances for travellers and much of the technology and conventional measures used at the border have become outdated and inefficient. Given the anticipated growth in air travel to 2040, evolving security threats and passenger dissatisfaction with queues and intrusive measures, a strategic partnership between Airports Council International (ACI) and IATA was established to develop a Smart Security Strategy. The two organisations have signed a memorandum of understanding to leverage their respective resources and expertise to "improve the journey from curb to boarding" (IATA, 2013).

Smart Security is a three-pronged strategy to integrate risk-based security concepts, advanced screening technologies, and process innovations in order to streamline security processes and improve the passenger experience. Priority components include passenger screening, cabin baggage screening, alternative detection methods, checkpoint environment and management, centralised image processing and risk-based differentiation. Improvements in these areas, such as advanced detection algorithms, can help to improve the ability of "future-proofing" security measures in response to evolving threats and demands of the aviation industry (ACI and IATA, 2017).

Smart Security has been piloted in several international airports such as Amsterdam Schiphol, London Heathrow, and Melbourne International, and passenger satisfaction surveys have indicated that these trials have been successful (Future Travel Experience, 2016). ACI and IATA have embarked on a second wave of these developments, and continue to hold workshops and events around the world to facilitate knowledge translation.

Multi-destination visas such as the Schengen Area in Europe, the Economic Community of West African States (ECOWAS), Borderless Borders in East Africa, and a planned ASEAN single visa, are becoming more common. These schemes can offer dramatic reductions in costs, enhance the attractiveness of destinations, allow multiple governments to share the burdens of processing, security screening and administration, as well as improve regional security and data-sharing.

Trusted traveller programs such as the APEC Business Travel Card (ABTC) are also becoming more popular as a means of improving efficiency and harnessing big data. The ABTC scheme, for example, helps to enhance border integrity and security in participating economies by increasing the number of low risk travellers – those checked against "watch lists" of other participating economies. According to the APEC Policy Support Unit, the scheme reduced transaction costs for ABTC holders by 38% between 2010 and 2011,

representing a total savings of USD 3.7 million. Total at-the-border immigration time savings experienced by ABTC holders during the same period was 62 413 hours, with monetary value of USD 1.9 million.

## Preparing for megatrends

How should policy makers begin to prepare for the challenges and opportunities posed by megatrends that will play out over the next quarter of a century? There are major uncertainties inherent in predicting the particular path of certain megatrends, such as the impacts of certain technologies. Meanwhile, other trends, such as aging populations, are more assured in their path but still come with questions in terms of likely impacts and most effective ways to respond. Consequently, the best approach for policy makers should be to consider how to build systemic and strategic approaches to adapt in an increasingly fast-moving, inter-connected and dynamic environment.

In addition to adopting an integrated governmental approach, there are three key areas that require focus: i) modernising regulatory and legislative frameworks, ii) cultivating partnerships with key stakeholders and i) exploring ways to future-proof policies.

### *Modernising regulatory and legislative frameworks*

The emergence of new business models and technological innovations in recent years, such as ride-sourcing and home-sharing platforms, have highlighted the urgent need for governments to develop more flexible and adaptable regulatory and legislative frameworks. Given the likelihood of continued fast-moving technological developments in the sharing economy, as well as the rise of artificial intelligence, more pressure will be placed on existing frameworks. As a result, these reforms will only become more pressing.

Undertaking regular reviews of regulatory frameworks to remove outdated requirements and promote the emergence of innovative approaches to delivering goods and services is one such strategy. Broadly engaging stakeholders in the development of new regulatory frameworks to ensure that the perspectives of new and emerging market entrants are reflected is also critical.

Greater inclusion of, and support for, predictive mechanisms in the policy and regulatory process is also a key means of ensuring that policies developed today are not obsolete before they come into force. Both new and existing frameworks should be assessed against medium- and long-term trends.

### *Cultivating partnerships with industry, other governments and key stakeholders*

The impacts of megatrends and the process of policymaking generally, are more cross-cutting both sectorally and jurisdictionally than ever before. Travel mobility issues that involve visa and security coordination among jurisdictions, sustainable approaches to tourism for resources that are shared among countries, and the challenges of regulatory digital platforms that operate globally, all illustrate the increased need to think beyond local and national issues to craft effective responses.

A renewed focus and investment in international and regional fora that can look at horizontal issues effectively and develop shared governance and policy responses is one means to ensure responses are balanced and effective. Furthermore, increased engagement with key stakeholders (industry and civil society) in the tourism and related sectors should also be a priority. For example, the Turkish Ministry of Culture and Tourism recently brought

together over 300 tourism stakeholders including Ministers, tourism leaders, local authorities, and NGOs at a meeting of the Tourism Council, in order to better understand key tourism trends and inform the preparation of a new long-term tourism strategy and action plan. Understanding how best to adapt infrastructure needs for an aging population will require conversations with officials and representatives from financing, infrastructure, housing, planning, social services and many other ministries. Tourism policy makers will play a key role in articulating issues but the policy remit will often lie elsewhere.

The need to engage more closely with industry and ensure that the perspectives of SMEs, emerging businesses and traditional operators are all understood is a vital consideration as the sector takes on a different shape in the coming years and decades. Policy makers need to ensure that while they develop approaches that prioritise the public interest, the perspectives of businesses on the cutting edge of new and innovative approaches to delivering services are essential to shaping those decisions. Industry-government tables that consider medium- and long-term issues on which to prioritise action, offer one possible way of developing and ensuring close and regular engagement.

### *Taking steps to future-proof tourism policy*

Governments can often be challenged when faced with rapid changes and shifts to the status quo. Promoting a culture of innovation and change management within government will be vital to ensuring that long-term megatrends are given due consideration within the decision-making process. The use of innovation labs and design labs which tackle forward-looking issues through creative engagement with a broad range of internal and external stakeholders is one potential means of promoting a culture of continuous improvement and future-oriented thinking.

Long-term scenario planning exercises are another way to begin conversations about potentially transformative changes on the horizon. Examples of country approaches include Finland's national foresight network, which is designed to leverage data to inform decisions and prepare for the future, as a potential model for anticipating and preparing for change (Hartikainen, 2015), while Austria's Federal Ministry of Science, Research and Economy conducted an extensive study and scenario planning exercise to address trends posed to influence the tourism sector specifically (Box 2.6).

Policy makers focused on tourism will also need to work closely with their colleagues in other ministries to develop systems that can measure and monitor megatrends such as demographic change in order to better prepare for their impacts. Where these systems already exist, they need to be leveraged to anticipate and prepare for potential policy and service delivery changes that may be required. These systems also require robust data to analyse and stay abreast of key megatrends, how they are unfolding and whether any course corrections or adjustments are occurring or require action.

Finally, in a public sector environment where data is increasingly driving decisions, the ability to harness and make sense of that data becomes increasingly important. Tourism policy makers must ensure that they either have the capacity to make data-driven decisions or that other departments with that capacity are fully briefed on key tourism trends and issues to play a supportive role.

### Box 2.6. **Is everything different? Tourism 2025 (Austria)**

Despite the unpredictability of megatrends and the impacts they may have, governments can begin to take steps to "future-proof" policy through long-term thinking and scenario planning exercises specific to the tourism industry. Austria's Federal Ministry of Science, Research and Economy recently conducted one such project in collaboration with the Interdisciplinary Research Centre Tourism and Leisure of the University of Innsbruck. The study, "Is everything different? Tourism 2025" delivered a comprehensive analysis of the trends and drivers impacting the country's tourism sector, mapped out both positive and negative scenarios to 2025, and provided recommendations for policy development accordingly.

In order to paint a complete picture of the supply and demand sides of the sector, the study took a threefold exploratory approach to data collection. This included a systematic media analysis, qualitative interviews with key experts, and a workshop to evaluate the empirical results. Key driving forces were identified – such as geopolitics, climate change, ecological drivers, demographic drivers, economic drivers, and technological drivers – which together push six trend areas. For each trend, a number of challenges were highlighted and recommendations made to address them.

For example, demographic drivers have changed tourist behaviour, resulting in more guests going online to book trips, post reviews and share information. To address this, the report recommended that the tourism sector think about the technical requirements to facilitate these experiences, such as ensuring access to wifi in rural communities and offering professional digital communication with guests.

The recommendations made in the study involve government, industry, interest groups and research stakeholders and initiatives. In order for success to be realised, co-operation and joint efforts between all stakeholders in the tourism sector will be necessary (*www.bmwfw.gv.at/Tourismus* – available in German only).

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PART I

*Chapter 3*

# Towards investment and financing for sustainable tourism

*Investment and financing has an important role to play in supporting the transition to low carbon, resource efficient and socially inclusive tourism development. This chapter examines the need for a shift toward investment and financing practices that support sustainable tourism, and explores policies, institutions and instruments for green finance and investment relevant for the sector. It highlights good practices that catalyse and support the transition to a green, low-emissions and climate-resilient tourism economy, and offers guidance to policy makers on how to move forward.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Tourism, as one of the most promising drivers of growth for the world economy, can play an important role in driving the transition to a green economy, and contributing to more sustainable and inclusive growth. With close connections to numerous sectors at destination and international levels, even small improvements toward greater sustainability in tourism will have important impacts.

Investment and financing is an essential part of this. The possibilities are wide-ranging, and include public and private investment in low carbon transport options and the construction of resource efficient tourism infrastructure, as well as initiatives to support innovation, promote the adoption of responsible business practices and encourage the integration of tourism businesses into low carbon and sustainable tourism supply chains (Box 3.1).

Box 3.1. **Investment opportunities to support green innovation in tourism**

**Energy-efficient transition:** in the accommodation sector there is ample scope for investments in green performance, including improvements to refrigeration, television and video systems, air conditioning, heating and laundry.

**Water management:** there is scope for financing green performers improving internal water efficiency per guest.

**Waste management:** there are many dimensions on which improving waste management can increase tourism sustainability, improving resource efficiency, enhancing the attractiveness of destinations, and creating job opportunities.

**Biodiversity:** maintaining ecosystems is at the core of sustainable tourism. There are opportunities for green performers and green innovators in protecting the natural resource base while mainstreaming sustainable tourism.

**Cultural heritage:** investments that maintain the cultural heritage while offering opportunities for continuation, rejuvenation or enhancement of traditions improve the tourism offer and contribute to distributing the benefits of tourism among the local population.

*Source:* OECD (2013a).

This chapter examines the need for a shift toward investment and financing practices that support sustainable tourism, and explores policies, institutions and instruments for green finance and investment relevant for the sector. It highlights good practices that catalyse and support the transition to a green, low-emissions and climate-resilient tourism economy, and offers guidance to policy makers on how to move forward.

## Policies to address the investment gap for sustainable tourism development

Sustainable tourism development is tourism which takes into account current and future economic, social and environmental impacts, and addresses the needs of visitors, the industry, the environment, and host communities. Incorporating sustainable practices

in consumption and production of tourism services implies a change in the mind-set of stakeholders, increasing awareness of the fact that incorporating sustainable practices in their daily activities is for their own benefit in the long run, as it enables the preservation of the environment that is one of the main drivers of tourism.

With the strong forecast growth in global tourism to 2030, significant investment will be required to provide the accommodation, transport and other tourism-related services and infrastructure necessary to meet expected demand, while enhancing economic, social and environmental outcomes. This will require an integrated approach across many departments (e.g. transport, environment, agriculture, innovation, education, tourism) and levels of government (national, regional, local), with input and support from industry. Investment will also be critical in managing this growing tourism in a sustainable manner.

The OECD is working to strengthen the investment environment and better mobilise public and private resources to support resilient, sustainable, green and inclusive growth which benefits the whole of society. With public budgets likely to remain tight for some time to come, all levels of government will have to do better with less by investing more efficiently (OECD, 2014). There is also a growing recognition of the need for more innovative and sophisticated financing strategies, and governments are searching for new tools with a stronger focus on the private sector.

Like many other sectors, tourism faces a range of significant sustainability-related challenges. However, with growing awareness of the need and value of conserving unique natural, social and cultural assets, there is increasing motivation for both the private and public sectors to invest in making tourism more sustainable. Investment in sustainable tourism offers environmental and social benefits, as well as opportunities to generate significant returns, notably in the areas of energy, water, waste and biodiversity.

Public sector intervention aims to preserve tourism's potential for economic development and social inclusion, and correct for actions that lead to too much investment in polluting technologies and too little investment in low-carbon, climate-resilient or resource-efficient technologies. The high environmental quality that attracts tourists can often be diminished by those same tourists and the services that cater to them, through increased pollution and the depletion of natural resources, water and biodiversity, among others.

Another area of focus is devising appropriate mechanisms to leverage private investment, especially as government budgets tighten. Investment and financing for sustainable tourism development does not necessarily require the creation of new instruments, but rather better connecting tourism projects with available green and other financing instruments. Traditional and innovative finance mechanisms exist that integrate tourism intrinsic characteristics (i.e. seasonal flows, intangibles production), from standard debt finance which is the main external finance source for small tourism firms, to equity and hybrid instruments favoured by high-growth and innovative firms. Finance mechanisms can also be extrapolated from other industries that rely on (renewable) natural assets and from other policy objectives, such as group lending by microfinance institutions.

In order to achieve more sustainable development and deliver on the ambitious targets to reduce poverty and combat climate change set out in Agenda 2030 and the Paris Agreement, investment in the green economy needs to take place on a far greater scale over coming decades. Indeed, the Paris Agreement established the goal of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". The scale of the transition to a green, low-emissions and

climate-resilient economy is perhaps the biggest structural adjustment ever proposed in the field of international governance.

Tourism has a key role to play in this, and the sector is particularly well placed to contribute to increasing employment rates, enhancing social cohesion, improving productivity and fostering economic growth across many portfolios, given its strong local dimension. Moreover, the cross-cutting nature of tourism means that even small improvements towards greater sustainability in production and consumption patterns will have important impacts.

Financing the transition to a more sustainable model of tourism development faces a set of challenges, however, including the suitability of available finance instruments, information on the impact of green investment in tourism, (dis)incentives to adopt green business practices, and the extent to which the policy framework is supportive. Successful policy intervention requires significant co-operation and coordinated strategies across government, and between different levels of government, as part of a comprehensive national long term plan, given the length of time needed to realise many environment preservation measures. It also demands the involvement of the private sector and civil society, and the sharing of best practices and new ideas between the various actors driving the shift to a new model of sustainable tourism development.

### *Policy considerations*

Based on the analysis discussed in this chapter, key policy considerations to further promote and mainstream investment and financing for sustainable tourism development include:

- **Promote access to finance for sustainable tourism investment projects of all sizes.** Direct public intervention includes grants and subsidised loans with environmental criteria to support tourism firms with sustainable project proposals in the start-up and early stages, as well as businesses willing to incorporate sustainable practices in their daily operations. Encourage uptake of green financing instruments for tourism projects. Tailored supports for small tourism businesses may be warranted where such intervention supports environmental and sustainability objectives. Care should be taken to avoid crowding out the private sector. Indirect finance instruments (public credit guarantees) can be used to overcome the lack of collateral related to the production of service-based intangibles, and the transition towards greener processes. Consider promoting public private partnerships to finance sustainable infrastructure investments and renovations. Devising risk-sharing mechanisms to foster private sector participation in the financing of sustainable tourism development can also help.
- **Incentivise the transition towards low carbon, climate resilient investments and encourage more responsible business practices in tourism.** Private sector strategies can help to address the sustainable tourism investment gap and green investors should be actively targeted and supported. Tourism businesses need to be better informed about the business case for adopting sustainable practices, and encouraged to take into account the impact of their actions on the environment. Integrate environmental and social criteria into tourism policies and programmes, including tourism investment facilitation and promotion activities. If it is necessary to introduce measures to constrain environmentally harmful activities by tourism firms, for example by establishing congestion prices or taxes, the potential distortions these policies might generate should be considered.

- **Build capacity and better coordinate actions across government to support the shift to more sustainable tourism investment and financing practices.** A coherent and consistent policy framework is needed to provide an enabling environment for sustainable tourism investment. This involves coordinating actions across different policy areas, including tourism, environment and innovation, and across different levels of government. Improve accountability by assessing the impact of sustainability factors upon financial stability and long-term investment. Identify and share knowledge about approaches to increase the effectiveness of investment in managing growing tourism demand in a sustainable and inclusive manner.
- **Improve data and analysis on finance and investment in sustainable tourism development, including the use of green finance in tourism.** Limited information is available on the effectiveness of available financing instruments and incentives in supporting more sustainable production processes and encouraging more responsible business practices in tourism. More evidence is also needed to accurately integrate environmental risk into the tourism financing and investment decision, and develop a better understanding of the economic, social and environmental outcomes of tourism investment. Standardising definitions of green finance and the environmental goods and services related to tourism can be used to tag lending amounts to sustainable tourism development objectives.

## Financing sources for sustainable tourism investment

The financing options for tourism investment can be of public or private, and domestic or foreign origin. In the past, there has been a lack of diversity in financial institutions offering long term capital for the sustainable financing needs of tourism firms, including small and medium sized enterprises (SMEs) (United Nations Environment, 2017), and the magnitudes traded for sustainable tourism development at a global level are still not significant.

This situation is changing. There is increasing motivation for both the public and private sectors to invest in making tourism more sustainable, and the market for green bonds and other sources of green financing is expanding. In Finland, for example, 25% of European Regional Development Funds are being directed toward low-carbon activities over the period 2014-20. New and expanding business opportunities have been financed that reduce carbon emissions, including in the hotel sector. The United Nations Environment Programme Finance Initiative, meanwhile, brings together over 200 financial institutions, including banks, insurers and investors committed to integrating environmental and social considerations into all aspects of operations, some of which fund tourism (Box 3.2).

Public sector involvement in financing sustainable tourism development is essential, to unlock finance, provide incentives and build capacity. This is demonstrated by the activities of supra-national, national and sub-national public finance institutions, including green investment banks which target and tailor financing to facilitate private investment in low carbon climate resilient infrastructure. A broad set of finance instruments is also important, ranging in profile from low to high risk/return, and catering to firms at different stages of development.

Public finance institutions have a development mandate beyond economic and financial viability, and can extend subsidies and other supports to environmental and social projects. Institutions operating at regional or local level are particularly well placed

### Box 3.2. **Support for tourism through the UN Environment Programme Finance Initiative**

United Nations Environment Programme Finance Initiative is a partnership between UN Environment and the global financial sector with the mission to promote sustainable finance. Participating financial institutions, including banks, insurers, and investors sign up to the UNEP Statement of Commitment by Financial Institutions on Sustainable Development, with specific funding programmes provided for sustainable tourism:

**Triodos Bank**, for example, provides loans to sustainable tourism businesses to invest in property purchase and development, on-site renewables and green tourism accreditation. It has supported the development of sustainable hotels in the United Kingdom, including providing a loan to Wheatland Farm to install a wind turbine to power the Balebarn Eco Lodge. Triodos Bank only lends to businesses that have been or are in the process of being, Green Tourism-certified. It provides a 1% interest rate discount for businesses working towards gold certification. Another example is the funding provided to Biosphere Responsible Tourism, a certification organisation for sustainable destinations.

**Turkish Development and Investment Bank** (TSKB) provides financing and consultancy services for green building investment in the tourism sector. It funds investment in energy, water and waste management, green material usage, and social impact management. The tourism sector makes up 8% of the TSKB credit portfolio, with an allocated credit of EUR 309 million and 24 new hotel and renovation investments.

*Source:* UN Environment, *www.triodos.com*, *www.tskb.com*.

to overcome location-specific investment barriers, while multi-lateral finance organisations can scale up and diversify the inherent environmental risk by joining several environmental projects in different countries.

The Nordic Investment Bank, for example, finances the development of sustainable projects of all sizes in the Baltic region, including green road infrastructure projects in Finland and environmental projects for SMEs in Norway. As of October 2017, five tourism-related projects are financed. In Norway, the City of Bergen has a 20 year loan programme of EUR 108 million to finance the wastewater treatment system, where tourism is growing. The city welcomes about 500 000 visitors and 350 cruises annually. In Iceland, the tourism sector benefits (along with fisheries, real estate and farming) from a EUR 66.6 million loan programme over 7 years to finance investments and environmental projects for SMEs, as well as a 10 year loan programme worth EUR 12 million to finance R&D and ICT infrastructure.

The European Union has implemented diverse initiatives to support the development and promotion of sustainable and responsible tourism. The European Commission supported around 100 projects over the period 2014-2016, under the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), for example. These include the development of transnational cycle or hiking routes, environmentally-friendly tourism, and European Cultural Itineraries. In the context of the European Destinations of Excellence (EDEN) initiative, the Commission co-financed with national administrations the promotion of 140 lesser-known destinations which stand out for their sustainable tourism engagement. Beyond this, the tourism sector can benefit from wider sustainable investment supports promoting the low carbon economy, sustainable energy and sustainable management of natural resources, including the European Structural and Investment Funds 2014-2020 and the European Fund for Strategic Investments. A Guide

on EU Funding to the Tourism Sector has been developed by the Commission to help those in need of investment financing to identify the different available sources.

Public sector intervention can be direct, such as financing or co-financing sustainable tourism projects, or creating and investing in companies that bring in processes or services that reduce negative environmental impacts while increasing productivity. Canada, Finland, France and Singapore have introduced direct Cleantech initiatives, for example, but to date, the potential of such approaches to support sustainable tourism development remains untested.

In Spain, the Ministry of Energy, Tourism and the Digital Agenda, recently introduced a grant initiative which allocates EUR 60 million to foster digitalisation and energy efficiency uptake by using ICTs in local tourism destinations. The first open call for proposals provides financing of up to a maximum of EUR 6 million per project, with co-participation from each firm of about 20-40% of the requested funding amount. This initiative is partially funded by the European Regional Development Fund (Box 2.4). A biannual line of subsidies for energy efficiency in the hotels and accommodation sector was also launched by the Spanish Institute for Official Credit and the Spanish Institute for Diversification and Energy Saving in 2017, with a budget of EUR 30 million.

More often, however, public sector intervention is indirect, to support private sector financing and investment. In this case, the financial instrument suitable for green projects can be two-fold: either conventional debt and equity instruments that integrate environmental criteria, or innovative products to address the special needs of the green economy, such as alternative loan structures, property-linked efficiency financing and insurance for green assets. This indirect intervention can be either subsidised, or at market rates to avoid crowding out the private sector, with the focus normally being the environmental solution rather than specific sectors, like tourism.

The rationale for such interventions is to provide financial and economic additionality, by offering instruments that the private sector does not provide, and by harnessing the development of sustainable tourism objectives through, for example, targeted green lending.

Financing options through the private sector include conventional debt, equity or hybrid instruments. Debt instruments, including loans, are a common source of external financing for tourism businesses of all sizes, with hybrid instruments that combine debt and equity less used by tourism SMEs. Crowdfunding can be either debt- or equity-based, and holds strong potential for tourism. Innovations in the finance sector which reduce transaction and borrowing costs, so-called "fintech", are also opening up new finance opportunities in tourism. Civil sector organisations also act as a facilitator of private investments, through crowdfunding, venture capitalists, business angels, microfinance institutions, and channelling positive impact finance helping to close the sustainable tourism investment gap (e.g. Responsible Finance in the United Kingdom) (Box 3.3).

### Box 3.3. **Finance instruments for sustainable tourism development**

**Public instruments:**

- *Direct:* includes creating or investing in companies that bring in processes or services that reduce negative environmental impacts while increasing productivity i.e. CleanTech ventures.

Box 3.3. **Finance instruments for sustainable tourism development** *(cont.)*

- *Indirect:* includes subsidised loans or grants, market-based loans (targeting green lending, alternative loan structures, property-linked efficiency loans), (partial) credit guarantees, insurance for green assets.

**Private instruments:**

- *Market:* includes debt finance (loans, green bonds, mini-bonds), equity and hybrid instruments (mezzanine finance, crowdfunding) and fintech innovations in the finance sector that reduce transaction and borrowing costs (blockchain, learning algorithms, smart contracts).
- *Impact investment:* includes blended finance, positive impact finance, microfinance and rewards-based crowdfunding.

## Challenges for sustainable tourism investment and financing

Financing the transition to a more sustainable tourism model involves a number of challenges, which can be grouped along four main dimensions. On the supply side, there is a lack of suitable finance instruments available for sustainable tourism projects. There is also a need for standardised definitions around what constitutes "green" investment, as this is a critical element in promoting sustainable development. On the demand side, the incentives for firms of all sizes to adopt environmentally and socially sustainable practices are weak, while the capacity of policy makers to design, coordinate, implement and enforce sustainable tourism development policies is also an issue.

### *Availability of suitable finance instruments for sustainable tourism projects*

The ability to finance large sustainable tourism investment projects (e.g. hotels and resorts, attractions, transport, tour operator and other services) can be challenged by a lack of suitable finance instruments. One reason for this is a maturity mismatch: depositors and investors typically prefer to liquidate assets quickly, with the result that available finance instruments tend to be for a shorter term than the longer time period required to realise the investment project and become profitable. This is particularly the case for infrastructure investments.

Financing small tourism projects presents challenges linked with their size which may require public intervention, as higher transaction costs (related to low volumes traded) result in difficulties in accessing external finance (OECD, 2006; 2013b). Regulatory rigidities and an insufficient legal framework can also obstruct the ability of the financial system to provide products adapted to the needs of small firms. This is particularly a challenge when firms are subject to seasonal flows, as with many tourism businesses.

For small and medium tourism enterprises willing to introduce sustainable practices into existing business operations, resource productivity investments or energy efficiency renovations might be catalogued as "working capital" requirements. These businesses may not possess the necessary collateral to secure external financing. The issue of collateral is particularly challenging as many tourism businesses are involved in the production of service-based "intangibles", and it is not clear whether and how these intangibles can be used as collateral.

Another barrier is that the limited set of sustainable financing products available is focused on energy efficiency transitions, and overlooks other sustainable measures (UN Environment, 2017). This may in part explain why the majority of examples of sustainable tourism projects identified in the work to prepare this chapter relate to energy efficiency, particularly in the hotel sector. It has proved more challenging to identify the use of green financing to support and encourage more diverse investment projects throughout the tourism value chain, including the creation of more sustainable tourism products, services and experiences.

Furthermore, when finance is sought for sustainable tourism projects, the failure on the part of financing institutions to take into account a full and accurate assessment of the environmental risk in the finance decision hinders the creation and adaptation of finance instruments to sustainable tourism development. This is especially true for innovative projects, which are intrinsically riskier due to their original and untested character.

Innovative investments in environmental projects face an additional risk: failure to integrate the effects of degradation of natural assets on the investment. This is an important issue for tourism, as one of the main drivers of tourism is the quality of the environment. Tourism investment, and the visitor flows it supports, can damage and deplete these natural resources, while extreme events (e.g. floods) due to climate change can negatively impact a proposed infrastructure or other tourism-related project. Further transition risks include the potential change in rules and regulations, shifts in consumer markets, or technological innovations by firms in response to environmental degradation, each of which can increase return on the investment volatility (Ministry of Environment, Territory and Marine Protection, Italy and UN Environment, 2017).

Public sector intervention focuses on creating the enabling conditions for private sector investment in sustainable tourism projects. This includes earmarking funds for environmental and social policy objectives, and collecting and disseminating data to help actors create suitable instruments. It also involves assessing whether the introduction of financial market reforms are necessary to stimulate private investment to support green growth, and devising measures to systematically take into account the cost of environmental and social externalities when pricing risk and in the finance decision (OECD, 2017a).

This needs to be done in a credible way, taking into account national circumstances and potential competitiveness impacts. Policy instruments will differ depending on if the pricing problem in tourism is due to lack of data, financing institution expertise, or capacity at regional or local level. Designing investment policies to support sustainable tourism development also involves using environmental valuation techniques to ensure that cost-benefit analysis takes into account the cost associated with the depleted resources and environmental degradation. Here, the OECD Policy Framework for Investment (2015a) suggests clearly identifying the existing mechanisms in place to stimulate private investment to support green growth, and ensure value for money.

While sustainability finance is increasingly being used by financing institutions as a lever for low carbon climate resilient transition, the magnitudes traded are still not large enough to leapfrog towards definite impacts. This situation is not unique to tourism, and is in part due to the perception that returns are too low relative to the level of real or perceived risk, and financial institutions have limited incentives to invest in sectors with high development impact (MATTM/UN Environment, 2017). Some business environment characteristics may also obstruct sustainable tourism development, such as the presence

of knowledge and capability gaps on the part of private investors, and what may be a difficult local and global investment climate.

The challenge for governments is to ensure that public policies and investment conditions facilitate the *reallocation* of investment from high-carbon to low carbon climate resilient options, including for tourism (OECD, 2015b). A further challenge is to mobilise private finance for projects supporting the transition to green growth, without crowding out the private sector (OECD, 2011). Advanced economies in particular face need to update and renovate existing infrastructure (i.e. brownfield investments), while emerging economies need new infrastructure investments (i.e. greenfield investments).

### *Measurement of green finance interventions for tourism*

Green finance comprises financial instruments with the specific purpose of delivering environmental benefits by tackling issues such as clean energy production, air pollution, biodiversity loss, climate change and resource efficiency, as well as waste and water management (MATTM/UN Environment, 2017). This includes green bonds, whose proceeds are earmarked for environmental projects and assets. The OECD Green Growth report highlights that green-labelled bond magnitudes are still small compared to the global bond market, but nonetheless estimates that it amounted to USD 42 billion in 2015.

At time of writing, no internationally agreed definition of green finance exists (OECD, 2017b) and a lack of data on green investments remains a challenge, not least because it contributes to the failure to adequately take environmental risk into account in the finance decision. Small tourism businesses face particular challenges in this regard, as low productivity and lack of interest in growing the business means that finance institutions are unwilling to lend (OECD, 2017a), even where the productivity measurement may be underestimated if tourism businesses invest in cleaner technologies and more efficient use of natural resources. Also, financial interventions are usually tagged according to the environment solution provided, rather than the sector served, in this case tourism.

Such information as does exist is reported at the general level, with no sectoral breakdown possible, including for tourism. This means it is not possible to know the extent to which green instruments are financing environmental projects in the tourism sector, and to assess the impact of these investments. Where evidence is available, it indicates that green finance is being used to finance transport-related infrastructure investments relevant to tourism, as in the case of the new Mexico City Airport in Mexico, and the rail infrastructure in France (Box 3.4).

A recent initiative by OECD and Eurostat has categorised environmental goods and services to enable their use by other sectors to be characterised for statistical or analytical purposes (air pollution control; waste water management; solid waste management; remediation or clean-up of soil and water; noise and vibration abatement; monitoring, analysis and assessment; cleaner technologies and production groups; and resource management group) (European Commission, 2016).

This framework could serve as a useful benchmark to measure sustainable consumption and production for tourism-related environmental goods. Tagging public and private sector resources to these characteristics would provide systematic data for analytical purposes, and could increase awareness about the volumes traded in financing sustainable tourism development.

Box 3.4. **Green bond financing for transport infrastructure in France and Mexico**

**France:** In 2017, the French National Railway Company, SNCF, issued green bonds to finance rail investment. The funds raised will primarily support investment in the existing network, but will also be used to develop new projects and strengthen the SNCF Network's sustainability strategy. SNCF Network has developed a methodology to measure the impact of modernisation of the rail network based on $CO_2$ emissions and the consumption of natural resources. An annual report certified by an external auditor will enable green investors to monitor the usage of funds and their environmental impact, which extends beyond carbon emission reduction. A major renovation programme of the rail network aims to encourage a modal shift toward rail.

**Mexico:** Green bonds are helping to finance the construction of the new Mexico City Airport. Issued by the Mexico City Airport Trust, the green bond proceeds will be used to finance environmentally beneficial projects including a new passenger terminal building, ground transportation centre and air traffic control centre. An estimated USD 5.9 billion in potential eligible environmental projects have been identified and will be financed in line with the green bond framework and Green Bond Principles across six eligible environmental categories: sustainable buildings, renewable energy, energy efficiency, water and waste management, pollution prevention and control, and conservation and biodiversity.

*Source: www.sncf-reseau.fr, www.moodys.com.*

### *Incentives to adopt environmentally sustainable practices*

A key challenge on the part of firms of all sizes, large and small, stems from the fact that firms often fail to account for the impact of their actions on the environment, and society as a whole. If there is a cheaper way to operate, firms will rationally choose this option, unless firms are better informed about the business case for adopting sustainable practices, are provided with financial incentives to move towards sustainable practices, and face regulatory constraints to limit non-sustainable actions.

Technological advances are making the transition to green energy sources cost-competitive, which may encourage more sustainable business decisions. However, it is estimated that making infrastructure investment low carbon will impose an incremental cost 4.5% higher than the "business-as-usual" scenario (OECD, 2015b), although this figure may be lower for service producers such as tourism. This indicates a role for policy to encourage tourism businesses to incorporate environmental and social impacts into their investment decision making processes, and nudge behaviour toward more sustainable practices.

Governments can incentivise the actions of firms using pricing instruments to change behaviour with respect to water, waste and transport, for example by setting up congestion charges in cities and popular tourism sites, shifting the tax burden in favour of environmentally-related taxation, eliminating environmentally harmful discrepancies in tax systems, or managing subsidies to promote green technologies and phasing out environmentally perverse subsidies (OECD, 2015b). Policy actions in this respect can have significant impacts, given the multiplier effect of tourism investments and the cross-cutting nature of tourism.

### *Coordination of actions across government levels*

Failure to accurately account for the environmental externalities of tourism projects can result in negative externalities not being adequately considered. This can lead to too much environmentally harmful investment (e.g. polluting technologies) and too little positive investment (e.g. new ecosystem services). In such cases, there is a rationale for government intervention to restore equilibrium.

However, when government intervention is inefficient, the distortion might be worse than the issue it is trying to solve. This can occur when confronted with the presence of one or more of the following situations:

- **Fragmented climate policies:** For example, maintaining either erratic, overly rigid or out-dated regulations that create barriers to entry, to the detriment of innovative firms that want to introduce new sustainable tourism products, processes or organisational models (known as green innovators).
- **Incoherent or non-existent policies to develop sustainable tourism:** For example, preserving subsidies to out-dated technologies, such as keeping environmentally harmful agricultural subsidies while promoting environmentally friendly tourism investment in similar geographic locations, or providing insufficient orientation for innovation systems to advance green growth priorities.
- **Presence of weak governance:** For example, at global, local or regional levels, weak institutional arrangements and governance structures can impede the implementation or enforcement of policies supporting innovation to advance green growth priorities, such as accelerating improvements in energy efficiency, supporting the development of green infrastructure, or rewarding environmental and social performance.
- **Weak human capital:** At the local level, in particular, this can hamper integration of tourism in community development and the engagement of the private sector.
- **Infrastructure challenges:** For example, providing the necessary supporting infrastructure could act as a lever for more sustainable tourism development, including the "greening" of existing tourism developments.

In such cases, the existence of a market failure *per se* does not justify government intervention, as the first three bullet points in the list above highlight insufficient capacity of policy makers to successfully address the problem (Inter-American Development Bank, 2014). A further challenge is how to mainstream the idea that incorporating sustainability criteria into tourism investment, monitoring and performance objectives shall be perceived as conducting responsible operations, not as a disincentive to investors (UNWTO, 2014).

## Investing in tourism to deliver on the sustainable development goals

The 2030 Agenda for Sustainable Development sets out a broad and ambitious global poverty reduction strategy involving both advanced and emerging economies. Tourism has the potential to contribute, directly or indirectly, to all of the sustainable development goals (SDGs), but has been particularly included as targets in goals 8, 12, and 14 on inclusive and sustainable economic growth, sustainable consumption and production, and the sustainable use of oceans and marine resources (Box 3.5).

Accomplishing the sustainable development goals involves a strong component of public intervention, especially in ensuring underlying conditions for private sector to flourish, but also in coordinating and disseminating policy approaches at the national and

Box 3.5. **Tourism-related targets in the sustainable development goals**

**Goal 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- *Target 8.9*: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

**Goal 12:** Ensure sustainable consumption and production patterns.

- *Target 12b*: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.

**Goal 14:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

- *Target 14.7*: By 2030, increase the economic benefits to small islands developing states and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

sub-national level. The designation of 2017 as UN International Year of Sustainable Tourism for Development, for example, aimed to support a change in policies, business practices and consumer behaviour towards a more sustainable tourism sector, and contribute to the SDGs.

An international framework like Agenda 2030 can drive investment and finance for tourism, by channelling overseas development aid from advanced economies towards less developed countries to foster job creation, sustainable consumption and production patterns, and a responsible use of marine and water resources. Beyond the direct financial effect of these disbursements, the fulfilment of the SDGs will also involve country reporting obligations in a standardised way, which can help in the systematisation and collect data on investments related to tourism development. It will also encourage the implementation of supporting policies that set clear signals and provide stability for investment decisions that support more sustainable practices.

Tourism can also act as a tool to accomplish the SDGs, which in turn can lift the standards for investment and financing for sustainable tourism, by including in finance decisions a component for inclusive growth and environmental regeneration. The underlying rationale for linking three SDG targets with tourism development objectives is based on the intrinsic local character of tourism activities, as tourism is driven by the attractiveness of local communities (culture, heritage) and the environment (natural assets and facilities). The integration of local tourism-related SMEs into international value chains can also contribute to sustainable consumption and production patterns.

For example, when countries invest in more efficient use of natural resources (e.g. cleaner technology) and the impacts are not fully understood, productivity can be underestimated. Achieving a more accurate measurement of the productivity of the tourism sector and the wider economy can help increase the awareness of the economic impact of the sustainable use of resources, contributing to target 12.b which refers to improving the measurement of sustainability actions. Tourism can also play a role in the fulfilment of many other SDGs, but further work is needed to clarify concepts, design and agree on measurement definitions and techniques, and support implementation and training (Laimer, 2017).

Investment has a key role to play in achieving the SDG targets, including those on tourism. However, UNCTAD (2014) estimate an investment gap of USD 2.5 trillion per year, as the finance needs are not matched by suitable finance opportunities. It is difficult to pinpoint how much of this investment need can be linked directly to the tourism targets. However, estimates for tourism-related infrastructure development (such as roads, rail and ports; power stations, water and sanitation; climate change mitigation and adaptation) and food security, health and education linked with the SDGs in developing countries range from USD 3.3 trillion to USD 4.5 trillion per year.

Policy makers can play a role in closing the gap by using instruments to attract the participation of the private sector, although private sector participation is more likely in some sectors (e.g. infrastructure investments in power and renewable energy sources, transport, water and sanitation) than others (UNCTAD, 2014). Tourism is a sector where private sector participation can be reasonably anticipated. However, in bringing the private sector to accomplish the SDGs, policy makers need to balance the opposing needs of promoting and facilitating investments through easing regulations, and protecting public interests (UNWTO, 2014; UNCTAD, 2014; OECD, 2015c).

Addressing the investment gap and achieving the SDGs by 2030 will require closer interaction between advanced economies, emerging economies and developing countries. Evidence shows that emerging economies face challenges in adapting their production patterns to include sustainability measures, due to rapid urbanisation patterns. Rapid tourism growth in these countries is also creating a need for new and effective solutions. Transferring green technology from advanced economies to developing and emerging economies through sustainable tourism value chains is one approach to address this, as 90% of green technological innovation originates in OECD countries (OECD, 2017b).

Advanced economies also have the opportunity to update existing infrastructure in a manner that supports the transition to low carbon climate resilient, helps firms become green performers, and contributes to more sustainable tourism consumption and production patterns. Enabling such transition is both directly and indirectly relevant to tourism, and previous OECD (2013a) work has identified a number of areas suitable for investment in sustainable tourism (Box 3.1).

Advanced economies, along with international organisations, can also help developing countries to create bankable sustainable tourism projects, as well as transferring knowledge and enabling the finance to achieve the SDG targets. One of the main drawbacks cited by investors is the lack of concrete and sizeable tourism proposals in developing countries, and technical assistance in both finance and expert advice is required to address this (UNCTAD, 2014). In addition, channelling overseas development assistance towards tourism can help build sustainable infrastructure and promote green innovators and performers of all sizes.

## Mainstreaming investment and financing for sustainable tourism development

A range of possible policy responses to promote and mainstream investment and finance for sustainable tourism development are outlined and discussed in this section. These include: policies to unlock financing, provide incentives and build capacity; facilitation and promotion measures to enhance the business environment and encourage the dissemination of information; initiatives to promote responsible business conduct; and measures to improve coordination across levels of government and strengthen the capacity of policy makers to design, implement and enforce rules and regulations.

The underlying rationale is that there is insufficient investment in innovation aimed at delivering environmentally and socially friendly outcomes. Investing in sustainable tourism development presents an opportunity to examine the trade-offs and complementarities with investment, competition, trade and financial policies as a whole, to coordinate actions and avoid contradictory impacts. The challenge is that in order to allocate public funds to sustainable tourism development, an assessment confirming that such an approach is the best use of public funds is needed, as there are second-order effects and distortions, consequence of "picking winners/sectors".

### *Promoting investment and finance for sustainable tourism development*

Finance policy options for sustainable tourism investment can range from the direct production of green technology to market-based finance instruments. The most common interventions are subsidising low carbon climate resilient investments through grants and under-priced loans, or providing market-based loans to the sector, assuming that just making finance available is sufficient intervention.

Some countries have introduced specific programmes targeting tourism investment. More commonly, tourism is one of a range of sectors eligible for financing and investment tools and instruments, including green financing. The challenge here is to better connect tourism actors with these available tools and instruments.

In Mexico, a tourism initiative to reduce greenhouse emissions and promote the uptake of green energy in the hotel sector by offering long term loans and public guarantees has been implemented in the states of Quintana Roo, Campeche and Yucatán. The intention is to extract lessons from this pilot initiative, in order to assess the viability of its expansion to the whole Mexican territory (Box 3.6).

Box 3.6. **Promoting green energy investment by hotels in Mexico**

Since 2015, a pilot programme is being implemented in the Yucatán Peninsula in Mexico, to increase uptake of green energy by hotels. The programme has been designed by the Federal Government, Ministry of Energy, National Commission for the Efficient Use of Energy and the United Nations Development Programme, with the purpose of decreasing the environmental footprint of the tourism sector by reducing greenhouse emissions. It provides independent, non-chain hotels with technical advice, training and financing for the acquisition and installation of solar water heating systems, and aims to generate savings by reducing gas consumption.

The programme offers long-term loans to finance the replacement of water heating systems with green solar energy. Loans are for a period of up to five years at fixed interest rates, up to a maximum value of MXN 15 million. The programme also offers public guarantees through Bancomext, the development bank for financing international trade, to support commercial loans, along with interest-rate subsidies from Mexico's Trust Fund for Energy Transition and Uptake of Sustainable Energy Systems. The programme has installed 2.5 million squared-metres of solar heating systems, equivalent to 3 000 hotel rooms. The end of the pilot programme and thus the assessment is in 2018.

Another public initiative is the *klimaactiv mobil* programme in Austria, which provides EUR 80 million in subsidies to ease green mobility transition (e-mobility, mobility management, promoting bicycle and pedestrian traffic, and flexible public transport and car

sharing). The programme supports firms, local governments and civil associations by providing up to 20% of the funding costs of the project. While the coverage of the initiative is wider than tourism, it offers a funding bonus to incentivise regional mobility projects led by tourism associations.

Other tourism-related policies to achieve more sustainable consumption and production patterns include renewing and upgrading the existing infrastructure. Bulgaria has developed programmes and measures to support energy-saving and the use of eco-friendly technologies in buildings, as well as better management of visitors at tourist sites. These initiatives focus on controlling air and water quality and achieving sustainable waste management.

In Australia, a green investment bank charged with increasing the flow of finance to green projects is active on tourism. The Clean Energy Finance Corporation's Reef Funding Program is an AUD 1 billion investment programme targeting clean energy projects in the Great Barrier Reef catchment area. The programme offers investment finance for renewable energy, energy efficiency and low emissions technologies across a range of sectors, including tourism and agriculture.

In a separate initiative, the Corporation offers innovative and affordable finance solutions to make it easier for hotels to improve energy productivity and lower operating costs. This has helped fund a solar energy project at the Ayers Rock Resort near Uluṟu, for example, which is expected to generate about 15% of the resort's annual energy use. The project is providing evidence on how on-site renewable energy is cleaner and cheaper than alternative sources of energy for many remote businesses and consumers (Clean Energy Finance Corporation, Australia, 2017).

Public budgets can also finance or co-finance private sustainable tourism projects through dedicated funds, by favouring public private partnerships to share risk or by providing tax credits. Italy, for example, introduced a tax credit system in 2015 for the renovation of tourism accommodation establishments, with particular focus on energy efficiency and anti-seismic measures. The tax credit covers between 30% – 65% of the cost and from 2018 also concerns the renewal of the structures most closely related to green tourism such as campsites and agri-tourism. With an initial budget allocation of EUR 170 million for the period 2015-2017, the action has been renewed until 2020 with a budget of EUR 240 million. This measure has been also accompanied by an additional tax credit dedicated to digital technology infrastructures.

In Spain, a new eco-tax of EUR 2 per night was introduced on all overnight stays in the Balearic Islands in 2016, including in hotels, cruise ships, holiday rentals and campsites. The tax revenue will be used to finance investments to maintain and improve the quality of tourism on the islands, and better manage the territorial and environmental impact, among other things. Project proposals for financing are evaluated by the Commission for the Promotion of Sustainable Tourism, which brings together representatives from local governments, business associations, environmentalists and other relevant actors. A dedicated website is being developed to provide information to visitors, tour operators and locals on how the tax revenues raised are being used, and the different projects and initiatives being funded.

In circumstances where public budgets are tight, public-private partnerships are a viable instrument for financing tourism infrastructure projects, with the private sector providing the expertise and finance and the public sector providing the underlying

conditions (stable business environment), while both share associated risks. However, there might be an apparent conflict between promoting public private partnerships to ensure investments that otherwise could not be realised, if countries lack of capacity to enforce and monitor the private counterpart.

An example of a dedicated fund is New Zealand's Tourism Infrastructure Fund, which provides NZD 100 million in co-financing over four years for the development of tourism-related infrastructure such as carparks, freedom camping facilities, sewerage and water works and transport projects. The Fund supports local communities facing pressure from tourism growth and in need of assistance – for example, areas with high visitor numbers but small ratepayer bases. Co-funding is required, however only applicants who are financially constrained are eligible (Ministry of Business, Innovation and Employment, New Zealand, 2017).

In complement, as is usual in all financing projects with public funding, technical support and capacity building are offered to ensure the success and potential scaling up of the innovations (OECD, 2017a; OECD, 2017c; MATTM/UN Environment, 2017).

In Turkey, a joint initiative between the Ministry of Culture and Tourism and the United Nations Development Programme to promote local economic development through tourism includes an initiative which each year provides funding of TRY 50 000-TRY 120 000 to three projects led by local tourism actors and non-governmental organisations. The Future is in Tourism initiative brings together public, private and civil society actors to implement sustainable and community-based tourism projects, and provides the guidance, tools and resources to build capacity to work together to support sustainable tourism development. Since 2007, 13 projects have been supported. Tourism investments to support cultural preservation, regional development and other investment priorities can also benefit from reduced taxation.

In Italy, meanwhile, an in-kind support initiative was introduced in 2014 to encourage the re-use of state-owned cultural heritage sites for tourism purposes. The initiative grants concession rights free of charge to organisations or individuals willing to bear the investment costs to transform these sites into tourism facilities. The aim is to encourage the development of walking, cycling and other human powered itineraries along cycle paths and historical-religious cultural routes, to grow tourism and promote regional development. The initiative involves collaboration between the Ministry of Culture and Tourism, Ministry of Infrastructure and the State Property Agency.

Another financing approach with potential to support sustainable investment and business practices is the growing area of "impact investing". Similar to public sources, private finance instruments can have objectives beyond profitability, and seek to stimulate local development by supporting small firms and job creation. Impact investing includes blended finance, positive impact finance and social impact investment instruments, which provide finance to organisations addressing environmental and social needs with the explicit expectation of a measureable social as well as financial return. Microfinance and rewards-based crowdfunding can be classified as impact investment instruments. These finance solutions are best used when markets fail to allocate resources or when considerations beyond economic efficiency prevail (e.g. equity or distributional goals).

In the United Kingdom, for example, impact investing has been used to transform a disused office building in London into an innovative green hotel, using pre-fabricated bedrooms made primarily from recycled materials within the existing structure to reduce

the environment impact of the hotel build process. With initial financing provided by an impact investor, Bridges Fund Management, the hotel has subsequently introduced a variety of sustainability features, including solar panels, LED and energy efficient lighting, and water saving features.

Public sector support can also seek to foster the clustering of firms in a local community, to generate the necessary volume of finance for sustainable tourism projects. Analysis of tourism-related microfinance experiences reveals a number of policy options to boost lending and improve outcomes of tourism development, for example. These include programmes to bring tourism-related businesses together to borrow collectively in order to alleviate the issue of fragmentation and low volumes that increase the cost of credit, along with raising awareness and providing training in entrepreneurial management to maximise the potential of loans.

This business model can be transferred to advanced economies to support sustainable tourism investment, by aggregating groups of tourism-related entrepreneurs at the local level (e.g. crafts producers, food suppliers, tour guides) to diminish transaction costs, for example. Mexico has a successful experience in this area, involving the creation of a logo to showcase that tourism businesses are registered with the public authorities, and provision of one-day training on how to interact with tourists (OECD, 2017e).

### *Creating a coherent and sustainability friendly investment environment*

Government actions to remove barriers to investment and financing for sustainable tourism development imply a comprehensive approach where an enabling environment for investment and development is at the centre of policy design, and where low-carbon, climate resilient policies are coherently integrated. This involves designing a joined-up policy framework for sustainable tourism investment.

Moreover, all levels of government need to be aligned, with clear targets and consistency in the implementation, including engaging with the civil sector (Corfee-Morlot et al., 2012). This involves coordinating the tourism-related investment actions of different policy areas, such as innovation, transport and environment, as well as different levels of government.

More broadly, a successful policy intervention needs the continuous assessment of rules and regulations that enforce, promote and potentially hamper sustainable tourism activities. It also involves strengthening the capacity of public agents dealing with tourism sustainability, and other stakeholders, to ensure that investment and financing do indeed contribute to sustainable tourism development by, for example, integrating biodiversity concerns into tourism policies. This extends to assessing and potentially removing environmentally harmful subsidies and tax incentives.

Part of the policy challenge is the need to develop tourism specific knowledge, by improving overall capacity and skills, and find ways to present tourism information succinctly, using up-to-date facts and data as well as testimonials from successful tourism companies (World Bank, 2013). Designing a comprehensive sustainable tourism development plan also implies creating a management model for the integration of local firms in tourism-related value chains.

In Australia, investment promotion and facilitation is a key pillar of the Tourism 2020 strategy, which is a whole-of-government and industry long-term strategy to build the resilience and competitiveness of Australia's tourism industry and grow its economic contribution. To deliver on this vision, Australia's tourism investment attraction strategy

has recently been complemented with a regional tourism infrastructure investment initiative, working with state and local governments to create a conducive environment for investment in regional Australia (Box 3.7). Tourism investment projects often require multiple approvals from different agencies across different levels of government, because of their location in areas of high natural amenity and their multi-use nature.

### Box 3.7. **Facilitating investment for tourism and regional development in Australia**

Increasing tourism investment is a key priority under the Australian Government's Tourism 2020 strategy, to develop the product needed to realise the overnight visitor expenditure targets. To facilitate investment in the tourism industry, the Tourism Major Project Facilitation service provides proponents of significant tourism investments with a central contact person in the Australian Government. This contact helps guide proponents through the approval processes across different levels of government. The service works in co-operation with Federal, State and Territory government agencies to process approvals in a streamlined and efficient manner. It saves investors time and money by streamlining interactions with approval agencies, and helps ensure that tourism projects can access an integrated investment facilitation service to minimise delays.

Actions include: identifying the range of approvals required (including environment and heritage, employment, indigenous affairs); facilitation of meetings with approving agencies; support and expertise on government programmes and processes; assisting investors to access relevant support programmes; and brokering solutions to problems that arise while seeking approval. Projects must meet a range of eligibility criteria, including having a capital investment value in excess of AUD 50 million, making a significant contribution to economic growth, exports, employment and/or infrastructure development, and being of strategic significance to Tourism 2020. By 2017, the service was supporting six projects, expected to generate 13 000 jobs during construction and operation.

*Source:* Australian Trade and Investment Commission.

Investment and finance needs to be part of a carefully planned and sequenced tourism strategy, which orients innovation systems to advance green growth priorities. Careful planning is also essential to mitigate adverse impacts associated with rapid tourism growth. In order to avoid low-impact, dispersed and localised tourism investments, tourism projects must also be part of a strategic development model, focusing efforts on specific types of tourism and destinations.

In Iceland, there is an urgent need for investment as faster than anticipated growth in tourism numbers has put pressure on the environment and available infrastructure. A tourism task force bringing together public and private actors including the ministries of tourism, finance, interior and environment and set to operate until 2020 is charged with implementing a Road Map to deliver more sustainable tourism development.

Part of this response has included the modification of the Tourist Site Protection Fund to focus on small, innovative projects under the management of private landowners and local authorities. It will function alongside a new long term infrastructure plan for the protection of larger publicly managed sites of natural, cultural and historic value, and will be complemented by new destination management plans to support more targeted infrastructure development better aligned with the needs of local communities. The OECD (2017d) has recommended

Iceland subject tourism infrastructure investment to rigorous cost-benefit analysis, taking into consideration the social and environmental impacts (Box 3.8).

### Box 3.8. **Tourist Site Protection Fund in Iceland**

Established in 2011, the Tourist Site Protection Fund provides capital aimed at ensuring tourist safety and protecting Iceland's natural environment. It also aims to support the development of new attractions, to spread tourism flows more evenly throughout the country. Innovative projects run by local authorities and land owners are targeted. Funding is only provided to private entities when the site is open to the general public and access is free of charge, although it is permitted to charge for parking, toilets and other services. Changes to the legislation in 2017 means that national agencies are no longer eligible. Grants provide funding for 80% of the total project cost, with a standard duration of one year. In 2017, the allocated budget amounted to ISK 600 million.

Since its creation, the fund has supported a total of 750 projects. As an example, at Goðafoss waterfalls, the grant provided the municipality with the financial means to improve accessibility, protect the environment, enhance security, improve signage and direct growing visitor traffic. Main outcomes include the development of a viewing platform, a pedestrian walkway and a parking area. The Icelandic Tourist Board oversees the management of the Fund, while the Tourist Site Protection Fund Board is made up of representatives from the Ministry of Industries and Innovation, the Icelandic Travel Industry Association, the Icelandic Association of Local Authorities and the Ministry of the Environment and Natural Resources. All grants are approved by the Minister of Tourism, Industries and Innovation, and allocations are made public.

*Source:* Icelandic Tourist Board and Ministry of Industries and Innovation, Iceland.

Tourism investment must also include a tangible environmental commitment in terms of both planning and investment. Tourism development programmes must balance investment in infrastructure with the strengthening of local tourism governance for effective policy design and implementation. These programmes require cross cutting participation and execution capacity in line with the type of tourism in question (IDB, 2016).

Once the policy instrument has been identified, there needs to be an evaluation of whether there is sufficient capacity at the national and sub-national level, and in the private and civil sector, to successfully implement the policy (OECD, 2014).

In Chile, the *Foco Destino* initiative intends to build capacity of local managers in order to boost selected tourism destinations and increase their competitiveness and sustainability, within the framework of the National Plan for the Sustainable Development of Tourism. In a related initiative, Invest Tourism aims to attract investment to sustainable projects in "investable" destinations. Projects are required to generate a positive impact in the local area, taking due consideration of the conservation of natural resources and richness of the environmental interpretation, for example (Box 3.9).

In Sweden, an initiative by the Swedish Agency for Economic and Regional Growth to boost sustainable consumption and production highlights the benefits of a coordinated approach driving practical actions, tailored to the needs of the five participating regions. With a total budget of EUR 6.4 million over four years, destinations initiated activities to, for example, develop more sustainable products and services (Box 2.2).

### Box 3.9. **Boosting sustainable destination development and investment in Chile**

***Foco Destino* programme:** Designed by the Ministry of Economy, Development and Tourism and the National Tourism Service, the programme aims to address competitiveness gaps in local destinations and boost sustainable development. It builds capacity at local level by assigning destination managers with at least seven years' experience to coordinate tourism policies in each destination, connect private and public actors, and design and implement site-specific promotion strategies. Thirty tourism projects in seven destinations were funded in 2016-2017, with a total of USD 6 million mobilised. Experience indicates that replicating the programme in different destinations is more effective when: the approach is adapted and managers selected to reflect the specific destination; interventions last at least 12 months, with on-going monitoring and coordination; projects are jointly prepared by industry professionals, consultants and technical agencies; and strategic private and public actors are involved.

**Invest Tourism:** The Invest Tourism initiative was launched in 2016 to diversify the tourism offer and stimulate economic activity and income generation in regional areas. A Map of Opportunities for Tourism Investment outlines 27 "investable" destinations where sustainable projects can be implemented. In total, USD 32 million investment is targeted, with projects ranging from USD 70 000 to USD 5 million. From an environmental standpoint, the projects must generate a positive impact in the surrounding area, taking into account the choice of location, conservation of materials and natural resources, quality of the tourism experience, and richness of the environmental interpretation.

*Source:* UNWTO, *www.invierteturismo.cl*.

As with all policy, there is also a need to evaluate the effectiveness of measures implemented to boost sustainable tourism investment and assess if the desired outcomes are achieved.

In Costa Rica, a Social Progress Index is being used under the National Tourism Plan to better evaluate the impact of investment and tourism growth on well-being at destination level. This innovative initiative is composed of environmental and social indicators and takes into account destination specifics including the nature of tourism, level of tourism development, and other factors influencing the sustainable development of tourism. The results can be used to assess the impact of economic growth and investment on well-being, and the impact of tourism development on destinations and local communities (Box 1.22).

### *Encouraging sustainable and responsible business practices*

Private investment is essential to deliver sustainable and inclusive tourism growth. Most private investment is undertaken by domestic firms, but international investment can provide additional advantages (e.g. technology transfer, local supplier linkages, access to global markets), and countries are increasingly looking to foreign investors to provide the capital needed to develop tourism. Policies need to consider how to attract international and domestic tourism investors, and mobilise this investment in a sustainable manner.

Attracting private tourism investment has become a highly competitive business in many countries, and can be supported by ensuring rule of law, offering advisory services and facilitating market entry and exit (OECD, 2015a). Many countries have very active tourism investment attraction and facilitation programmes, as illustrated by the Australia

example above. Indeed, some countries leverage their eco-credentials to attract tourism investment. VisitFinland, for example, highlights the unique, clean and unspoilt nature with high sustainability standards to differentiate Finland as a unique tourism investment location, targeting green investors.

These facilitation and promotion policies not only seek to leverage private sector participation, but also have a role to play in mainstreaming responsible conduct among stakeholders, as well as enhancing and more widely spreading the benefits of tourism. Incorporating environmental and social criteria into these policies and programmes can nudge tourism businesses towards more sustainable tourism investment activities.

Investment in sustainable tourism development entails financial contributions from the private sector; the nature of the investment financed and the manner in which tourism businesses operate is also relevant. Responsible business conduct involves a commitment to sustainable development, transparency and accountability in business practices, accepting responsibility to avoid harm even if it is not prohibited (moving from "do no harm" to "do good"), and working in partnership with government to maximise the joint benefits of investment (UNCTAD, 2014; OECD, 2015a).

Part of the enabling policy measures imply devising ways to disseminate information to investors more effectively, through a mixture of existing and customised instruments, such as websites, detailed sector profiles, and tailored presentations. Suitable policy actions include developing a network of partners to enhance service delivery (World Bank, 2013). Policy options can also enhance the value creation of foreign direct investments: for example, by increasing linkage prospects with local firms by stipulating the use of local inputs and supporting local firms with finance and non-finance products in order to be able to reach international standards (UNCTAD, 2007).

In Germany, several public initiatives involving co-participation from the private sector in policy design are in place to harness the transition towards energy efficient sources in hotel and restaurant businesses, including initiatives to raise awareness and gather evidence on the business case for more responsible and sustainable business practices, including investment.

The Federal Ministry for Economic Affairs and Energy, for example, is conducting a pilot project on energy-efficient buildings in co-operation with the German Energy Agency. As part of this effort, the Check-in Energy Efficiency project was launched in 2015 to showcase the economic and social benefits of transitioning towards energy-efficiency sources. This project requires hotels to implement at least one investment that will generate bottom-line energy savings of at least 30% to 50% for heating and electricity – as compared with energy consumption prior to the investment. The 30 participating hotels are given expert energy-efficiency advice to enable them to utilise the efficiency potential available and profit from an increase in subsidies.

In another initiative the German Government is building on the experience of the German Hotel and Restaurant Association's energy and climate mitigation campaign to encourage more sustainable business practices, demonstrating how private strategies can also help address the investment gap (Box 3.10).

In France, the Chamber of Commerce and Industry encourages members to adopt a more responsible approach to the environment, and has identified as challenges for sustainable tourism financing the high costs and low profitability associated with "going green". To address this, a series of actions have been developed, including the certification of

Box 3.10. **Hotel and Restaurant Association's energy and climate mitigation campaign in Germany**

The German Hotel and Restaurant Association, DEHOGA, has an energy and climate mitigation awareness campaign focused on energy efficiency, regional procurement and sustainable mobility. The campaign provides information to hotels and restaurants through a variety of channels, including guidance, on-site consulting, networks and workshops. It is highlighted in the National Action Plan on Energy Efficiency as a good example of an industry-based approach to energy efficiency awareness and sensitivity. The German Government decided to build on the DEHOGA experience during its presidency of the Alpine Convention 2014-2016. Several initiatives were launched, including organising workshops with experts, unions and hotel owners. An online tool in four Alpine languages was developed, along with a practical guide to energy management. The intention is to offer hotels the possibility to engage in systemic energy saving, thus reducing costs and the emission of harmful greenhouse gases. A contest, ClimaHost, is planned to highlight good practices and raise awareness of climate mitigation and adaptation issues.

*Source:* Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, Germany.

sustainability in tourism products. The Chamber has also created a dedicated website with a customised search tool that identifies the main programmes and funding options available to tourism businesses, depending on the category and location of the business, the nature of project proposed (e.g. pollution reduction, recycling and waste management, awareness campaign), and the type of support sought (e.g. grants, subsidies, loans, guarantees). This includes instruments easing finance for building renovations, investments in modernisation and support for labelling.

In Iceland, the Icelandic Centre for Corporate Social Responsibility and the Icelandic Tourism Cluster, through its activities to promote investment and responsible tourism, also support tourism SMEs to adopt more sustainable practices: demonstrating exemplary behaviour and respect for nature; ensuring the safety and a courteous treatment of guests; respecting the rights of employees, and having a positive impact on the local community.

Recent policy measures to promote more sustainable consumption and production patterns use levers closest to the negative outcome. One example is through putting a price on carbon by taxing polluting emissions rather than the use of fossil fuels as inputs (OECD, 2011). Possible government actions towards easing the transition to cleaner products and production processes include allocating incentives to R&D focused on the substitution of dirty inputs for cleaner ones (i.e. green performers), and promoting a shift to consumption patterns with lower environmental footprint (i.e. the green economy), and increased re-use, repair and recycling patterns (OECD, 2011).

One possible way forward in the tourism sector would be to devise policy options linking sustainable tourism development and the circular economy, to support more sustainable tourism consumption and production patterns. The circular economy is a concept that covers the entire cycle, from production to consumption, and advocates a "reduce, re-use, recycle" approach to increase environmental benefits.

The European Union, for example, has devised a Plan for Action on the Circular Economy that includes economic incentives for producers to put greener products on the market, and support recovery and recycling schemes. While tourism is not currently a target sector in this initiative, it can benefit from many of the policy recommendations.

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PART II

# OECD country profiles

# Australia

## Tourism in the economy

Australia is experiencing a strong surge in both international and domestic visits, generating a positive climate for tourism investment. Much of this growth has been spurred on by a lower exchange rate, increasingly competitive airfares and the growing Asian middle class, enhancing Australia's price competitiveness as a tourism destination for international travel, while reducing that of overseas travel by Australians.

In 2016, there were 90.7 million overnight domestic trips by Australians, up 3.7% on 2015, while international visitor arrivals reached a record 8.3 million, up 11% on 2015. This calendar year growth in arrivals was the highest in two decades, a period which included the pinnacle international event, the 2000 Olympic Games in Sydney.

Increased volumes were reflected in solid expenditure growth in 2016, with international visitor expenditure up 6.8% to AUD 39.1 billion, domestic overnight expenditure up 6.0% to AUD 61.0 billion and domestic same day expenditure up 6.8% to AUD 19.8 billion. Expenditure by Chinese visitors, now Australia's leading market by value, rose 11% to AUD 9.2 billion in 2016. Other large markets showing strong growth included Japan (up 29%), South Korea (up 17%), India (up 9%), Germany (up 8%) and the United States (up 7%).

Reasons for travel show a mixed picture. Leisure travel expenditure was up 7.4% and education related travel up 12.0%, while travel for business and employment purposes increased by only 2.3%, substantially below its long term average rate of growth.

In 2015-16, the direct effects of tourism accounted for a 3.2% share of GDP. Tourism's contribution to GDP increased by 7.4% on 2014-2015, to AUD 53 billion, significantly faster than the overall growth in GDP. Tourism is also gaining an increasing share of exports, from 9.5% in 2014-15 to 11% in 2015-16.

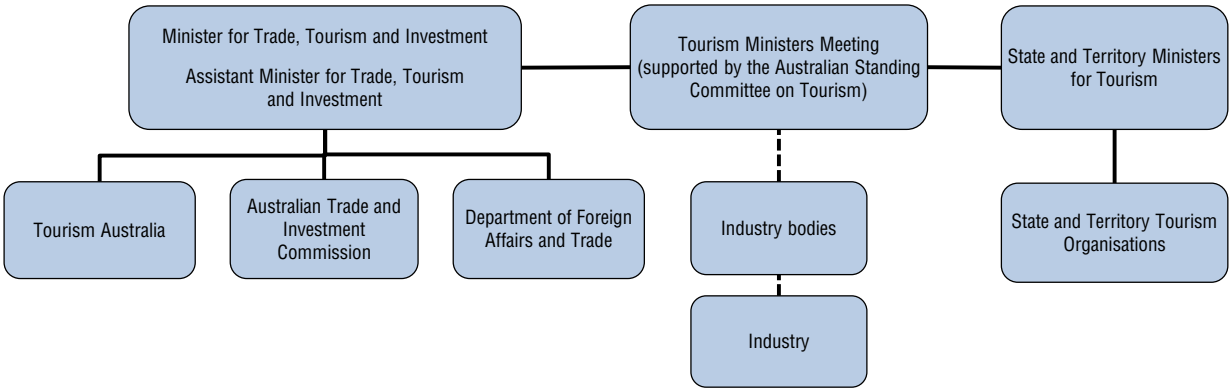
The economic benefits of tourism are widespread, with an estimated 43% of all tourism expenditure occurring outside Australian capital cities and the Gold Coast in year ending June 2017.

## Tourism governance and funding

The Australian Trade and Investment Commission (Austrade) works closely with Tourism Australia (TA) and the Department of Foreign Affairs and Trade (DFAT) to coordinate the delivery of "whole-of-government" tourism objectives. Austrade is responsible for tourism policy, projects, programs and research. Within Austrade, Tourism Research Australia (TRA) provides international and domestic tourism intelligence. Formed under the Tourism Australia Act 2004, TA is the Australian Government agency responsible for attracting international visitors to Australia for leisure and business events. DFAT works to strengthen bilateral tourism relationships with key tourism markets. All state and

territory governments in Australia incorporate tourism into relevant areas of portfolio responsibility to ensure effective tourism promotion and industry development.

**Australia: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Australian Government, 2018.

Tourism Ministers' Meetings (TMM) bring together tourism ministers from the Australian, state and territory governments to discuss tourism policy matters of mutual interest and has collective responsibility for implementing the national tourism strategy, Tourism 2020. TMM is supported by the Australian Standing Committee on Tourism (ASCOT), chaired by Austrade, with representatives from TA, DFAT and each state and territory tourism organisation. Tourism industry bodies are invited to attend ASCOT and TMM meetings as required.

In 2016-17, TA was provided with AUD 156.8 million for tourism and area promotion, comprising AUD 140.3 million for international marketing, AUD 14 million for Asia marketing and AUD 2.5 million for Working Holiday Maker marketing. In addition, AUD 10.4 million was allocated to the Tourism Demand-Driver Infrastructure programme. Other additional resource allocations include AUD 4 million to the Queensland Tourism Tropical Cyclone Debbie Recovery Package, AUD 5 million to the Tasmanian Tourism Growth Package and AUD 2.6 million to the Approved Destination Status Scheme to provide tour quality monitoring arrangements that underpin the Chinese inbound tourism market.

## Tourism policies and programmes

Australia's Tourism 2020 Strategy has guided the tourism industry through a period of impressive growth in visitation and expenditure. Nonetheless, the industry faces a range of challenges to ensure that this pace of growth can continue in a sustainable way. Key challenges include:

- Maintaining an adequate supply of labour and skills,
- Securing a greater share of high yielding tourists and a higher rate of repeat visitation,
- Targeting investment to improve the diversity, quality, and spread of accommodation and attractions,
- Expanding air routes and agreements, and developing supporting infrastructure,
- Increasing dispersal of visitors into the regions,
- Facilitating increased visitation by reducing regulation and streamlining visa processes.

Tourism infrastructure remains one of the Australian Government's five investment priorities. This has been assisted by a structured set of investment incentives and assistance.

**Stimulating tourism investment in Australia.**

A review of the five-year tourism investment attraction partnership between Tourism Australia and Austrade found that it has delivered strong international interest in tourism assets, including investment in Australian tourism accommodation. Now in its second phase, the partnership is focusing on encouraging investment into regional tourism destinations.

Specific initiatives to support tourism investment include:

- A whole of government commitment to attracting investment into the sector.
- A Tourism Major Project Facilitation service, which assists selected significant tourism infrastructure projects to navigate approvals processes as well as provide information and pursue solutions to investment barriers (Box 3.7).
- A Tourism Senior Investment Specialist, who works with states and territories to bring strategically important investment opportunities to fruition and to promote reinvestment by major investors.
- A Tourism Demand-Driver Infrastructure program, which funds delivery of infrastructure projects that support the priorities of state and territory governments. The program increases the availability of quality tourism products and experiences and bolsters the services that underpin them, particularly in regional areas.

Within the framework of the Tourism 2020 Strategy, the Australian Government is pursuing a range of policy responses.

Tourism accounted for approximately one in 13 workers in Australia in 2015-16. Through the Tourism and Hospitality Labour and Skills Roundtable, the Government works with industry to address sector priorities, including career perceptions and vocational education and training.

As a long-haul destination, aviation plays a major role in transporting international visitors to and from Australia. The Australian Government's approach is to continue to liberalise the international aviation market, supporting entry of Australian airlines into foreign markets and negotiating arrangements that remove barriers and ensure that aviation capacity can meet future demand.

As numbers continue to grow, efficient and secure traveller facilitation through international borders has become increasingly important. The Australian Government has recently completed implementation of an automated departure process at all eight major international airports, enabling processing of up to 150 people per hour per gate. The Outgoing Passenger card has also been removed, simplifying and speeding up processing at the border. More specific facilitation measures for key source markets include, trialling a 10 year multiple entry visitor visa for eligible Chinese nationals and three year multiple entry visas for nationals from India, Thailand, Viet Nam and Chile; online lodgement for applicants from China and India; and trialling a user-pays fast-track processing option in China, India and the United Arab Emirates. China is recognised as an important driver of tourism growth and 2017 was designated as the China-Australia Year of Tourism (Box 1.15).

## Statistical profile

Table 1. **Australia: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 248 377 | 240 118 | 260 362 | 269 482 | 280 324 |
| Overnight visitors (tourists) | 74 472 | 75 796 | 84 481 | 87 523 | 90 742 |
| Same-day visitors (excursionists) | 173 905 | 164 322 | 175 881 | 181 958 | 189 583 |
| Nights in all types of accommodation | 281 733 | 282 680 | 310 533 | 317 535 | 334 798 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 6 167 | 6 482 | 6 922 | 7 450 | 8 269 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| New Zealand | 1 193 | 1 201 | 1 245 | 1 312 | 1 345 |
| China | 628 | 721 | 851 | 1 032 | 1 208 |
| United Kingdom | 626 | 668 | 657 | 688 | 716 |
| United States | 501 | 516 | 562 | 619 | 717 |
| Singapore | 287 | 333 | 363 | 387 | 430 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 8 206 | 8 710 | 9 139 | 9 421 | 9 970 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| New Zealand | 1 107 | 1 162 | 1 192 | 1 256 | 1 343 |
| Indonesia | 915 | 951 | 1 089 | 1 094 | 1 242 |
| United States | 879 | 972 | 974 | 1 031 | 1 083 |
| United Kingdom | 520 | 563 | 564 | 600 | 586 |
| Thailand | 626 | 627 | 580 | 569 | 548 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION AUD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 32 951 | 34 010 | 37 287 | 41 066 | 46 359 |
| International travel receipts | 30 464 | 31 670 | 34 880 | 38 431 | 43 616 |
| International passenger transport receipts | 2 487 | 2 340 | 2 407 | 2 635 | 2 743 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 34 012 | 36 490 | 35 964 | 38 124 | 40 067 |
| International travel expenditure | 27 111 | 29 651 | 29 818 | 31 627 | 33 516 |
| International passenger transport expenditure | 6 901 | 6 839 | 6 146 | 6 497 | 6 551 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639531

## Table 2. **Australia: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2014 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **553 000** | **552 000** | **573 400** | **580 200** | .. |
| **Tourism industries** | **273 536** | **530 000** | **528 700** | **549 800** | **556 300** | .. |
| Accommodation services for visitors | 12 967 | 78 500 | 78 700 | 83 800 | 82 800 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 74 586 | 182 200 | 176 500 | 189 000 | 194 300 | .. |
| Passenger transport | 22 044 | 61 000 | 62 700 | 61 200 | 60 700 | .. |
| Air passenger transport | 4 453 | 38 900 | 39 800 | 38 000 | 36 600 | .. |
| Railways passenger transport | 79 | 2 800 | 2 800 | 2 400 | 2 700 | .. |
| Road passenger transport | 17 512 | 19 300 | 20 100 | 20 800 | 21 400 | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 5 406 | 38 200 | 38 600 | 41 100 | 39 000 | .. |
| Cultural industry | 13 953 | 10 200 | 10 700 | 11 100 | 10 700 | .. |
| Sports and recreation industry | 12 192 | 19 200 | 19 900 | 20 900 | 21 300 | .. |
| Retail trade of country-specific tourism characteristic goods | 132 388 | 97 500 | 98 300 | 98 800 | 102 200 | .. |
| Other country-specific tourism industries | .. | 43 200 | 43 200 | 44 100 | 45 300 | .. |
| **Other industries** | .. | **23 000** | **23 300** | **23 500** | **23 900** | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639550

## Table 3. **Australia: Internal tourism consumption**

Million AUD

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **95 671** | **34 220** | **129 891** |
| Tourism characteristic products | 59 076 | 18 407 | 77 483 |
| Accommodation services for visitors | 14 292 | 6 034 | 20 326 |
| Food and beverage serving services | 16 718 | 4 035 | 20 753 |
| Passenger transport services | 17 302 | 6 519 | 23 821 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 1 382 | 474 | 1 856 |
| Travel agencies and other reservation services industry | 4 355 | 344 | 4 699 |
| Cultural services | .. | .. | .. |
| Sports and recreation services | 5 027 | 1 001 | 6 028 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 36 595 | 15 813 | 52 408 |
| Tourism connected products | 34 647 | 14 606 | 49 253 |
| Non-tourism related consumption products | 1 948 | 1 207 | 3 155 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639569

# Austria

## Tourism in the economy

According to the latest results of the Austrian Tourism Satellite Account (TSA), the direct value-added effects of tourism in 2016 totalled EUR 19.7 billion (without business trips) or 5.6% of GDP. Based on the TSA, about 293 100 full-time job equivalents could be directly attributed to tourism related industries in 2015, contributing 7.9% of overall employment in Austria.

In 2016, the number of international tourist arrivals in all accommodation establishments (commercial and private) was 28.1 million (up 5.2% over 2015) and the number of bednights amounted to 102.9 million. The fastest-growing source markets compared with 2015 were Asian countries such as India (up 24.6% arrivals) and South East Asian countries (up 18.9%). Arrivals from the Middle East declined. Germany, the most important market for Austria, increased by 7.0% to 13.0 million arrivals; the Netherlands and Switzerland – the second and third most important markets – showed increases of 7.4% and 3.3% respectively.

In 2016, international receipts exceeded international expenditure by approximately EUR 8.8 billion, up EUR 632 million from 2015. In total, the income from inbound travel was EUR 17.4 billion i.e. up EUR 1 billion compared to 2015.

In 2016, domestic tourist arrivals in paid accommodation totalled 13.3 million (up 5.1%) with 38 million bednights registered (up 4.4%). Record highs were registered during both the winter (November 2016 to April 2017) and summer seasons (May to October 2016), with 5.6 million and 7.8 million arrivals respectively.

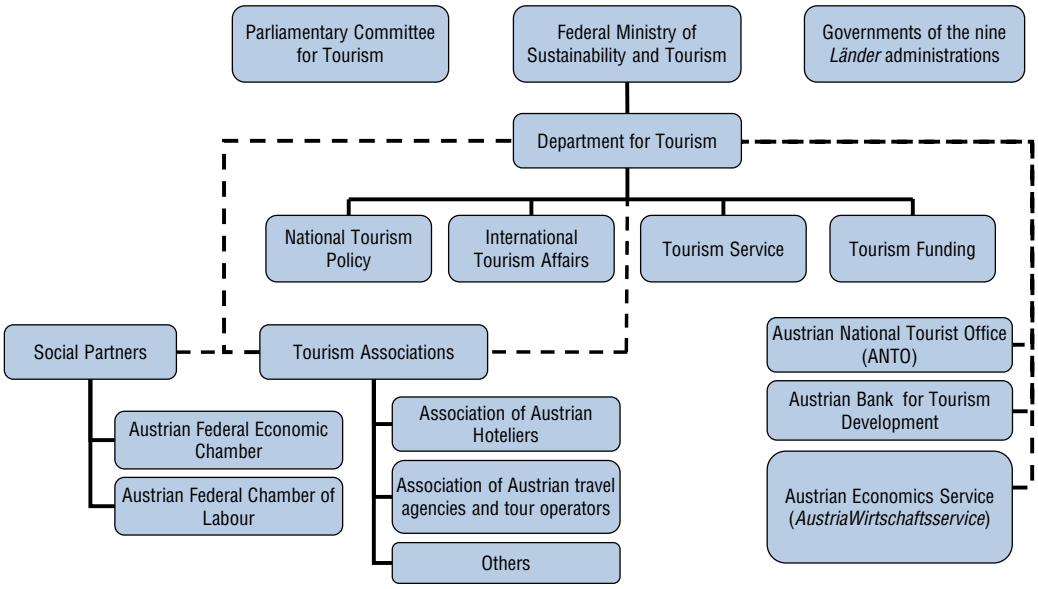
## Tourism governance and funding

According to the Austrian Federal Constitution, the nine *Länder* (federal states) have legislative and executive responsibility for tourism affairs. However, as tourism is a cross-cutting sector, both federal and European laws apply.

At the national level, from January 2018 on, tourism policy is the responsibility of the Federal Ministry of Sustainability and Tourism. The new government programme in particular focuses on better framework conditions and business environment and on the positioning of Austria as a competitive tourism destination. This includes the reduction of financial and administrative burden for the small structured tourism industry, measures against the shortage of qualified labour, and the development and implementation of an overall national tourism strategy. This strategic approach will also include other important issues such as the strengthening of the national brand, the internationalisation of markets, financing of enterprises/SMEs, digitalisation, innovation and year-round tourism. Synergies between the national and regional level continue to be strengthened in particular with regard to tourism promotion.

The Austrian National Tourist Office (ANTO) is the country's national tourism marketing organisation. It is funded by the Ministry (75%) and the Austrian Federal Economic Chamber (25%). ANTO co-operates closely with the Austrian tourism trade e.g. tourist boards of the *Länder* and tourism businesses. The core responsibilities of ANTO are market research, brand management, marketing, tourism networking, and information provision.

**Austria: Organisational chart of the tourism bodies**




*Source:* OECD, adapted from the Federal Ministry of Sustainability and Tourism, 2018.

In 2016, the national tourism administration dispensed a budget of about EUR 52 million. Of this total, EUR 22.2 million were dedicated to the financial support of SMEs and administered by the Austrian Bank for Tourism Development. EUR 24.1 million were directed to the annual budget of ANTO and EUR 5.5 million were disbursed by the Ministry in the form of individual subsidies for co-financing tourism projects and service contracts. Also, EUR 77.8 million in European Recovery Programme funds were made available for loans to SMEs in the tourism industry. In addition to the national budget, all nine *Länder* have their own tourism budgets to support their specific tourism development programmes.

## Tourism policies and programmes

Key issues and challenges for Austria include the need to: Diversify core markets; co-ordinate marketing efforts; encourage investment and innovation; combat seasonality; improve accessibility and connectivity; address employment and labour market issues; coordinate the administrative and regulatory environment; and consider sustainable development and digital transformation.

Strategic initiatives at the national level seek to address these issues:

- Marketing. ANTO and the nine tourism marketing organisations of the *Länder* are seeking to work more efficiently in terms of branding, marketing, IT, research and communication.
- Investment, quality and innovation. There is continued support for the Austrian Bank for Tourism Development which handles SME funding programmes including the provision of favourable loans and encouraging quality, innovation and new business start-ups. For

example, the *Innovationsmillion* subsidy supports innovative flagship tourism projects based on stakeholder co-operation at the destination level and for which the Ministry, together with the European Union, provides EUR 1 million per year. The bi-annual award, *Österreichischer Innovationspreis Tourismus*, is awarded in co-operation with the *Länder* to innovative best practices with a specific focus e.g. tourism and water, tourism and mobility with financial support for the winner. Additionally, the Ministry launched several initiatives in 2016 and 2017 to encourage tourism businesses to invest, including in rural areas. In the frameworks of various investment growth bonus programs, subsidies will be dedicated to tourism investment projects.

- Employment, education and training. Employment is an issue of high importance. Education and training have been identified as crucial for the success of Austrian tourism. The Ministry together with its partners has launched a number of initiatives to increase the attractiveness of jobs in tourism and to satisfy the high demand for skilled employees. These initiatives include career guidance at schools (for teachers, pupils and parents) a variety of offers to support apprenticeship training (trainees and trainers/ enterprises) in relevant applications, as well as competitions for trainees and awards to recognise enterprises for their achievements in employee development etc.
- Connectivity and transport. In order to deal with the challenges that the tourism sector is facing in terms of mobility e.g. more short term trips and capacity restrictions, particularly in sensitive areas such as the Alps, the Ministries responsible for tourism, the environment and transport have taken various initiatives including conferences and workshops and produced publications for stakeholders. The annual networking conference, Tourism Mobility Day, which was organized for the first time in 2014 went international in 2017. It reviewed the needs and challenges of tourism mobility and the importance of cooperation between tourism, transport and environment agencies with a view to creating mobility solutions to and within tourism destinations that are customer friendly, simple, affordable and sustainable. In May 2016 a destination manual for sustainable mobility was published.
- Accessibility. The Ministry supports the tourism industry with appropriate information e.g. a handbook to inform tourism enterprises about the legal framework and relevant construction standards, brochures on how to create natural and cultural offers, customer care and other relevant technical information.
- Climate change. The Ministry has undertaken various initiatives e.g. promotion of sustainable, year-round quality-tourism, associated research, knowledge transfer and awareness-raising on climate change and promotion of energy efficiency and sustainable mobility in tourism.
- Tourism and the SDGs. In January 2017, the start of the International Year of Sustainable Tourism for Development, the Ministry launched online information on how Austrian tourism can help to achieve the SDGs. It includes comprehensive information on the 17 goals, with practical examples and expert statements, and was supported by a number of related events.
- Crowdfunding. The Alternative Financing Act came into effect in September 2015. It laid the foundation for alternative forms of financing, including crowdfunding, supporting the interaction of different financing components within one overall funding concept. Consequently, in September 2016, the crowdfunding platform “we4tourism” was

established in order to further broaden options for tourism businesses to access financing.

- Digitalisation. The Ministry together with the Austrian NTO and the Federal Economic Chamber has launched a digitalisation strategy for Austrian tourism in September 2017 (Box 1.13).

## Statistical profile

Table 1. **Austria: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 12 013 | 12 034 | 12 265 | 12 697 | 13 343 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 35 964 | 35 755 | 35 668 | 36 425 | 38 014 |
| Hotels and similar establishments | 23 762 | 23 635 | 23 482 | 23 941 | 24 841 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 8 621 | 8 619 | 8 860 | 9 122 | 9 718 |
| Private accommodation | 3 582 | 3 501 | 3 326 | 3 362 | 3 455 |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 24 151 | 24 813 | 25 291 | 26 728 | 28 121 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | 11 412 | 11 758 | 11 750 | 12 141 | 12 986 |
| Netherlands | 1 715 | 1 674 | 1 672 | 1 735 | 1 863 |
| Switzerland and Liechtenstein | 1 276 | 1 282 | 1 310 | 1 400 | 1 446 |
| Italy | 1 060 | 1 024 | 1 051 | 1 123 | 1 102 |
| United Kingdom | 741 | 774 | 803 | 876 | 920 |
| Nights in all types of accommodation | 95 052 | 96 874 | 96 233 | 98 824 | 102 863 |
| Hotels and similar establishments | 61 360 | 62 137 | 61 830 | 63 355 | 65 244 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 15 799 | 16 296 | 16 269 | 16 981 | 18 155 |
| Private accommodation | 17 893 | 18 441 | 18 134 | 18 489 | 19 465 |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 10 960 | 10 671 | 10 994 | 10 628 | 11 534 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| Germany | 2 369 | 2 330 | 2 347 | 2 297 | 2 324 |
| Italy | 2 083 | 1 932 | 2 033 | 1 971 | 2 178 |
| Croatia | 1 125 | 985 | 1 085 | 965 | 1 416 |
| Spain | 571 | 487 | 569 | 586 | 628 |
| Greece | 263 | 387 | 380 | 352 | 369 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 16 661 | 17 127 | 17 447 | 18 353 | 18 984 p |
| International travel receipts | 14 706 | 15 237 | 15 676 | 16 421 | 17 436 p |
| International passenger transport receipts | 1 955 | 1 890 | 1 771 | 1 932 | 1 548 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 9 660 | 9 620 | 10 028 | 10 017 | 10 309 p |
| International travel expenditure | 7 821 | 7 737 | 8 149 | 8 205 | 8 588 p |
| International passenger transport expenditure | 1 839 | 1 883 | 1 879 | 1 812 | 1 721 |

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

StatLink http://dx.doi.org/10.1787/888933639588

## Table 2. **Austria: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **78 590** | **262 036** | **270 486** | .. | **293 099** | .. |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 16 296 | 61 683 | 63 753 | .. | 66 087 | .. |
| Food and beverage serving industry | 31 180 | 95 260 | 99 142 | .. | 106 502 | .. |
| Passenger transport | 12 479 | 52 613 | 53 261 | .. | 53 832 | .. |
| Air passenger transport | 176 | 3 820 | 4 524 | .. | 4 888 | .. |
| Railways passenger transport | 28 | 6 703 | 6 590 | .. | 5 928 | .. |
| Road passenger transport | 12 176 | 42 054 | 42 113 | .. | 42 967 | .. |
| Water passenger transport | 99 | 36 | 34 | .. | 49 | .. |
| Passenger transport supporting services | .. | 757 | 752 | .. | .. | .. |
| Transport equipment rental | 2 544 | .. | .. | .. | 267 | .. |
| Travel agencies and other reservation services industry | 2 466 | 31 613 | 32 843 | .. | 43 419 | .. |
| Cultural industry | 9 352 | 12 790 | 13 397 | .. | 14 472 | .. |
| Sports and recreation industry | 4 273 | 7 319 | 7 338 | .. | 8 520 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639607

## Table 3. **Austria: Internal tourism consumption**

Million EUR

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **15 158** | **18 310** | **34 685** |
| **Consumption products** | **15 118** | **17 965** | **34 301** |
| Tourism characteristic products | 12 418 | 15 719 | 28 138 |
| Accommodation services for visitors | 2 818 | 6 977 | 9 795 |
| Food and beverage serving services | 4 551 | 5 098 | 9 649 |
| Passenger transport services | 3 460 | 1 901 | 5 361 |
| Air passenger transport services | 2 076 | 1 585 | 3 661 |
| Railways passenger transport services | 775 | 294 | 1 069 |
| Road passenger transport services | 580 | 14 | 594 |
| Water passenger transport services | 28 | 9 | 37 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 230 | 5 | 235 |
| Travel agencies and other reservation services industry | 9 | 0 | 9 |
| Cultural services | 978 | 707 | 1 685 |
| Sports and recreation services | 372 | 1 032 | 1 403 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 2 700 | 2 246 | 6 163 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | **40** | **344** | **384** |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639626

# Belgium

## Tourism in the economy

In Belgium, tourism is an exclusive competency of the three regions: Flanders, Wallonia and Brussels. This section provides a national overview of tourism in the country, as does the statistical annex, followed by presentations of the governance and policy initiatives of the Flanders Region and Wallonia.

In 2016, Belgium received 5.6 million international tourists who stayed in hotels and similar establishments, spending a total of 10.2 million nights. Of this figure 49.2% (2.7 million) visited Flanders, 37.8% (2.1 million) the city of Brussels and 13% (720 000) Wallonia. The leading foreign markets for Belgium are the Netherlands, France, the United Kingdom, and Germany, together accounting for 57% of arrivals.

Belgium domestic overnight visitors totalled 4.3 million in 2016, of whom 59.9% visited Flanders, 25.5% Wallonia and 14.7% Brussels. A total of 7 million nights were spent in hotels and similar establishments, with Flanders again accounting for around 60% of the total.

Outbound overnight trips from Belgium increased by 26.2% to 15.8 million in 2016. Of these trips, 58.7% originated in Flanders, 26.8% in Wallonia and 14.6% in Brussels.

In 2016, international travel receipts amounted to EUR 10.7 billion or 2.6% of total exports for Belgium.

## FLANDERS REGION

## Tourism governance and funding

In Flanders, tourism is the responsibility of the Minister for Public Works, Mobility, the Vlaamse Rand, Tourism and Animal Protection.

The tourism unit of the Flemish Department of Foreign Affairs is responsible for tourism policy, international tourism relations.

VisitFlanders has the following objectives and functions:

- Investing in the sustainable development and promotion of Flanders and Brussels as a top tourist destination,
- Making specific investments and supplying support to make the Flanders tourism offer more attractive,
- Promoting Flanders as a tourist destination to attract more visitors,
- Making sure that everyone can enjoy and participate in a holiday, including people with disabilities or limited economic means, linking accessibility and quality,

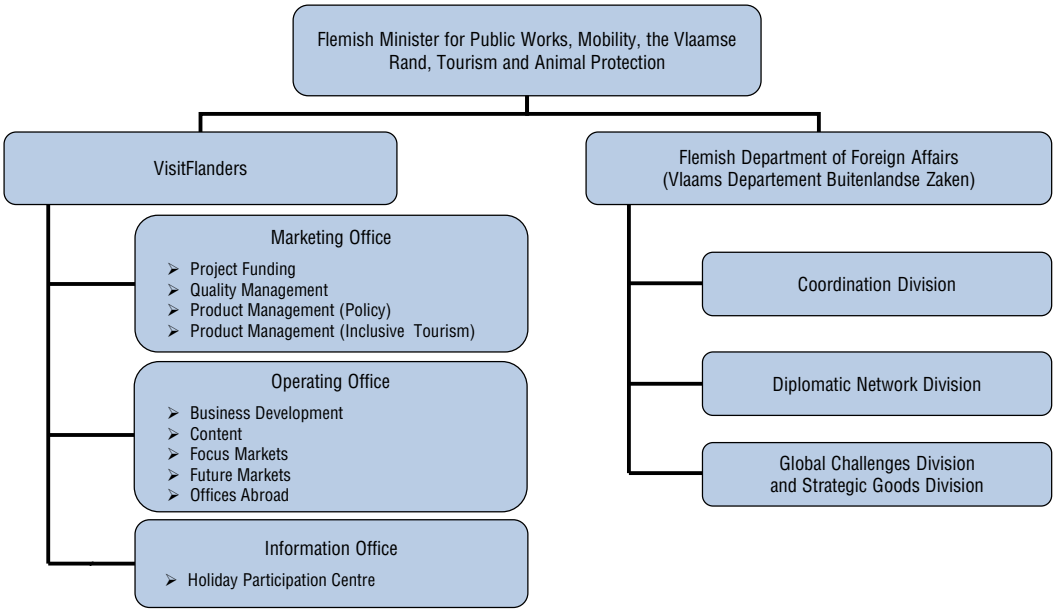
- Stimulating professionalism in the tourist sector in order to guarantee all visitors a quality offer and experience,
- Recognition of tourism accommodation providers.

The provinces and local authorities invest in the domestic promotion of Flanders.

Close co-operation between VisitFlanders and the main actors of the private sector (*Horeca Vlaanderen*, Brussels Airport, Recread, CiB, *Logeren Vlaanderen*, rail authority NMBS) is realised via the Advisory Committee of VisitFlanders and in the "Tourism Pact 2020", which is subscribed to by the most relevant public and private tourism stakeholders in Flanders.

In 2017 the overall budget for VisitFlanders was EUR 68.1 million.

**Belgium, Flanders region: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Flemish Department of Foreign Affairs, 2018.

## Tourism policies and programmes

Tourism policy in Flanders has three overall priorities:

- Increase the attractiveness and promote Flanders as a destination. The approach is to focus on distinctive features of Flanders, including treasures such as The Flemish Masters and local gastronomy. Individual destinations, including the Brussels region, are supported through investment in promotion, events, infrastructure and accessibility.
- Support businesses and a vibrant tourism sector. Priorities include: a streamlined quality policy, addressing competitiveness in the accommodation sector and implementing a hotel and catering industry policy plan; product development such as cycling and walking networks; and financial support provided by the Government. Since 2013, specific attention has been given to tourism as a main driver of economic growth for the province of Limburg, with public support provided for tourism projects such as those creating value from coal mining heritage.
- Make tourism available to all Flemings. This includes work in three areas: making Flanders a leading family-friendly heritage destination; expanding the Holiday Participation

Centre (*Steunpunt Vakantieparticipatie*) as a leading reference point for people with budgetary and care needs; and providing a range of high quality accommodation for a range of disadvantaged groups.

Specific measures designed to address challenges facing the tourism industry in Flanders include:

- Development and promotion of themes within the Flanders brand, such as gastronomy, Flanders' Masters, and commemoration of World War I,
- Renewal of the "Tourism for All" Act,
- Implementation of a new "Tourism Accommodation" Act, with the Hotelstars Union quality label,
- Development and implementation of "Event Flanders",
- Continuous investment in research with an update of the Flanders Tourism Satellite Account,
- Continued delivery of the KOALA-project, supporting tourism businesses in initiatives in the area of climate care and energy efficiency,
- Developing professional qualifications in close co-operation with private public tourism stakeholders and the Flanders Department of Education.

## WALLONIA

### Tourism governance and funding

In Wallonia, tourism is the responsibility of the Minister of Agriculture, Nature, Rurality, Tourism, Heritage and Delegate to the Greater Region.

The Tourism Department of Wallonia is composed of the Walloon Ministry of tourism (CGT) and Wallonia-Belgium Tourism (WBT).

The CGT is responsible for Walloon tourism policy and international tourism relations, including:

- Handling applications for certification and labelling (tourism accommodation and attractions, tourist information and guides), stimulating professionalism in the tourist sector in order to guarantee all visitors a quality offer and experience,
- Providing subsidies to make the Walloon tourism offer more attractive,
- Being responsible for monitoring and statistical analysis,
- Managing publicly owned tourism infrastructure in Wallonia.

Since the Sixth State reform, which came into force in 2017 and introduced regionalisation of tourism, promotional activities were placed under the exclusive control of *Wallonia-Belgium Tourism* (WBT).

The CGT and WBT work closely together with professional organisations in the sector – such as *Gîtes de Wallonie*, *Accueil Champêtre en Wallonie*, *Walcamp* (camping sites), Vilvac (holiday villages), *Auberges de Jeunesse* (youth hostels), *Attractions et Tourisme*, *Musées et Société en Wallonie*, and *Horeca Wallonie* – to develop creative and innovative tourism policies to meet the needs of industry stakeholders.

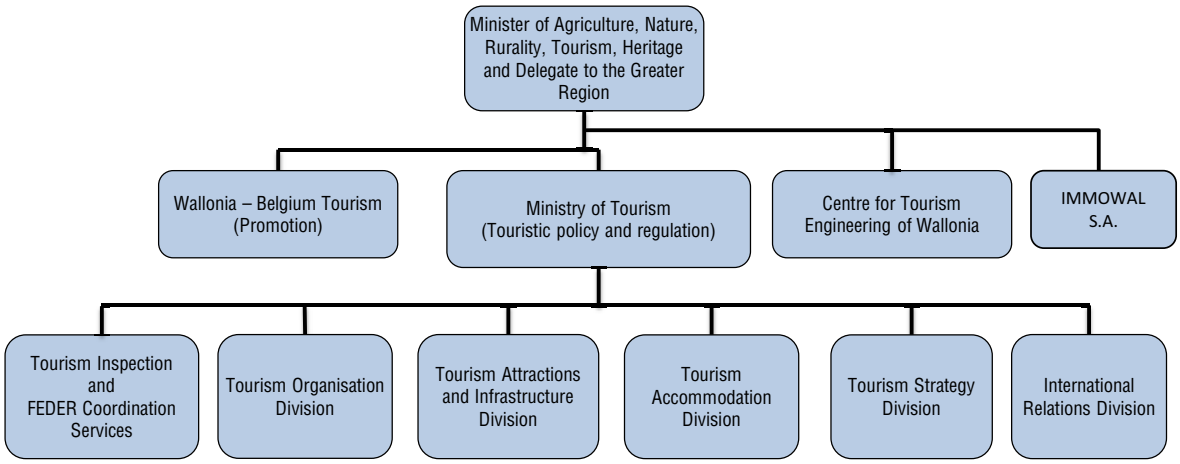
The Centre for Tourism Engineering of Wallonia (CITW) is a joint economic and tourism undertaking between Walloon municipalities active in the sector. In liaison with

the CGT and with support from European Regional Development Funding, it organises and implements tourism engineering policies that pool responsibilities and coordinate actions across Wallonia, as well as supervising research carried out by specialist consultants.

Immowal has recently been established as a public limited company whose sole shareholder is the CGT. It was set up in order to support economic activity and competitiveness of Wallonia's tourism industry. It is charged with developing two or three new 'tourist resorts' in Wallonia by converting government property or, if necessary, by purchasing the required sites in strategic locations; and restructuring the CGT's property portfolio in order to free up resources or provide additional revenue for new tourism projects. Immowal collaborates actively with the CITW.

The CGT budget for 2017 amounts to around EUR 63 million, not including funding for projects co-financed by the EU.

**Belgium, Wallonia: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the General Tourism Commission of Wallonia, 2018.

## Tourism policies and programmes

The Regional Policy Declaration for 2014-2019 recommended focusing on two tourism objectives:

- Creating an outstanding tourist destination. The approach involves building on the region's key strengths, including natural and heritage sites, gastronomy and major events and anniversaries. Priorities include reviewing the tourism strategy, developing commercial packages for specific markets, and improving the quality of hospitality, services and products. Another priority is to address accessibility at the main tourism sites in terms of opening hours, languages spoken, access for people with reduced mobility, and those arriving by public transport etc.
- Maximising capacity and resources to support tourism. Priorities include: involving professional associations in implementing tourism policy; improving the training of tourism personnel; improving financial tools; adopting a more cohesive regional development policy; creating two or three new resorts using public-private partnerships to develop and enhance government-owned assets; developing high performance statistical tools; simplifying standards for tourist establishments, redirected towards quality, accessibility and security; simplifying the institutional organisation of tourism;

restructuring and streamlining the Wallonia-Belgium Tourism Bureau (through the Sixth State reform which confers more responsibility for tourism to the regions).

In order to obtain an objective and comprehensive measure of the economic impact of tourism in Wallonia and to inform decision making, the CGT is working with others to improve and update the socio-economic data available and to develop new instruments, such as sectoral analysis of accommodation and attractions, and customer surveys. Particular attention is being paid to accommodation, especially the hotel sector, as this represents the main source of tourism income.

At the end of 2016, the government of Wallonia approved the first CGT administration contract, which sets out changes for the coordination of the CGT, and four strategic objectives for implementation starting in 2017. The objectives are: i) developing a sustainable, innovative and high-quality professional tourist sector, establishing the added value of the CGT as the go-to platform for service providers; ii) taking account of the transversal nature of tourism in management of partnerships and networks; iii) enhancing the coordination and governance of the CGT; and iv) deploying a modern, fit-for-purpose policy for the management of human resources.

The Walloon Tourism Code (CWT), which dates back to 2009, structures and regulates the region's tourism activities (organisations, attractions and all forms of accommodation). It became necessary to update the legislation to address new developments and expectations on the part of both tourism professionals and tourists themselves. The review process, which included consultation with industry, had the following aims:

- Identifying, restructuring and clarifying the roles of the various players in the tourism industry,
- Allocating sufficient financial resources to high-quality tourism experiences in order to promote and encourage centres of job creation,
- Responding to the emergence of collaborative platforms.

The revised Tourism Code came into force in 2017. It reorganises tourist information centres, the *Maisons du Tourisme,* in order to establish a coherent mass-market tourist service while generating economies of scale. Communication and promotional resources will be concentrated on a reduced number of *Maisons du Tourisme* (down from 42 to 28).

## Statistical profile

Table 1. **Belgium: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 3 806 | 3 947 | 4 175 | 4 304 \| | 4 326 |
| Brussels | 634 | 665 | 702 | 676 \| | 634 |
| Flanders | 2 188 | 2 277 | 2 420 | 2 582 \| | 2 590 |
| Wallonia | 983 | 1 005 | 1 053 | 1 046 \| | 1 102 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 6 328 | 6 525 | 6 926 | 7 048 \| | 6 968 |
| Brussels | 1 111 | 1 163 | 1 232 | 1 182 \| | 1 030 |
| Flanders | 3 674 | 3 798 | 4 032 | 4 260 \| | 4 240 |
| Wallonia | 1 543 | 1 564 | 1 661 | 1 607 \| | 1 698 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 6 146 | 6 228 | 6 389 | 6 440 \| | 5 557 |
| Brussels | 2 382 | 2 450 | 2 546 | 2 534 \| | 2 101 |
| Flanders | 2 955 | 2 969 | 3 051 | 3 107 \| | 2 736 |
| Wallonia | 809 | 809 | 791 | 799 \| | 720 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets for Belgium | | | | | |
| Netherlands | 1 175 | 1 093 | 1 053 | 1 044 \| | 966 |
| France | 985 | 1 008 | 1 007 | 957 \| | 883 |
| United Kingdom | 813 | 848 | 880 | 873 \| | 702 |
| Germany | 637 | 658 | 667 | 698 \| | 614 |
| United States | 309 | 306 | 343 | 362 \| | 275 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 11 546 | 11 624 | 12 082 | 12 035 \| | 10 215 |
| Brussels | 4 593 | 4 772 | 5 058 | 4 987 \| | 3 962 |
| Flanders | 5 554 | 5 509 | 5 647 | 5 711 \| | 5 023 |
| Wallonia | 1 399 | 1 344 | 1 377 | 1 337 \| | 1 230 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 11 157 | 12 550 | 13 272 | 12 499 | 15 773 |
| Brussels | 1 690 | 1 848 | 2 226 | 1 879 | 2 295 |
| Flanders | 6 088 | 6 910 | 7 256 | 7 344 | 9 253 |
| Wallonia | 3 379 | 3 792 | 3 790 | 3 277 | 4 225 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 10 681 | 10 939 | 11 477 | 11 799 | 10 695 p |
| International travel receipts | 9 743 | 10 073 | 10 485 | 10 788 | 10 695 p |
| International passenger transport receipts | 938 | 866 | 992 | 1 011 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 17 473 | 18 463 | 19 909 | 19 041 | 17 689 p |
| International travel expenditure | 15 768 | 16 692 | 17 937 | 17 066 | 17 689 p |
| International passenger transport expenditure | 1 705 | 1 771 | 1 972 | 1 975 | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639645

## Table 2. **Belgium: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | .. | .. | .. | .. | .. |
| Accommodation services for visitors | 8 210 | .. | .. | .. | .. | .. |
| Brussels | 282 | .. | .. | .. | .. | .. |
| Flanders | 4 698 | .. | .. | .. | .. | .. |
| Wallonia | 3 230 | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | .. | .. | .. | .. | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639664

# Canada

## Tourism in the economy

Tourism's direct contribution to Canada's GDP was CAD 38.8 billion in 2016, an increase of 5.1% over 2015. Overall, tourism continues to represent approximately 2% of GDP. One in 10 jobs (1.8 million) were associated with tourism industries in 2015, with 721 600 jobs directly supported by tourism in 2016. Canada's domestic tourism represented 78% of tourism revenues in 2016.

Growth in international arrivals to Canada has been very strong in recent years. In 2016, Canada welcomed nearly 20 million overnight visitors, up 11.1% on 2015 which was itself already a strong year. 2016 was the second-best year on record.

Canada's largest international market is the United States, with 13.9 million overnight visitors in 2016, an increase of 9.7% on the previous year. Canada posted strong growth from a number of key overseas markets, including the United Kingdom (up 16.5% to 833 300); China (up 23.6% to 610 100) and France (up 9% to 545 800). Amongst countries with a smaller share of the inbound market, South Korea and Mexico exhibited particularly strong growth (up 29.6% and 24% respectively).

Meetings, conventions and incentive travel remains steady, attracting close to 2 million visitors each year, with total spending of approximately CAD 1.7 billion.

## Tourism governance and funding

In Canada, the Federal Government, the ten provincial governments, the three territorial governments and numerous municipalities all play a role in promoting tourism.

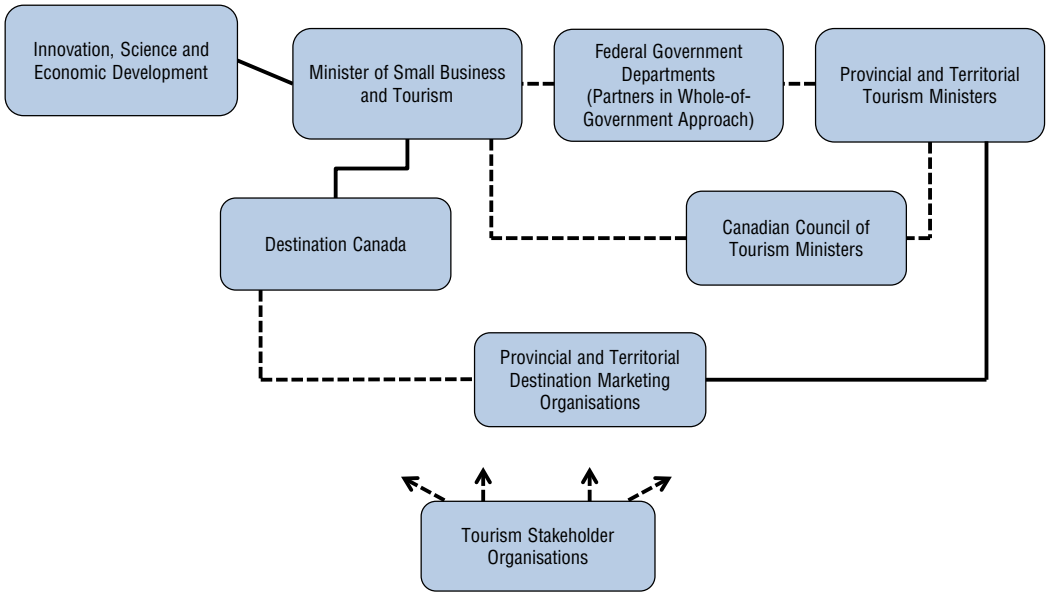
Innovation, Science and Economic Development Canada (ISED) is the federal department whose mission is to foster a growing, competitive, knowledge-based Canadian economy. Within ISED, the Minister of Small Business and Tourism has the lead responsibility for the tourism sector.

ISED is responsible for leading coordination among federal departments to support a whole-of-a government approach to the implementation of Canada's New Tourism Vision. It does this through the Canada's New Tourism Vision Steering Committee which brings together eighteen federal departments and agencies directly implicated in Canada's New Tourism Vision. Participating federal organisations include: Parks Canada, which is responsible for national parks, national historic sites and national marine conservation areas; Canada's six regional development agencies, which support many local tourism-related investment initiatives; and Destination Canada, the national tourism marketing organisation.

Destination Canada operates as a Canadian Crown corporation wholly owned by the Government of Canada. Destination Canada undertakes initiatives to market Canada. It does this in conjunction with its partners, which include provincial, territorial and regional

destination marketing organisations. The Government of Canada stabilized Destination Canada annual funding to CAD 95.5 million.

**Canada: Organisational chart of tourism bodies**




*Source:* OECD, adapted from Innovation, Science and Economic Development, 2018.

Through multiple initiatives, Destination Canada promotes Canada as a premier destination and showcases the country's most unique attributes. Northern and rural Canada, for instance, remain largely undiscovered by foreign tourists. Destination Canada has partnered with destination marketing organisations, such as Tourism Yukon, to promote this undiscovered frontier. Destination Canada has developed Signature Experiences in all three Territories of Canada's North, (complementing those throughout the rest of the country). These help local tour operators to showcase unique Northern adventures, such as Arctic safaris, cruises and excursions to view the Aurora Borealis. Destination Canada also promotes tourism in Canadian rural areas through its suite of Signature Experiences. For example, in Alberta, tourists are invited to take part to a cattle drive at a ranch and sleep in an authentic western bunkhouse.

Provincial and Territorial governments also play an active role in the development and promotion of tourism at the sub-national level in every part of the country. Ministers responsible for tourism from each jurisdiction meet as the Canadian Council of Tourism Ministers on an annual basis to discuss trends and issues of concern to the Canadian tourism sector and work together to seek solutions.

Statistics Canada is the national statistical agency responsible for the collection and analysis of tourism-related statistics. Statistics are compiled on a number of tourism industries, such as air, boat, rail, bus and taxi transportation; traveller accommodation; food services and drinking establishments; amusement and recreation, and travel arrangement services. Statistics Canada is re-developing its two core national tourism surveys to create the National Travel Survey and the Visitor Travel Survey, both operative from 2018. Statistics Canada also compiles data on all international travellers cleared for

entry into Canada, and generates two major products for the macroeconomic evaluation of tourism: the National Tourism Satellite Account and the National Tourism Indicators.

## Tourism policies and programmes

On May 11, 2017, the Minister of Small Business and Tourism announced Canada's New Tourism Vision, a strategic, whole-of-government approach coordinating action across 18 federal departments and agencies to help grow Canada's tourism sector and increase international visitation. The Vision is guided by three overarching goals:

- Grow international visitation to Canada by 30 % by 2021,
- Double visitation from China by 2021,
- Position Canada to compete for a top-ten ranking as an international destination, by 2025.

In order to achieve these goals, the Vision sets out a detailed Action Plan that identifies 20 action items focused around three pillars: investments in stronger and more sustained marketing, in measures to facilitate easier access (i.e. travelling to and within the country), and in tourism product development (i.e. support for Canadian tourism businesses and operators as they work to upgrade their offerings with new, innovative products and services).

**Investment to support Canada's New Tourism Vision**

On a federal level, Canada's New Tourism Vision and its 20-point action plan were supported by major new investments announced in the 2017 federal Budget. To attract more international visitors to Canada, Budget 2017 stabilised annual funding for Destination Canada, Canada's national tourism marketing organisation at CAD 95.5 million, starting in 2018-19. Stabilised funding will allow Destination Canada to continue its strong collaboration with industry partners to maximise the impacts of its marketing campaigns to draw in more tourists from abroad and increase economic activity.

To complement Destination Canada's activities, Budget 2017 also provides CAD 8.6 million over four years, starting in 2017-18, to Indigenous and Northern Affairs Canada to support the development of Canada's unique and authentic Indigenous tourism industry.

Finally, to ensure that tourism operators and governments make the most of their efforts and investments, Budget 2017 provides CAD 13.6 million over five years, starting in 2017-18, and CAD 2.7 million per year thereafter, to Statistics Canada to broaden tourism data collection.

The Government of Canada also works very actively with provincial and territorial colleagues to grow and increase the competitiveness of Canada's tourism sector. In 2016, the Canadian Council of Tourism Ministers announced the Nunavut Declaration, which commits to federal-provincial-territorial collaboration, and aims to strengthen competiveness, grow Canada's tourism offerings, and support a statistical system that meets the information needs of decision-makers (Box 1.2).

## Statistical profile

Table 1. **Canada: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 108 393 | 108 925 | 108 647 | 109 805 | 113 053 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 297 302 | 287 115 | 292 569 | 306 212 | 344 706 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 25 318 | 25 144 | 25 557 | 27 555 | 30 142 |
| Overnight visitors (tourists) | 16 344 | 16 059 | 16 537 | 17 971 | 19 818 |
| Same-day visitors (excursionists) | 8 974 | 9 085 | 9 020 | 9 584 | 10 324 |
| Top markets | | | | | |
| United States | 11 887 | 11 466 | 11 508 | 12 669 | 13 892 |
| United Kingdom | 597 | 609 | 659 | 686 | 805 |
| China | 273 | 342 | 448 | 483 | 591 |
| France | 423 | 452 | 465 | 477 | 515 |
| Germany | 277 | 313 | 324 | 325 | 359 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 32 276 | 32 971 | 33 518 | 32 267 | 31 278 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION CAD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 20 675 | 21 584 | 22 978 | 24 680 | 27 721 |
| International travel receipts | 17 388 | 18 201 | 19 623 | 21 157 | 23 886 |
| International passenger transport receipts | 3 287 | 3 383 | 3 355 | 3 523 | 3 835 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 42 996 | 44 320 | 46 092 | 46 880 | 46 505 |
| International travel expenditure | 35 030 | 36 161 | 38 005 | 38 525 | 38 096 |
| International passenger transport expenditure | 7 966 | 8 159 | 8 087 | 8 355 | 8 409 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639702

## Table 2. **Canada: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed[1] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **675 800** | **687 700** | **700 300** | **708 400** | **721 600** |
| **Tourism industries** | **200 835** | **534 800** | **543 000** | **551 200** | **559 400** | **569 800** |
| Accommodation services for visitors | 19 817 | 139 600 | 140 800 | 140 700 | 142 600 | 143 900 |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 84 296 | 203 000 | 210 200 | 216 400 | 221 000 | 228 100 |
| Passenger transport | 41 921 | 80 700 | 83 100 | 84 700 | 84 400 | 85 200 |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 8 343 | 45 500 | 43 900 | 44 600 | 44 800 | 44 900 |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | 46 458 | 66 000 | 64 900 | 64 800 | 66 700 | 67 700 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | **141 000** | **144 700** | **149 100** | **149 000** | **151 800** |

.. Not available
1. Data refer to number of jobs.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639721

## Table 3. **Canada: Internal tourism consumption**

Million CAD

| | 2016 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **71 606** | **20 012** | **91 618** |
| Tourism characteristic products | 43 812 | 15 371 | 59 183 |
| Accommodation services for visitors | 8 117 | 4 868 | 12 985 |
| Food and beverage serving services | 11 785 | 3 563 | 15 348 |
| Passenger transport services | 16 336 | 4 757 | 21 093 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 4 194 | 215 | 4 409 |
| Cultural services | 3 380 | 1 968 | 5 348 |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 27 794 | 4 641 | 32 435 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639740

# Chile

## Tourism in the economy

Tourism in Chile has experienced a sustained increased in recent years and has become one of the fastest growing sectors of the economy.

It has been estimated that tourism is directly responsible for 3.4% of Chile's GDP and 5.1% of employment. Tourism accounts for 4.4% of total exports and 32.6% of exports of services.

Inbound tourism has increased from 1.8 million in 2004 to more than 5.6 million in 2016. Annual growth between 2015 and 2016 amounted to 26%, with a further 20% anticipated in 2017. The main markets are Argentina, Brazil, Bolivia, Peru and the United States.

Domestic tourism flows have also been increasing, with 10% growth in the last four years to almost 29 million trips.

In 2016 domestic receipts accounted for an estimated USD 5.4 billion, while inbound tourism accounted for USD 3.1 billion (including visitors and international transport).

## Tourism governance and funding

Tourism in Chile comes under the responsibility of the Under-Secretary for Tourism within the Ministry of Economy, Development and Tourism.

The Under-Secretary, is in charge of defining and implementing the national tourism policy and strategies. The Under-Secretary is supported in this role by the Ministerial Committee on Tourism, which advises the President of the Republic on matters of tourism, and the Consultative Council for Tourism Development, which advises and collaborates with the Ministerial Committee on national and international promotion policy. The Under-Secretary's responsibility is to encourage the development of the sector, encourage investment, create jobs, reduce tourism seasonality and further the decentralization of tourism in the country.

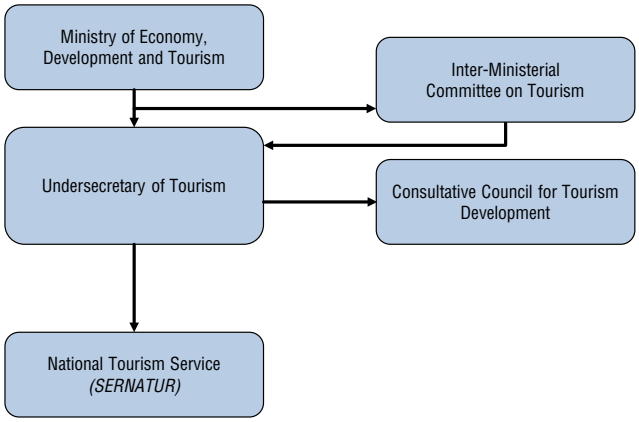
The National Tourism Service (SERNATUR) has the responsibility of executing tourism policy and strategies.

Regional government together with the Regional Offices of the Tourism Service can promote and develop tourism-related activities in their respective regions. Tourism initiatives have to compete with other sectors for the regional budget.

The budget of the National Tourism Service is around USD 42.4 million in 2017 (up from USD 41.8 million in 2016).

The Under-Secretary for Tourism was provided in 2015 with a budget of USD 100 million for supporting short, medium and long term actions to implement the National Plan for Sustainable Tourism Development 2014-18. The operational budget for 2017 is around USD 13.9 million, an increase of nearly 50% over the 2015 budget.

**Chile: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economy, Development and Tourism, 2018.

## Tourism policies and programmes

The key priorities and opportunities for tourism in Chile are identified in the National Plan for Sustainable Tourism Development 2014-18.

The main priorities are to promote sustainable development of the sector through actions in prioritised destinations, to increase recognition of tourism as an important economic sector and to improve the competitive position of Chile. Specific goals are to:

- Develop new and innovative tourism experiences, considering cultural and identity elements,
- Encourage more Chileans to travel, know and enjoy Chile, delivering both social and economic benefits (Box 1.17),
- Capture more value from tourism, through actions to improve the offer and promotion in prioritised international markets,
- Strengthen the sustainable development of destinations, from an integrated territorial approach that promotes the engagement of local and regional actors (Box 3.9).

The above goals are being addressed through the ten-year public-private *Transforma Turismo* programme. Its objective is to transform Chile into a sustainable, diverse and sophisticated international tourism destination, with a tourism offer based on its natural and cultural resources and achieving significant growth in the average value generated per tourist.

A diagnosis and Road Map for implementation of the programme was developed with the participation of a wide group of state entities, tourist entrepreneurs, academics and other tourism-related bodies. The programme has subsequently focused in the following two areas:

- Improvement of five types of prioritised tourism experience in which Chile has comparative advantage: nature and adventure tourism (with emphasis on wild protected areas); astronomical tourism; wine tourism; indigenous tourism; and cultural, event and gastronomy tourism.
- Development of tourist destinations, improving their management, sustainability and connection (with each other and with their environment), with the purpose of generating environments that give greater competitiveness to tourism products and companies that participate in the tourism value chain. It considers actions in ten

selected destinations (among the 83 tourist destinations prioritized by the Under-Secretariat of Tourism in the National Plan).

According to the Tourism Law, the Under-Secretary can propose to the Committee of Ministers the declaration of Areas of Tourist Interest. These are territories that have special conditions for attracting tourists and that require conservation measures and integrated planning to promote investment by the private sector.

In 2016, Chile was recognised as the best adventure tourism destination in the world. This reflects the great potential of Chile's natural resources and the work undertaken in the last three years around protected wilderness areas. Consideration is being given to the prioritisation of some National Parks or National Reserves for the development of sustainable tourism together with the surrounding communities. To date, a total of eight parks have been prioritised by the Committee of Ministers. However, the Action Plan prepared by the Under-Secretariat of Tourism, in conjunction with the National Forestry Corporation, includes actions in 20 Protected Areas of the State.

## Statistical profile

Table 1. **Chile: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 20 506 | 21 531 e | 22 823 e | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 128 105 | 134 510 e | 142 580 e | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 4 397 | 4 457 | 4 601 | 5 487 | 6 712 |
| Overnight visitors (tourists) | 3 554 | 3 576 | 3 674 | 4 478 | 5 641 |
| Same-day visitors (excursionists) | 843 | 881 | 926 | 1 009 | 1 072 |
| Top markets | | | | | |
| Argentina | 1 378 | 1 363 | 1 326 | 1 947 | 2 901 |
| Brazil | 374 | 362 | 408 | 456 | 439 |
| Bolivia | 356 | 384 | 395 | 420 | 437 |
| Peru | 338 | 331 | 344 | 360 | 404 |
| United States | 158 | 154 | 162 | 187 | 209 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 3 448 | 3 674 | 3 841 | 4 103 | 4 269 |
| Overnight visitors (tourists) | 2 837 | 2 999 | 3 169 | 3 359 | 3 553 |
| Same-day visitors (excursionists) | 611 | 675 | 673 | 744 | 716 |
| Top destinations | | | | | |
| Argentina | 1 180 | 1 225 | 1 275 | 1 269 | 1 271 |
| Peru | 785 | 861 | 858 | 919 | 915 |
| United States | 182 | 198 | 225 | 259 | 299 |
| Brazil | 169 | 176 | 197 | 202 | 224 |
| Spain | 46 | 42 | 54 | 65 | 90 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 3 159 | 3 171 | 3 202 | 3 413 | 3 697 |
| International travel receipts | 2 151 | 2 181 | 2 259 | 2 482 | 2 737 |
| International passenger transport receipts | 1 008 | 990 | 943 | 931 | 960 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 2 400 | 2 499 | 2 706 | 2 517 | 2 715 |
| International travel expenditure | 1 833 | 1 867 | 2 089 | 1 963 | 2 137 |
| International passenger transport expenditure | 567 | 632 | 618 | 554 | 578 |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639759

## Table 2. **Chile: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed[2] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **95 413 f** | **441 944** | **445 156** | **442 962** | **461 201** | **471 660 f** |
| **Tourism industries** | **92 253 f** | **421 820** | **427 754** | **425 841** | **442 748** | **451 875 f** |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 11 228 f | 75 404 | 75 858 | 77 922 | 83 652 | 87 535 f |
| Food and beverage serving industry | 34 402 f | 171 010 | 183 119 | 180 727 | 191 866 | 196 906 f |
| Passenger transport | 34 529 f | 143 129 | 136 784 | 138 013 | 136 519 | 134 344 f |
| Air passenger transport | 193 f | 17 054 | 16 760 | 17 174 | 16 909 | 17 084 f |
| Railways passenger transport | 52 f | 6 224 | 2 553 | 6 261 | 6 277 | 5 524 f |
| Road passenger transport | 34 017 f | 115 750 | 113 863 | 111 373 | 110 029 | 108 685 f |
| Water passenger transport | 267 f | 4 101 | 3 608 | 3 205 | 3 304 | 3 051 f |
| Passenger transport supporting services | 309 f | 952 | 865 | 706 | 775 | 1 036 f |
| Transport equipment rental | 4 027 f | 18 007 | 17 649 | 14 644 | 14 772 | 16 145 f |
| Travel agencies and other reservation services industry | 1 941 f | 7 781 | 7 660 | 7 932 | 8 650 | 8 975 f |
| Cultural industry | 131 f | 3 119 | 3 237 | 3 159 | 3 458 | 3 580 f |
| Sports and recreation industry | 370 f | 2 418 | 2 582 | 2 738 | 3 056 | 3 354 f |
| Retail trade of country-specific tourism characteristic goods | 5 316 f | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **3 160 f** | **20 124** | **17 402** | **17 121** | **18 453** | **19 785 f** |

.. Not available; f Forecast value
1. Data refer to number of enterprises.
2. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639778

## Table 3. **Chile: Internal tourism consumption**

Million CLP

| | 2013 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | .. | .. | .. |
| Tourism characteristic products | 2 140 361 p | 1 118 040 p | 3 785 655 p |
| Accommodation services for visitors | 268 285 p | 144 461 p | 723 961 p |
| Food and beverage serving services | 268 285 p | 220 958 p | 535 423 p |
| Passenger transport services | 302 964 p | 130 967 p | 501 681 p |
| Air passenger transport services | 176 358 p | 40 085 p | 270 839 p |
| Railways passenger transport services | 969 p | 7 097 p | 8 358 p |
| Road passenger transport services | 118 855 p | 82 227 p | 204 478 p |
| Water passenger transport services | 6 783 p | 1 557 p | 18 006 p |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 21 p | 15 316 p | 15 337 p |
| Travel agencies and other reservation services industry | .. | .. | .. |
| Cultural services | .. | .. | .. |
| Sports and recreation services | 153 584 p | 31 497 p | 193 588 p |
| Country-specific tourism characteristic goods | 666 295 p | 218 419 p | 885 629 p |
| Country-specific tourism characteristic services | 480 926 p | 356 422 p | 930 035 p |
| Other consumption products | .. | .. | .. |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933639797

# Czech Republic

## Tourism in the economy

Tourism's share of GDP in the Czech Republic has been slowly increasing up from 2.7% in 2011 to 2.8% in 2015. The number of people employed in tourism totalled 227 676 in 2015. The sector's share of total employment in the country has remained relatively stable at around 4.5 % since 2011.

The total number of foreign visitor arrivals was 29.6 million in 2015, approximately 39% of which were by overnight visitors, while 61% were same-day visitors (including those in transit). Some 8.7 million non-resident guests stayed in collective tourism accommodation establishments in 2015, up from 8.1 million in 2014 (up 7.5%). The average annual growth in guest numbers at collective accommodation establishments was 5.1% between 2012 and 2015.

In 2015, international tourism receipts totalled EUR 5.5 billion (up 6.3%) with travel's share of total export revenues amounting to 4.7%. International travel expenditure was EUR 4.3 billion (up 11.2%), resulting in a positive balance on the travel and tourism account of EUR 1.2 billion in 2015.

## Tourism governance and funding

The Ministry of Regional Development is responsible for coordinating and setting guidelines in the tourism sector. The Tourism Department carries out activities related to the development and implementation of tourism policy. It implements measures arising from tourism-related strategies, and undertakes activities to enhance awareness and recognition of tourism as an important industry within the national economy, and strengthen international co-operation. The Ministry is also responsible for preparing relevant legislation as well as monitoring and collecting statistical information, developing tourism in the regions and supporting the quality and structure of tourism services.

The Czech National Tourism Board, CzechTourism, is a grant-aided organisation supported by the Ministry of Regional Development. Its principal mission is to generate awareness of the Czech Republic as a tourism destination. Its main partners are the regional tourism organisations, municipalities and business enterprises. CzechTourism's objective is to promote tourism in co-operation with the private sector, and to review the medium-term strategy for the marketing of tourism products in domestic and international markets.

The organisation of tourism in the Czech Republic is strongly influenced by the respective administrative systems of the 14 self-governing regions in the country. The regions and individual communities are represented by different public institutions and co-operation between national and regional tourism organisations is critical. In every tourist region, a coordinator is appointed to coordinate the marketing activities of all public tourism bodies and act as the communication channel between regional public tourism

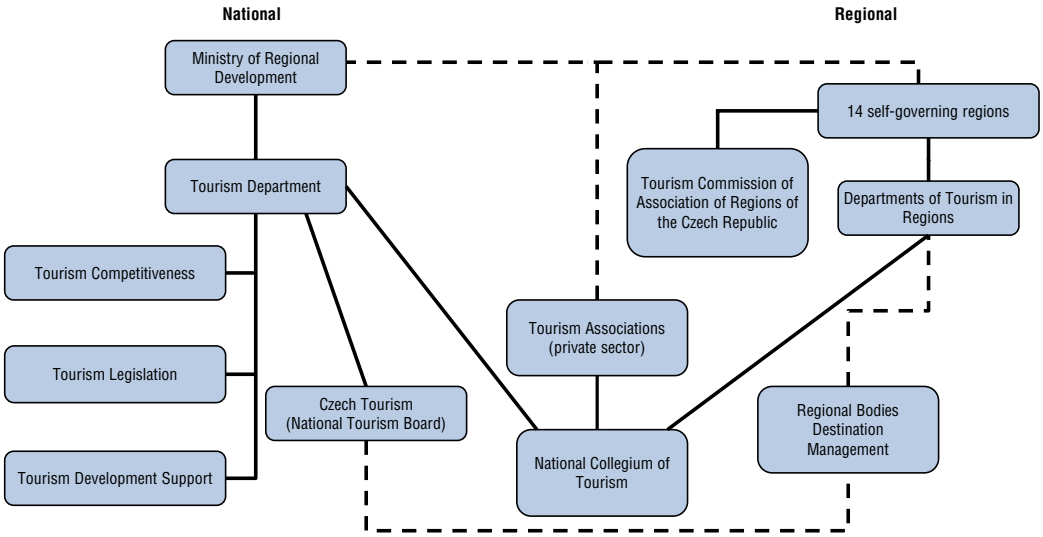
bodies and CzechTourism. Ad hoc working groups are set up as required to assist with tourism policy, drafting of tourism legislation, the preparation and elaboration of tourism support programs, etc.

The National Collegium of Tourism is the consultative and advisory body of the Ministry, facilitating co-operation between state administrative bodies, self-administrative bodies, professional associations, the academic sector, independent experts, the public, unions and other stakeholders.

The Tourism Department's budget in 2016 was EUR 8.4 million, a reduction of 15.9% on the previous year. CzechTourism's budget in 2016 was EUR 17.1 million representing a reduction of 14.8% from 2015.

New operational programmes in tourism over the 2014-2020 period have also been cut back compared to the programming period 2007-2013. The most significant impact is on the development of tourism infrastructure, marketing activities, statistics and market research.

**Czech Republic: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Regional Development, 2018.

## Tourism policies and programmes

The Ministry for Regional Development has prepared a National Tourism Policy for 2014-2020, which was approved in 2013 along with a marketing strategy (2013-2020). The strap line for the strategy is "Destination Czech Republic – number one in the heart of Europe" with a global objective of increasing the competitiveness of the tourism sector at the national and regional levels and maintaining its economic performance through a balance between economic, socio-cultural, environmental and regional development.

The specific aims and priorities of the policy are to:

- Enhance the quality of the tourism supply, including cultivating of the business environment,
- Build a structure of institutions to effectively implement the tourism policy,
- Improve the quality of human resources,

- Improve the access of service providers to tourism markets,
- Strengthen the role of tourism in the economic and sectoral policies of the state.

There are three measures aimed at tackling the high-priority challenges for tourism in the Czech Republic:

- The Ministry for Regional Development, in co-operation with CzechTourism and tourism stakeholders, is implementing a project previously co-financed by the EU Structural funds on service quality. The Czech Service Quality System, which is based on the Service Qualität Deutschland system, is an innovative system of certification aimed primarily at small and medium-sized enterprises (SMEs) active in tourism to enable them to improve the quality of their services and to gain much-needed expertise.
- The Ministry of Regional Development, in co-operation with the Czech Statistical Office, is currently implementing a project on tourism statistics, aimed at improving and expanding statistical data related to inbound tourism to the Czech Republic. This project includes an inbound tourism survey and analysis for the Tourism Satellite Account.
- The government is implementing the National Support Programme for Tourism in Regions *2017-2020*. Grants under this programme include a maximum of 50% of project funding with the balance coming from the applicant's own resources. The programme is aimed at supporting tourism infrastructure and marketing activities. The first allocation for both sub-programs is EUR 11.2 million. Potential grant recipients include regions, municipalities, businesses and non-profit organizations. Support for marketing activities is aimed at destination management organizations. The programme is a successor to the National Support Programme for Tourism 2010-2016 in which more than EUR 15.2 million was allocated from the state budget for 291 projects.

Regular monitoring reports include key indicators such as the number of nights spent by domestic and foreign visitors in collective accommodation establishments, occupancy rates, the number of people employed in tourism, the gross domestic tourism product, domestic and inbound tourism consumption, foreign exchange earnings from tourism and the World Economic Forum index of competitiveness.

## Statistical profile

Table 1. **Czech Republic: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 76 328 | 75 353 | 76 059 | 77 817 p | 85 144 e |
| Overnight visitors (tourists) | 29 220 | 29 215 | 29 412 | 28 325 p | 31 960 e |
| Same-day visitors (excursionists) | 47 109 | 46 138 | 46 646 | 49 492 p | 53 183 e |
| Nights in all types of accommodation | 21 484 \| | 21 163 | 20 837 | 23 807 | 25 429 |
| Hotels and similar establishments | 11 910 \| | 11 825 | 11 716 | 13 290 | 14 624 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 9 575 \| | 9 339 | 9 121 | 10 517 | 10 805 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 25 750 | 26 332 | 27 166 | 29 604 p | 32 519 e |
| Overnight visitors (tourists) | 10 123 | 10 300 | 10 649 | 11 619 p | 12 808 e |
| Same-day visitors (excursionists) | 15 627 | 16 032 | 16 518 | 17 985 p | 19 711 e |
| Top markets | | | | | |
| Germany | 1 521 \| | 1 484 | 1 553 | 1 767 | 1 881 |
| Slovak Republic | 436 \| | 452 | 493 | 578 | 642 |
| Poland | 402 \| | 424 | 449 | 485 | 541 |
| United States | 391 \| | 413 | 441 | 509 | 515 |
| United Kingdom | 368 \| | 379 | 397 | 443 | 474 |
| Nights in all types of accommodation | 21 794 \| | 22 145 | 22 110 | 23 287 | 24 268 |
| Hotels and similar establishments | 19 936 \| | 20 072 | 19 971 | 20 970 | 21 869 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 1 858 \| | 2 073 | 2 139 | 2 316 | 2 399 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 10 990 | 10 305 | 10 141 | 10 383 p | 10 718 e |
| Overnight visitors (tourists) | 7 936 | 7 620 | 7 393 | 7 654 p | 7 877 e |
| Same-day visitors (excursionists) | 3 054 | 2 685 | 2 748 | 2 729 p | 2 841 e |
| Top destinations | | | | | |
| Slovak Republic | 1 025 | 949 | 941 | 1 386 p | 1 151 e |
| Croatia | 806 | 797 | 785 | 721 p | 828 e |
| Italy | 549 | 526 | 553 | 497 p | 552 e |
| Austria | 478 | 577 | 570 | 492 p | 589 e |
| Greece | 314 | 339 | 291 | 253 p | 265 e |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION CZK** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 160 028 | 152 505 | 158 164 | 166 247 | 154 180 p |
| International travel receipts | 145 957 | 137 829 | 141 783 | 148 782 | 154 180 p |
| International passenger transport receipts | 14 071 | 14 676 | 16 381 | 17 464 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 89 224 | 91 941 | 107 567 | 120 851 | 120 218 p |
| International travel expenditure | 87 581 | 90 756 | 106 721 | 119 706 | 120 218 p |
| International passenger transport expenditure | 1 642 | 1 185 | 845 | 1 146 | .. |

.. Not available; | Break in series; e Estimated value; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639816

## Table 2. **Czech Republic: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **229 551** | **227 630** | **225 006 p** | **227 676 p** | .. |
| **Tourism industries** | .. | **226 288** | **224 338** | **221 691 p** | **224 309 p** | .. |
| Accommodation services for visitors | 8 703 | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | 39 875 | 39 611 | 39 042 p | 39 140 p | .. |
| Food and beverage serving industry | 49 909 | 69 798 | 69 103 | 65 658 p | 67 214 p | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | 2 535 | 2 402 | 2 334 p | 2 058 p | .. |
| Railways passenger transport | .. | 13 345 | 13 316 | 13 192 p | 13 154 p | .. |
| Road passenger transport | .. | 11 577 | 11 548 | 11 627 p | 11 851 p | .. |
| Water passenger transport | .. | 53 | 53 | 50 p | 51 p | .. |
| Passenger transport supporting services | .. | 3 209 | 3 346 | 3 403 p | 3 611 p | .. |
| Transport equipment rental | .. | 118 | 114 | 117 p | 104 p | .. |
| Travel agencies and other reservation services industry | .. | 12 161 | 11 778 | 12 341 p | 12 853 p | .. |
| Cultural industry | .. | 11 040 | 11 190 | 11 381 p | 11 703 p | .. |
| Sports and recreation industry | .. | 2 533 | 2 548 | 2 579 p | 2 658 p | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | 60 045 | 59 328 | 59 968 p | 59 912 p | .. |
| **Other industries** | .. | **3 262** | **3 292** | **3 315 p** | **3 366 p** | .. |

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

StatLink http://dx.doi.org/10.1787/888933639835

## Table 3. **Czech Republic: Internal tourism consumption**

Million CZK

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **95 390** | **148 224** | **250 034** |
| Tourism characteristic products | 62 994 | 95 722 | 165 136 |
| Accommodation services for visitors | 11 799 | 27 139 | 45 358 |
| Food and beverage serving services | 20 328 | 29 643 | 49 971 |
| Passenger transport services | 12 667 | 28 164 | 40 831 |
| Air passenger transport services | 7 451 | 24 597 | 32 048 |
| Railways passenger transport services | 852 | 1 024 | 1 876 |
| Road passenger transport services | 4 258 | 2 542 | 6 800 |
| Water passenger transport services | 106 | .. | 106 |
| Passenger transport supporting services | 3 087 | 4 421 | 7 508 |
| Transport equipment rental services | 213 | 414 | 627 |
| Travel agencies and other reservation services industry | 5 898 | 807 | 6 705 |
| Cultural services | 5 626 | 3 792 | 9 418 |
| Sports and recreation services | 2 532 | 1 342 | 3 874 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 844 | .. | 844 |
| Other consumption products | 32 397 | 52 502 | 84 898 |
| Tourism connected products | 32 397 | 52 502 | 84 898 |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639854

# Denmark

## Tourism in the economy

In 2015, spending by inbound tourists was DKK 38.9 billion, representing 3.5% of total Danish exports. The direct contribution of tourism to the Danish economy measured by gross value added was 1.7%. If derived effects are included, the contribution was 3.2% (DKK 56.6 billion).

Tourism spending generated 118 000 full time jobs, accounting for 4.2% of total employment.

Tourism bednights increased by 15% from 2008 to 2016. The highest growth rates have been in city tourism (85%) and business tourism (15%). Coastal and nature related tourism has also grown but at a more modest pace of 7%.

In 2016, there were 51.5 million bednights at hotels, holiday centres, hostels, camping sites, marinas and rented holiday houses (26.1 million international bednights). The top foreign origin markets were Germany, Norway, Sweden, Netherlands and the United Kingdom. Together they accounted for 82% of all international bednights in Denmark. Germany continues to be Denmark's primary foreign market with 57% of the international bednights. Denmark has experienced substantial growth from long haul markets such as China, the United States and India in recent years, but neighbouring European countries continue to be the mainstays of Danish tourism.

In 2015, coastal and nature related tourism generated 46% of total tourism revenue, while city tourism and business tourism generated 25% and 28%, respectively. Copenhagen accounts for 24% of the country's total tourism revenue, while the Capital Region accounts for 41%.

## Tourism governance and funding

In January 2015, the Danish law on tourism came into force with the goal of achieving a greater impact from the investment made in the sector every year through better coordination at national, regional and local levels.

The Danish National Tourism Forum was established to lead and coordinate the public promotion of Danish tourism. Members of the Forum include: a chairman from the Ministry of Industry, Business and Financial Affairs, VisitDenmark's Chairman, two members from Danish regions, one member from Local Government Denmark, two members representing the tourism industry and a tourism researcher.

The National Tourism Forum has developed a national strategy for Danish tourism to 2025. Additionally, the Forum collects tourism data, undertakes an annual analysis of the development of Danish tourism and reports annually to the Minister.

The legislation also established the Danish Tourism Advisory Board to advise the National Tourism Forum. The Advisory Board comprises a chairman, 17 members and two observers, representing a wide range of stakeholders with tourism interests to ensure the provision of professional and competent advice.

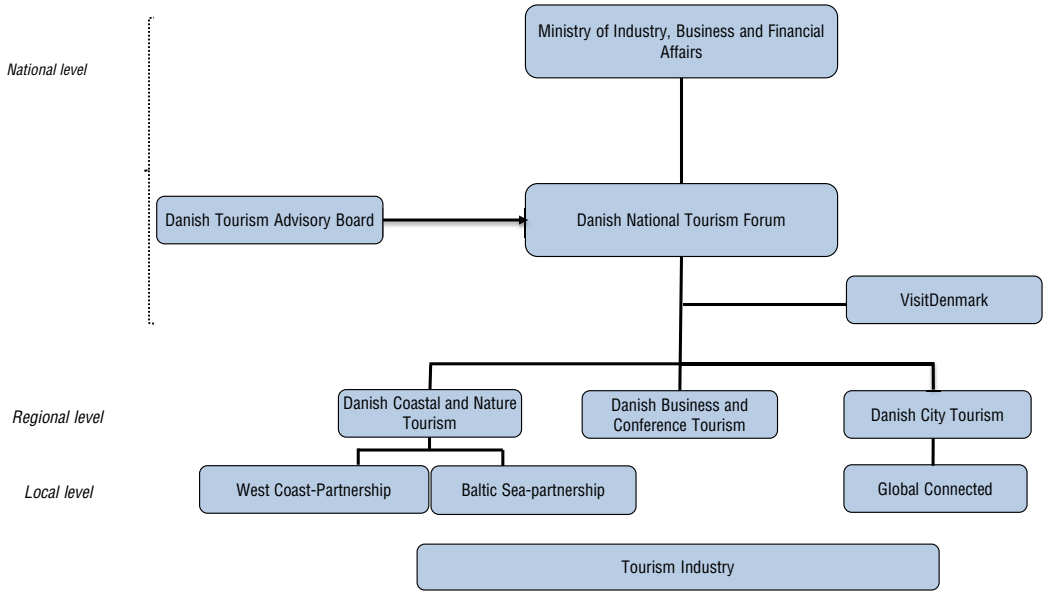
Under the legislation, three tourism development agencies have also been established: Danish Coastal and Nature Tourism, Danish Business and Conferencing Tourism and Danish City Tourism. Their responsibilities are to generate growth in their particular sector, based on their own strategies; under the umbrella of the national tourism strategy.

The international branding and marketing of Denmark is managed by VisitDenmark which is also responsible for market research and monitoring trends and activity in Danish tourism. VisitDenmark co-operates with the Ministry, the Danish National Tourism Forum and the regional tourism development agencies. The National Tourism Forum coordinates collaboration between the relevant tourism bodies.

The Ministry of Industry, Business and Financial Affairs and VisitDenmark co-operate with several other ministries e.g. the Ministry of Environment and Food, the Ministry of Transport, Building and Housing, the Ministry of Foreign Affairs and the Ministry of Culture – including the Danish Agency for Culture and Palaces.

Total public expenditure to enhance Danish tourism was DKK 664 million in 2015 coming from the state (17%), regions (21%) and local municipalities (62%).

**Denmark: Organisational chart of tourism bodies**




*Source:* OECD, adapted from Ministry of Industry, Business and Financial Affairs, 2018.

## Tourism policies and programmes

In order for Danish tourism to stay competitive and win market share in the international competition for tourists, efforts will be directed to address the following strategic challenges:

- Evolving visitor demand: Denmark must provide the accommodation and experiences necessary to meet increasingly diverse visitor expectations,

- Below average growth: During the period 2008-2015, Denmark's growth has been below the average in Northern Europe,
- Below average visitor satisfaction: Denmark scores lower than its neighbouring countries on a number of parameters, notably in terms of the relation between price and quality.

Examples of evolving visitor demand include the desire for authentic experiences, sporting and cultural events, and digital platforms. Tourism stakeholders must co-operate and take strategic action while focusing on the unique qualities and strengths of the Danish tourism product, including openness, a culture of confidence and an informal approach, as well as genuine and intimate experiences both in the larger cities and in Danish nature.

The common vision for Danish tourism is that: "Denmark strives to be an engaging tourist destination where we – together with our guests – create a variety of quality experiences – always with a human touch and never far away."

In September 2016, the government launched a new national strategy for Danish tourism with three overall targets to be achieved by 2025:

- Denmark should have one-third more tourists, corresponding to 17 million more bednights compared to 2015,
- Tourism spending should reach DKK 140 billion, corresponding to an increase of approximately DKK 45 billion compared to 2014,
- Foreign tourists should be at least as satisfied with their holiday in Denmark as the Northern European average.

The national strategy includes a number of initiatives intended to ensure development and growth in tourism throughout Denmark. The initiatives fall within five strategic key areas:

- More effective marketing aimed at the most important markets and target groups: Marketing efforts to be based on common stories, be coordinated and take account of digital developments.
- Improved accessibility, internet and signage.
- Better tourist experiences in Denmark: This requires development of strong destinations, higher quality and focus on, for example, outdoor tourism, cultural tourism, events and congresses.
- Increased tourism capacity: During the high season, demand for modern and attractive accommodation exceeds the capacity in certain parts of the country.
- International competitiveness: An appropriate framework is required if Denmark is to offer good value quality products including competitive energy taxes and up-to-date regulations which support innovation and are not unnecessarily burdensome.

### Digitalisation of tourism marketing and management in Denmark

As an initiative under the national strategy for Danish tourism, VisitDenmark launched its Smart Tourism Strategy in 2017 to fight the competitive challenges and exploit the possibilities of digitalisation. The strategy seeks to contribute to the National Tourism Strategy through three concerted initiatives:

- Smart Marketing: Increase the demand for Denmark as a tourist destination by prioritising digital marketing – mobile and social-first.
- Smart Working: Digitalisation of Danish tourism's value-chains and increase coordination and co-operation between actors within Danish tourism accordingly.
- Smart Insights: Identify relevant data and data sources in a common knowledge-hub, sharing and exchanging knowledge with other actors inside and outside the tourism sector in order to optimise and promote innovation in the marketing, product development and sales process.

The strategy outlines the role of VisitDenmark and other partners in securing more effective co-operation.

## Statistical profile

Table 1. **Denmark: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 45 642 e | 45 686 e | 50 793 e | 50 732 e | 50 987 e |
| Overnight visitors (tourists) | 9 863 e | 9 907 e | 14 620 e | 14 954 e | 15 208 e |
| Same-day visitors (excursionists) | 35 779 e | 35 779 e | 35 779 e | 35 779 e | 35 779 e |
| Nights in all types of accommodation | 62 139 | 62 417 | 64 138 | 64 138 | .. |
| Hotels and similar establishments | 10 022 | 10 065 | 10 305 | 11 037 | .. |
| Specialised establishments | 9 751 | 10 030 | 10 361 | 10 019 | .. |
| Other collective establishments | 5 184 | 5 139 | 6 290 | 6 606 | .. |
| Private accommodation | 37 183 | 37 183 | 37 183 | 37 183 | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 25 866 e | 25 795 e | 27 607 e | 27 764 e | 28 121 e |
| Overnight visitors (tourists) | 8 526 e | 8 455 e | 10 267 e | 10 424 e | 10 781 e |
| Same-day visitors (excursionists) | 17 340 e | 17 340 e | 17 340 e | 17 340 e | 17 340 e |
| Top markets | | | | | |
| Germany | 2 156 | 2 065 | 2 687 | 2 821 | 3 048 |
| Norway | 1 479 | 1 481 | 1 786 | 1 801 | 1 767 |
| Sweden | 1 184 | 1 207 | 1 443 | 1 438 | 1 432 |
| United Kingdom | 650 | 667 | 744 | 787 | 822 |
| United States | 510 | 518 | 507 | 514 | 523 |
| Nights in all types of accommodation | 46 039 | 45 655 | 48 734 | 50 186 | .. |
| Hotels and similar establishments | 7 011 | 7 142 | 7 757 | 7 934 | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 12 953 | 12 315 | 14 599 | 15 692 | .. |
| Private accommodation | 22 041 | 22 041 | 22 041 | 22 041 | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 7 843 | 6 977 | 8 528 | 8 991 | 9 651 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION DKK** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 50 762 | 55 923 | 58 473 | 60 114 | 46 467 p |
| International travel receipts | 37 894 | 40 160 | 42 800 | 44 970 | 46 467 p |
| International passenger transport receipts | 12 869 | 15 763 | 15 673 | 15 144 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 64 925 | 66 671 | 69 329 | 71 695 | 61 933 p |
| International travel expenditure | 56 518 | 56 561 | 58 682 | 59 987 | 61 933 p |
| International passenger transport expenditure | 8 407 | 10 111 | 10 647 | 11 708 | .. |

.. Not available; e Estimated value; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639873

## Table 2. **Denmark: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **20 811** | **84 679** | **85 781** | **89 817** | **93 315** | .. |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 1 506 | 12 293 | 12 422 | 13 172 | 13 413 | .. |
| Food and beverage serving industry | 12 211 | 37 923 | 39 068 | 41 771 | 44 668 | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 566 | 4 637 | 4 514 | 4 477 | 4 483 | .. |
| Cultural industry | 3 450 | 17 654 | 17 588 | 17 859 | 18 040 | .. |
| Sports and recreation industry | 3 078 | 12 172 | 12 189 | 12 538 | 12 711 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639892

## Table 3. **Denmark: Internal tourism consumption**

Million DKK

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **58 628** | **38 862** | **97 490** |
| Tourism characteristic products | 34 193 | 16 836 | 51 029 |
| Accommodation services for visitors | 8 077 | 6 363 | 14 440 |
| Food and beverage serving services | 7 232 | 7 082 | 14 314 |
| Passenger transport services | 15 636 | 2 296 | 17 932 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 2 066 | 766 | 2 832 |
| Cultural services | .. | .. | .. |
| Sports and recreation services | 1 182 | 329 | 1 511 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 24 436 | 22 026 | 46 462 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639911

# Estonia

## Tourism in the economy

In Estonia, both inbound and domestic tourism have seen steady growth. Taking direct and indirect impacts together, tourism contributed around 6% of GDP in 2016.

Nearly 6 million foreign visitors came to Estonia in 2016, up 4% on 2015, spending nearly EUR 1.4 billion on goods and services. Export revenues from tourism amounted to over EUR 1.7 billion and contributed 32% of services exports in 2016. Every fourth trip to Estonia was made from outside the European Union and the number of tourists arriving from Asian countries increased throughout the year.

Over 3 million domestic and foreign tourists stayed in accommodation establishments in 2016. Compared to 2015, numbers were up by 7% and nights spent increased by 8%. 64% of nights spent in Estonian accommodation establishments were attributable to foreign tourists, of which 63% were from the neighbouring countries of Finland, Russia and Latvia. Compared to 2015, the number of tourists arriving from Finland, Russia and Latvia increased by 5%, 8% and 11%, respectively.

Of the foreign tourists staying in accommodation establishments, 73% came to Estonia for a holiday, while 21% were on business. 62% of domestic tourists were on holiday.

## Tourism governance and funding

National tourism policy and development activities are implemented by the Estonian Tourist Board, under the Enterprise Estonia Foundation, which in turn is administered by the Ministry of Economic Affairs and Communication.

Ministry activities include:

- Setting tourism policies and programmes and overseeing their implementation,
- Applying for funding from the state budget and the EU to deliver tourism development programmes and projects,
- Drafting tourism-related legislation and regulations,
- Participating in the activities of international tourism organisations,
- Facilitating long term policy development through co-operation with a range of tourism stakeholders.

The Estonian Tourist Board undertakes international and domestic marketing and engages in product development. It also carries out market research in the main target markets and develops and administers the national tourist information service.

Other organisations involved at the national level are the Estonian Travel and Tourism Association, Estonian Hotel and Restaurant Association, Estonian Rural Tourism non-profit

organisation, Tourism Foundations for north, south and west Estonia, Estonian Spa Association, and Estonian Convention Bureau.

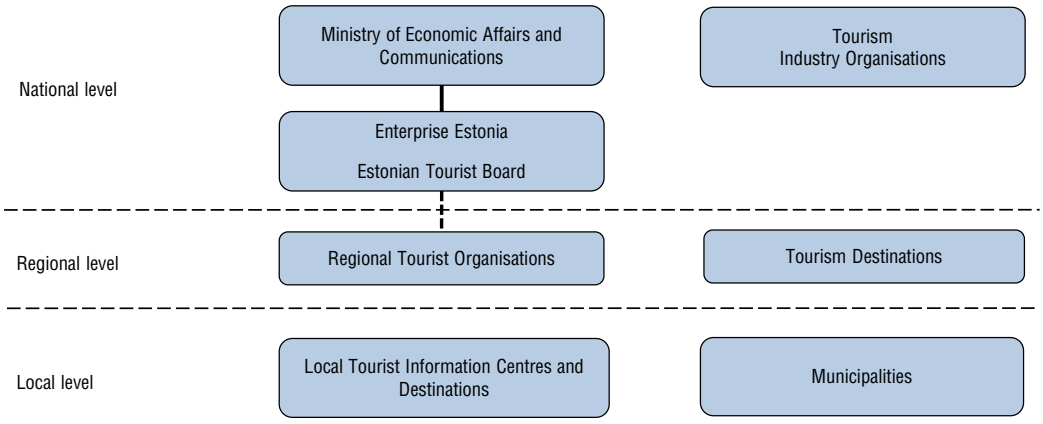
Reform of local administration, including merging local municipalities, will have an effect on local level tourism organisations and their funding. The new National Tourism Strategy 2020+ (to follow the current Development Plan 2014-20) will take account of these changes.

Regional County development centres are located in all 15 counties, offering free advisory services to new and existing enterprises, local government and non-profit associations and foundations. They also engage in the management, dissemination and development of regional and national tourist information.

The overall budget for tourism development is stated in the National Tourism Development Plan for 2014-20 as approximately EUR 116 million, the majority of which is financed through Enterprise Estonia/Estonian Tourist Board. The main sources of funding for tourism development are EU structural funds and the state budget. All the measures and activities of the Estonian Tourist Board are evaluated through measurable indicators which are also set in the National Plan.

While there are no specific tourism taxes, in spring 2016, the Government took a decision to increase the value added tax for accommodation providers from 9% to 14% from 2017. However, this decision was subsequently rescinded, due to the possible negative impact on both the export of tourism services and domestic tourism.

**Estonia: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economic Affairs and Communications, 2018.

## Tourism policies and programmes

The main goal of the Estonian National Tourism Development Plan 2014-2020 is to ensure competitive and sustainable development of Estonia's tourism sector. Current actions include:

- Promotional activities to enhance Estonia's position as a tourist destination,
- Developing internationally attractive family tourism attractions,
- Developing competitive (including regional) tourism products,
- Better management of tourism information,
- Monitoring tourism development,
- Fostering international events.

Tourism in Estonia is recognised as an engine for employment, and a significant contributor to Estonia's competitiveness, exports and economic growth. However, progress in tourism should be measured not only in increased number of visitors or overnight stays, but also through growth in overall tourism expenditure, increased quality of service and a greater diversity in the product offer. Recent investment in the tourism sector has been aimed at diversifying tourism attractions and motivating visitors to prolong their stay and increase return visits.

Awareness of Estonia as a travel destination remains low in Western and Southern European countries, pointing to an ongoing need to promote Estonia as an alternative to more traditional destinations. Promotional activities targeted toward long-haul markets such as China, Japan and USA are also carried out in co-operation with other Baltic countries and Nordic neighbours.

Growth in visitor numbers creates the preconditions for development of new international transportation routes, better connectivity and intermodal transport systems. An example is the Rail Baltic project, which is proposed as a modern and eco-friendly high-speed railway that will connect Estonia with its neighbours and with Central and Western Europe. Rail Baltic is one of the biggest investments in the coming years that will improve travel opportunities for Estonian people as well as developing business and trade, tourism and the exchange of goods. The railway route will ensure speeds of up to 240 km/h and provide the opportunity to travel comfortably and quickly to Latvia and Lithuania and onwards to Central Europe and beyond.

Implementation of the current National Tourism Development Plan 2014-2020 has largely been based on investment of EU structural funds. The underlying principle of the plan is to offer a high quality visitor experience that builds on welcoming and safe tourist routes accessible to people of all ages and abilities.

Some specific initiatives to date have included:

- Developing Estonia as an attractive conference destination and addressing seasonality by continuing to support international conferences and large scale events. As part of this initiative, the development of a major conference centre in Tallinn is planned and will be funded from the state budget,
- Infrastructure investment in new family tourism attractions to diversify the regional tourism offer,
- Further development of coastal and marine tourism, including support for development of the small harbour network,
- Organising *Baltic Connecting 2017*, an event focused on long-haul markets which aims to inform foreign travel trade professionals about tourism opportunities in Estonia, Latvia and Lithuania.

A review of the plan will be undertaken in 2018, together with planning and consultation for a new long-term National Tourism Strategy that will aim to further increase tourism income, investment to improve the quality of the tourism offer, and enhancement of unique local experiences. There is also a recognised need to develop Estonia as a sustainable tourism destination with the right balance between promoting tourism based on the country's natural assets and action to protect these assets in the long term.

It will also be necessary to plan for a shift from EU funding to national funding, take account of emerging trends in European and global tourism, and take a whole-of-government policy approach to long-term sustainable tourism development.

## Statistical profile

Table 1. **Estonia: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 966 | 1 041 | 1 104 | 1 183 | 1 268 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 1 721 | 1 825 | 1 890 | 2 012 | 2 214 |
| Hotels and similar establishments | 1 151 | 1 220 | 1 290 | 1 379 | 1 495 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 571 | 604 | 600 | 633 | 719 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 5 306 | 6 113 | 6 193 | 5 729 | 5 964 |
| Overnight visitors (tourists) | 2 744 | 2 873 | 2 918 | 2 989 | 3 147 |
| Same-day visitors (excursionists) | 2 562 | 3 240 | 3 276 | 2 740 | 2 817 |
| Top markets | | | | | |
| Finland | 829 | 895 | 916 | 1 234 \| | 1 280 |
| Russian Federation | 266 | 305 | 275 | 388 \| | 412 |
| Latvia | 101 | 105 | 113 | 246 \| | 265 |
| Germany | 111 | 102 | 113 | 211 \| | 221 |
| Sweden | 78 | 74 | 72 | 117 \| | 121 |
| Nights in all types of accommodation | 3 823 | 3 909 | 3 919 | 3 770 | 4 015 |
| Hotels and similar establishments | 3 499 | 3 537 | 3 516 | 3 368 | 3 559 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 324 | 372 | 404 | 402 | 455 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 3 846 | 3 706 | 3 841 | 3 596 | 3 564 |
| Overnight visitors (tourists) | 2 672 | 2 613 | 2 712 | 3 078 | 3 053 |
| Same-day visitors (excursionists) | 1 174 | 1 093 | 1 129 | 518 | 512 |
| Top destinations | | | | | |
| Finland | 647 | 578 | 576 | 566 | 574 |
| Latvia | 203 | 228 | 247 | 358 | 347 |
| Germany | 137 | 137 | 139 | 223 | 221 |
| Sweden | 167 | 155 | 164 | 217 | 237 |
| Russian Federation | 249 | 222 | 233 | 214 | 219 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 1 240 | 1 524 | 1 679 | 1 629 | 1 383 p |
| International travel receipts | 954 e | 1 226 | 1 366 | 1 287 | 1 383 p |
| International passenger transport receipts | 286 | 298 | 313 | 342 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 747 | 931 | 1 009 | 1 014 | 993 p |
| International travel expenditure | 620 e | 797 | 885 | 885 | 993 p |
| International passenger transport expenditure | 127 | 133 | 124 | 129 | .. |

.. Not available; | Break in series; e Estimated value; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639930

## Table 2. **Estonia: Enterprises and employment in tourism**

| | Number of establishments[2] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | .. | .. | .. | .. | .. |
| Accommodation services for visitors[1] | 1 417 | 5 900 | 6 100 | 6 500 | 6 900 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 1 957 | 14 200 | 14 700 | 16 100 | 17 000 | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 398 | 1 500 | 1 800 | 1 600 | 1 600 | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data for accommodation service for visitors refer to number of establishments.
2. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639949

## Table 3. **Estonia: Internal tourism consumption**

Million EUR

| | 2012 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **184** | **1 251** | **1 703** |
| **Consumption products** | **177** | **1 127** | **1 571** |
| Tourism characteristic products | 151 | 785 | 1 173 |
| Accommodation services for visitors | 25 | 199 | 323 |
| Food and beverage serving services | 31 | 230 | 261 |
| Passenger transport services | 48 | 256 | 401 |
| Air passenger transport services | 26 | 77 | 127 |
| Railways passenger transport services | 3 | 1 | 8 |
| Road passenger transport services | 8 | 24 | 47 |
| Water passenger transport services | 11 | 154 | 219 |
| Passenger transport supporting services | .. | 7 | 7 |
| Transport equipment rental services | 0 | 4 | 29 |
| Travel agencies and other reservation services industry | 41 | 32 | 83 |
| Cultural services | 3 | 41 | 44 |
| Sports and recreation services | 1 | 7 | 8 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 3 | 10 | 18 |
| Other consumption products | 26 | 342 | 398 |
| Tourism connected products | 13 | 35 | 64 |
| Non-tourism related consumption products | 13 | 307 | 333 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639968

# Finland

## Tourism in the economy

In recent years, tourism in Finland has grown more than other sectors and is recognised as an important contributor to growth in the economy and the creation of jobs. The number of international travellers has doubled since 2000, providing revenue of EUR 3.7 billion in 2015. In 2015, the value added generated by tourism amounted to EUR 4.5 billion, or 2.5% of Finland's GDP. Travel-related credits in 2016 accounted for EUR 2.5 billion, an increase of 6% on the previous year.

According to Finland's tourism accounts the sector employed about 137 800 people in 2015, equivalent to 5.5% of the active working population. It is estimated that tourism will employ 180 000 people by 2025.

In 2016, accommodation establishments in Finland recorded nearly 20.3 million overnight stays, of which domestic tourists accounted for nearly 72% (14.6 million) and foreign tourists for 28% (5.8 million). In 2016, the demand for accommodation services increased by 3.1%.

Despite a dramatic decrease in the number of overnights by Russian visitors in the past few years (down 11% in 2016), it is still the primary country of origin in terms of the number of registered overnight stays in Finland, accounting for 12% of the total. The number of arrivals from Russia started to increase towards the end of 2016 as the ruble strengthened against the EUR. Sweden, Germany and the UK were also significant source markets, accounting for more than half a million overnight stays. In terms of rate of growth, China was the top performer in 2016, with a 29% increase in overnight stays.

## Tourism governance and funding

The Ministry of Economic Affairs and Employment is responsible for tourism policy, legislation, tourism development, international tourism relationships and support measures. An inter-ministerial working group on tourism meets several times a year to exchange information on tourism issues and to prepare tourism-related matters for decision-makers. It is one of the bodies charged with monitoring and implementing Finland's tourism policy.

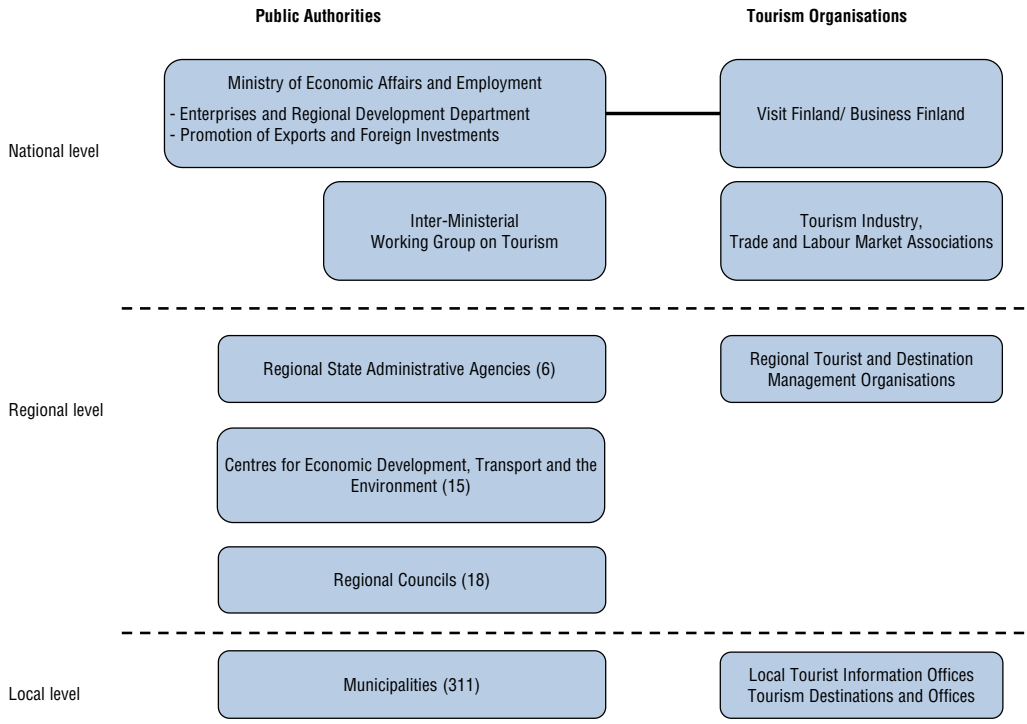
The Ministry of Economic Affairs and Employment established a Tourism Cooperation Group in 2016. This consists of 35 industry leaders from different branches of tourism. Its main purpose is to identify and prioritise, from an industry perspective, actions to promote the competitiveness of tourism for inclusion in the next Government Programme.

Visit Finland is an expert agency responsible for promoting Finland in international markets. Visit Finland and the tourism industry conduct joint product campaigns and arrange familiarisation trips for foreign tour operators and the media. It acquires market information for the industry and promotes product development.

Visit Finland is a unit of Finpro Ltd., a provider of internationalisation advisory services. In 2017 the Government decided that Finpro will merge with the Finnish Funding Agency for Innovation (Tekes) to form Business Finland. This combined body, which will begin operations in 2018, will gather under one roof all the services related to the promotion of innovation funding, exports, investments and tourism.

A key role in providing the physical environment for outdoor and nature based tourism is played by *Metsähallitus*, a state-owned enterprise administering more than 12 million hectares of state-owned land and water space, including national parks and hiking areas. Finland's 40th national park was created in 2017.

**Finland: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economic Affairs and Employment, 2018.

At a regional level, Regional Councils carry out all legislative implementation, steering and supervisory functions, while Centres for Economic Development, Transport and the Environment manage the regional implementation and development tasks of the state administration. The Centres offer financial, advisory, consulting and training services to tourism businesses. A sector manager acts as a national expert on tourism for all the regional Centres. The Centres and Regional Councils will be disbanded in 2020 as part of a process to reform public sector administration, and new autonomous regions will be founded.

There are also about 30 regional tourism organisations in Finland, and these have varied objectives, tasks and ownership structures. Locally, tourism issues are handled by municipalities and local tourist information offices.

There is no separate budget for tourism development in the Ministry of Economic Affairs and Employment. Visit Finland is funded from the state budget, receiving EUR 11.9 million in 2017. Support for tourism is also provided directly or indirectly through

the budgets and activities of other ministries, development agencies and the various regional bodies identified above.

The amount of funding provided by public sources varies from year to year. In 2016, tourism-related projects received about EUR 19 million from Finland's Structural Fund Programme 2014-2020 and about EUR 29 million from the Rural Development Programme for Mainland Finland 2014-2020.

The importance of tourism for the growth of Finland's economy is increasingly recognised by the Government. As a consequence, the Government decided in its mid-term review in 2017 to allocate additional funding for tourism development. This additional funding amounts to EUR 16 million for 2018-2019. It will be allocated to supporting marketing and the work of Visit Finland, enhancing digitalisation in tourism, tackling seasonality and finding new solutions to workforce supply and demand problems in the tourism sector. Furthermore, steps to reduce the regulatory burden will be important in enabling investment and development of tourism facilities.

## Tourism policies and programmes

One of the challenges faced by tourism in Finland over the years is its poor price competitiveness, with high taxes and labour costs among the main reasons for this. Other challenges include seasonality, difficulties in finding skilled workers during the high season, connectivity issues and relatively few functioning travel chains to support growth in tourism.

The current tourism strategy in Finland is the Roadmap for Growth and Renewal in Finnish Tourism for 2015-2025. The aim is to make Finland the number-one tourist destination in Northern Europe by 2025. The theme for the roadmap is "Achieving more together" and its strategic focus areas are:

- Strengthening the theme-based collaboration of tourism centres and networks of tourism related companies, as well as new openings in product development, sales, and marketing,
- Developing competitive and diverse offerings from the interfaces of tourism and other fields,
- Increasing the effectiveness of marketing activities and making travel services easier to buy,
- Providing a competitive operational environment for tourism that supports growth and renewal,
- Improving accessibility and functioning supply chains to support tourism growth.

The strategy was reviewed for the first time at the end of 2016, with all quantitative growth targets exceeded. In the next few years particular emphasis will be given to digitalisation, seasonality, supply chains, and better understanding emerging markets.

Specific tourism programmes and government initiatives in line with the roadmap include:

- Finland Air Transport strategy 2015-2030,
- Various cultural policies such as Arts and Cultural Festivals – a cultural resource growing in strength; Proposal for an action plan 2017-2025,
- The *Food 2030* report on food policy, including a specific objective to strengthen food tourism,

- Finland's Strategy for the Arctic Region and the related action plan (updated in 2017), which includes sustainable tourism as one of four priorities. The Arctic sustainable tourism destination programme will be carried out in 2018-2019,
- Finland's updated (2017) Baltic Sea Strategy draws attention to the importance of sustainable and inclusive tourism,
- Growth programmes and theme-based umbrella programmes to strengthen marketing, networking, product quality and development in different parts of Finland. Growth programmes for 2015-18 include FinRelax, Finnish Archipelago and StopOver Finland. National umbrella programmes cover summer activities, cultural tourism and food tourism.

## Statistical profile

Table 1. **Finland: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 30 915 \| | 30 479 | 28 850 | 29 160 | 29 790 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 81 742 \| | 82 779 | 78 838 | 78 890 | 80 730 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 7 636 | .. | .. | 7 529 | 7 705 |
| Overnight visitors (tourists) | 4 226 | .. | .. | 4 858 | 4 599 |
| Same-day visitors (excursionists) | 3 410 | .. | .. | 2 670 | 3 106 |
| Top markets | | | | | |
| Russian Federation | 3 578 | .. | .. | 1 023 | 761 |
| Sweden | 702 | .. | .. | 674 | 642 |
| Estonia | 758 | .. | .. | 654 | 506 |
| Germany | 342 | .. | .. | 312 | 348 |
| China | .. | .. | .. | 208 | 265 |
| Nights in all types of accommodation | 5 803 | 5 860 | 5 710 | 5 510 | 5 771 |
| Hotels and similar establishments | 4 878 | 4 838 | 4 733 | 4 603 | 4 918 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 925 | 1 022 | 977 | 907 | 853 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 9 980 \| | 9 530 | 9 780 | 10 020 | 10 280 |
| Overnight visitors (tourists) | 7 670 \| | 7 200 | 7 470 | 7 750 | 7 890 |
| Same-day visitors (excursionists) | 2 310 \| | 2 330 | 2 310 | 2 270 | 2 390 |
| Top destinations | | | | | |
| Estonia | 1 682 | 1 566 | 1 520 | 1 720 | 1 720 |
| Sweden | 1 060 | 930 | 1 070 | 860 | 1 050 |
| Spain | 670 | 700 | 790 | 700 | 830 |
| Germany | 490 | 480 | 420 | 540 | 470 |
| Russian Federation | 400 | 370 | 310 | 310 | 390 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | .. | 3 049 | 2 764 | 2 307 | 2 454 p |
| International travel receipts | .. | 3 049 | 2 764 | 2 307 | 2 454 p |
| International passenger transport receipts | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | .. | 3 985 | 3 979 | 4 305 | 4 672 p |
| International travel expenditure | .. | 3 985 | 3 979 | 4 305 | 4 672 p |
| International passenger transport expenditure | .. | .. | .. | .. | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933639987

## Table 2. **Finland: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **31 616 p** | **120 400** | **121 000** | **121 500** | **122 500 p** | .. |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 2 097 p | 12 900 | 12 900 | 12 700 | 12 200 p | .. |
| Food and beverage serving industry | 11 890 p | 57 100 | 57 000 | 59 400 | 60 500 p | .. |
| Passenger transport | 9 066 p | 33 600 | 34 200 | 32 000 | 31 900 p | .. |
| Air passenger transport | 81 p | 3 500 | 3 400 | 3 200 | 3 100 p | .. |
| Railways passenger transport | 76 p | 5 200 | 5 100 | 4 400 | 4 400 p | .. |
| Road passenger transport | 8 702 p | 22 300 | 23 000 | 21 500 | 21 600 p | .. |
| Water passenger transport | 207 p | 2 600 | 2 700 | 2 900 | 2 800 p | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 318 p | 1 100 | 1 200 | 1 300 | 1 300 p | .. |
| Travel agencies and other reservation services industry | 1 568 p | 1 800 | 1 700 | 1 700 | 1 600 p | .. |
| Cultural industry | 3 174 p | 5 400 | 5 400 | 5 200 | 5 200 p | .. |
| Sports and recreation industry | 3 503 p | 8 500 | 8 600 | 9 200 | 9 300 p | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933640006

## Table 3. **Finland: Internal tourism consumption**

Million EUR

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **7 691** | **4 035** | **14 165** |
| **Consumption products** | **7 425** | **3 960** | **13 824** |
| Tourism characteristic products | 4 292 | 2 714 | 9 114 |
| Accommodation services for visitors | 661 | 410 | 1 822 |
| Food and beverage serving services | 1 354 | 653 | 2 007 |
| Passenger transport services | 1 495 | .. | .. |
| Air passenger transport services | 573 | .. c | .. |
| Railways passenger transport services | 182 | 27 | 302 |
| Road passenger transport services | 531 | 210 | 962 |
| Water passenger transport services | 209 | .. c | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 65 | 20 | 91 |
| Travel agencies and other reservation services industry | 328 | 0 | 478 |
| Cultural services | 176 | 95 | 271 |
| Sports and recreation services | 211 | 188 | 399 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 3 133 | 1 246 | 4 710 |
| Tourism connected products | 1 365 | 118 | 1 814 |
| Non-tourism related consumption products | 1 768 | 1 128 | 2 896 |
| **Non-consumption products** | **266** | **75** | **341** |

.. Not available; c Confidential data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640025

# France

## Tourism in the economy

Tourism plays a major role in the French economy. The accommodation and food services sector, representing the largest part of the tourism sector, accounts for between 2.5% and 3% of GDP while the knock-on effects of tourism are also felt in other sectors, such as transport and leisure. Consequently, the total amount of internal tourism consumption, which combines tourism-related spending by both French residents and non-residents, represents around 7.5% of GDP (5% for residents, 2.5% for non-residents).

Direct and indirect employment related to tourism together account for over 2 million jobs. Tourism is one of the largest contributors to the balance of payments. However, between 2015 and 2016, the difference between spending by foreign tourists in France and spending by French tourists abroad fell from EUR 5 billion to EUR 1.8 billion. This unusual and disappointing result can be explained by the negative fallout from the terrorist incidents in 2015 and 2016.

Occupancy levels have also been temporarily affected by the terrorist attacks that took place both in France and in neighbouring countries. Occupancy rates of commercial group accommodation in mainland France fell by 1.3%. The decline was particularly marked among foreign visitors (down 5.1% in 2016), with the strongest negative impact on some Asian markets. This decline was partially offset by domestic travel: resident overnight stays rose by 0.5% between 2015 and 2016.

International arrivals to metropolitan France fell by 2.2% to 82.6 million in 2016, following several years of steady growth. However, in terms of tourist inflows, France remains the world's leading destination. Around 40% of international arrivals come from the United Kingdom, Germany and Belgium.

2017 is expected to be a year of solid recovery for the tourism industry in France. Occupancy statistics for the first three quarters of 2017 have been very positive.

## Tourism governance and funding

Since 2014, responsibility for the government's tourism strategy has been shared between the Ministry for Europe and Foreign Affairs, which promotes France abroad as a tourist destination, and the Ministry for the Economy and Finance, responsible for regulatory framework and access to holidays. The public administrations in charge are: the Directorate-General for Globalisation, Culture, Education and International Development, and the Directorate-General for Enterprise (DGE). Since July 2016, an Inter-ministerial Tourism Committee (CIT) has met regularly under the authority of the Prime Minister.

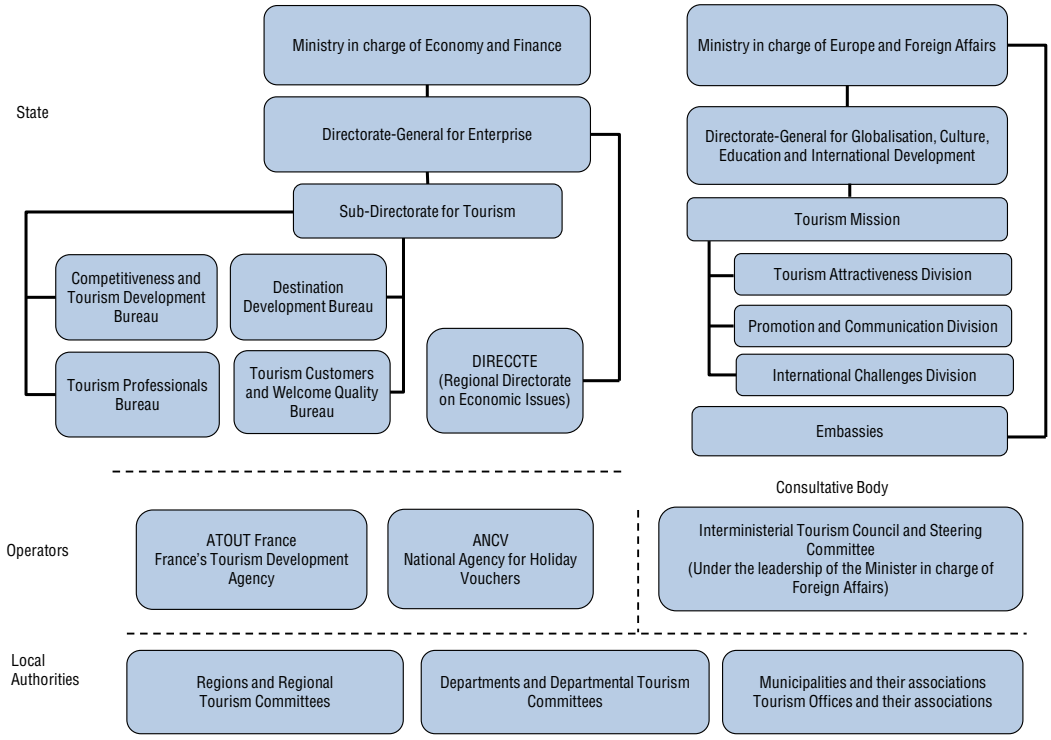
Policy implementation also involves two agencies under State control. *Atout France*, which is in charge of developing tourism sector and promoting France abroad, was set up

as an Economic Interest Group to give additional flexibility to its missions and sourcing of funds. Its budget is over EUR 70 million, around half of which consists of a State subsidy paid by the Ministry for Foreign Affairs since 2015. The National Agency for Holiday Vouchers (ANVC) is responsible for broadening access to holidays.

Several layers of regional and local government share the responsibility of boosting tourism. Each region draws up a regional scheme for the development of leisure and tourism (*Schéma Régional de Développement du Tourisme et des Loisirs* (SRDTL) hat sets medium-term objectives for regional tourism development and determines the terms and conditions governing policy implementation (Box 1.2).

Tourism benefits indirectly from State spending in other policy areas, including culture and heritage (museums, renovation of historic monuments, etc.), transport infrastructure, and the environment. The total financial resources committed to tourism-related policies amounts to around EUR 2 billion (estimated and presented in a cross-cutting tourism policy document, appended to the annual draft budget bill).

**France: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Directorate-General for Enterprise, 2018.

## Tourism policies and programmes

France, despite its natural and cultural resources and reputation for vibrant, artistic creativity, is subject to increasing competition from other destinations. A high proportion of international tourists travel to only three French regions which enjoy particularly high visibility abroad: the greater Paris area, the French Riviera, and the ski resorts of the Rhone-Alps region. There is a need to shape the French tourist offer and to promote its diversity. At the CIT meeting in July 2017, the government stated its intention to focus action on six key areas:

- Service quality and site security to ensure tourist satisfaction and destination loyalty. Key elements will include speedier visa delivery and modernising and promoting the government's *Qualité Tourisme*™ label.
- Coordinating the tourist offer in order to attract a greater number of tourists across France, including its overseas territories. Key elements will include restructuring segments and niches, such as waterways tourism, and continuing the "destination contracts" policy which brings together all parties involved in delivering a local unique offer.
- State support through investment in order to improve quality of offer, and encourage better connectivity. This will require better deployment of the "*France développement tourisme*" fund.
- Training and employment, crucial to the quality of the service offer and a major factor in combating unemployment.
- Supporting digitalisation and information sharing to increase the global competitiveness of the tourism industry. Key elements include development of the *DATAtourisme* project for open data, support for the France *Tourisme Lab* incubator network and modernisation of the economic intelligence observatory, *Veille Info Tourisme*.
- Promoting access to holidays, especially for families, seniors and those people living with a disability, represents both a social objective and a factor in enhancing the competitiveness of destinations. Increasing accessibility will require modernisation and revamping of the brands *Tourisme et Handicap* and *Destination pour tous* (Box 1.17).

Several priority projects were launched at this meeting, including the aim to deliver visas within 48 hours for ten new countries by June 2018; cutting clearance times for airport border control to 30 minutes for EU nationals and 45 minutes for all other arrivals as of 1 January 2018; and establishing a maintenance programme for motorways between airports in the greater Paris area and the capital.

CIT also agreed on a new form of governance, setting out a method for inter-ministerial coordination. Regular meetings are to be scheduled over several years, with pre-defined agenda items, such as the rehabilitation of leisure properties and financing of promotion activities. These high-level discussions will allow in-depth preparatory work to be carried out by the administrations concerned, leading to implementation of concrete measures.

Three different steps taken by government illustrate the priority given to tourism.

- Following the recent terrorist attacks the Minister for Foreign Affairs called two emergency meetings for tourism (July and September 2016), which allowed industry professionals to present their concerns and voice their expectations. After the second meeting, the government unlocked EUR 10 million of special funding to step up the promotional activities of *Atout France* – who were asked to match approximately the same amount through other sources. This emergency plan was established by the end of 2016 and implemented during 2017, and these efforts partly explain the recovery experienced in 2017.
- An innovative form of State intervention, in the form of "destination contracts", which are designed to rally public and private stakeholders in a given territory around inspiring themes, with the aim of creating and promoting an attractive, intelligible offer for national and international audiences. Each destination contract sets out the commitment of public authorities, institutional and private tourism stakeholders to a shared tourism strategy, by means of actions which focus on the attractiveness of the offer, service quality and

promotion to target international markets. The destination contract brings together local and national tourism strategies. The investment of State money is modest, but has a positive ripple effect on other actors' contributions, creating therefore a considerable leverage. Twenty-two destination contracts were selected following calls for projects in October 2014 and June 2015.

- Developing appropriate regulatory responses to the increased use of digital platforms, and in particular those affecting tourist accommodation. Accommodation in private homes has become a major share of the national offer, especially in cities. In an effort to avoid obstructing the development of a dynamic new economy in furnished tourist rentals, whilst protecting fair competition with the hotel sector, and increasing the accountability of digital platforms, France has opted to take a regulatory approach. Two measures, Article 51 of the Law of 7 October 2016 for a Digital Republic, and the decree of 28 April 2017 on the registration of certain furnished rentals in areas where housing is scarce, aim to strike a balance between the various interests at play and clarify the tax and social obligations of players in the sharing economy for furnished rentals.

**Diversifying the tourism offer in France with a focus on niche markets**

The state, by activating niche networks, and with limited financial investment, can help structure and diversify the tourism offer. For instance, the expansion of bicycle tourism was supported by the development of the national website *www.francevelotourisme.com*, and the *Accueil Vélo* brand, awarded to accommodation providers, tourist offices, bicycle rental companies and visitor sites that cater to cyclists and meet precise criteria. Wine tourism is also recognised as having the potential to make a significant contribution to the development of rural tourism in France. Tourist activities around the wine routes are diversifying. The *Vignobles & Découvertes* brand, initiated by the ministers in charge of tourism and agriculture, labels territories structured around the discovery of a remarkable vineyards, with the aim of bringing more accessibility to customers and more visibility to the destination. To date, 67 destinations have received the label. Atout France has created an information website dedicated to wine tourism (*www.visitfrenchwine.com*).

## Statistical profile

Table 1. **France: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 268 673 | 265 182 | 263 859 | 260 038 | 255 498 |
| Overnight visitors (tourists) | 198 466 | 197 242 | 196 232 | 191 644 | 187 942 |
| Same-day visitors (excursionists) | 70 207 | 67 940 | 67 627 | 68 394 | 67 555 |
| Nights in all types of accommodation | 997 476 | 997 984 | 989 828 | 961 651 | 938 608 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 197 522 | 204 410 | 206 599 | 203 302 | 202 930 |
| Overnight visitors (tourists) | 81 980 | 83 634 | 83 701 | 84 452 | 82 570 |
| Same-day visitors (excursionists) | 115 543 | 120 776 | 122 898 | 118 851 | 120 360 |
| Top markets | | | | | |
| United Kingdom | 12 134 | 12 549 | 11 751 | 12 236 | 11 938 |
| Germany | 12 564 | 13 393 | 12 909 | 11 478 | 11 389 |
| Belgium | 10 365 | 9 320 | 9 257 | 9 614 | 9 487 |
| Italy | 7 388 | 7 171 | 7 358 | 7 594 | 6 731 |
| Switzerland | 6 092 | 6 499 | 6 480 | 6 010 | 6 035 |
| Nights in all types of accommodation | 560 817 | 586 682 | 571 651 | 577 211 | 561 886 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 29 642 | 30 457 | 31 942 | 30 608 | 29 636 |
| Overnight visitors (tourists) | 25 317 | 26 062 | 27 919 | 26 648 | 26 483 |
| Same-day visitors (excursionists) | 4 325 | 4 395 | 4 023 | 3 960 | 3 153 |
| Top destinations[1] | | | | | |
| Spain | 3 796 | 3 776 | 4 182 | 4 430 | 4 206 |
| Italy | 2 505 | 2 693 | 2 948 | 3 175 | 3 027 |
| Belgium | 1 410 | 1 589 | 1 824 | 1 822 | 1 613 |
| Great Britain | 1 595 | 1 678 | 1 965 | 1 668 | 1 813 |
| Portugal | .. | .. | 1 140 | 1 243 | 1 397 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | .. | 49 822 | 50 522 | 48 706 | 38 301 p |
| International travel receipts | .. | 42 591 | 43 769 | 41 387 | 38 301 p |
| International passenger transport receipts | .. | 7 231 | 6 753 | 7 319 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | .. | 39 517 | 43 957 | 42 229 | 36 464 p |
| International travel expenditure | .. | 31 788 | 36 677 | 34 628 | 36 464 p |
| International passenger transport expenditure | .. | 7 729 | 7 280 | 7 601 | .. |

.. Not available; p Provisional data

1. Belgium, including Luxembourg. United Kingdom, including Ireland.

*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640044

## Table 2. **France: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed[2] | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **..** | **1 251 620** | **1 246 515** | **1 254 401** | **1 270 100** | **1 301 399** |
| **Tourism industries** | **276 280** | **1 242 016** | **1 236 710** | **1 244 527** | **1 260 515** | **1 292 274** |
| Accommodation services for visitors | 51 319 | 213 906 | 211 040 | 212 172 | 212 246 | 213 200 |
| Hotels and similar establishments | 23 823 | 172 982 | 170 231 | 171 813 | 171 774 | 172 274 |
| Food and beverage serving industry | 179 642 | 602 692 | 603 085 | 610 663 | 627 177 | 656 105 |
| Passenger transport | 5 158 | 276 760 | 274 680 | 273 557 | 271 703 | 270 578 |
| Air passenger transport | 543 | 67 922 | 65 298 | 63 691 | 61 376 | 60 695 |
| Railways passenger transport | 21 | 168 187 | 167 082 | 166 149 | 165 017 | 163 384 |
| Road passenger transport | 3 746 | 31 022 | 32 466 | 33 695 | 35 286 | 36 529 |
| Water passenger transport | 848 | 9 629 | 9 834 | 10 022 | 10 024 | 9 970 |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 5 709 | 13 503 | 13 250 | 13 135 | 13 347 | 13 422 |
| Travel agencies and other reservation services industry | 7 791 | 47 247 | 46 635 | 45 749 | 45 471 | 44 903 |
| Cultural industry | 781 | 12 366 | 12 575 | 12 615 | 12 834 | 12 879 |
| Sports and recreation industry | 25 880 | 75 542 | 75 445 | 76 636 | 77 737 | 81 187 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **..** | **9 604** | **9 805** | **9 874** | **9 585** | **9 125** |

.. Not available
1. Data refer to number of enterprises.
2. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640063

## Table 3. **France: Internal tourism consumption**

Million EUR

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **89 973 p** | **49 725 p** | **158 606 p** |
| **Consumption products** | **84 238 p** | **48 519 p** | **151 665 p** |
| Tourism characteristic products | 59 566 p | 33 638 p | 112 112 p |
| Accommodation services for visitors | 14 236 p | 10 093 p | 43 237 p |
| Food and beverage serving services | 13 586 p | 6 892 p | 20 478 p |
| Passenger transport services | 17 896 p | 10 494 p | 28 391 p |
| Air passenger transport services | 9 688 p | 7 544 p | 17 232 p |
| Railways passenger transport services | 6 438 p | 1 484 p | 7 922 p |
| Road passenger transport services | 1 364 p | 1 367 p | 2 732 p |
| Water passenger transport services | 406 p | 99 p | 505 p |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 1 356 p | 758 p | 2 113 p |
| Travel agencies and other reservation services industry | 6 524 p | 1 044 p | 7 568 p |
| Cultural services | 1 149 p | 1 242 p | 2 391 p |
| Sports and recreation services | 4 820 p | 3 116 p | 7 936 p |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 24 672 p | 14 881 p | 39 553 p |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | **5 735 p** | **1 206 p** | **6 941 p** |

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

StatLink http://dx.doi.org/10.1787/888933640082

# Germany

## Tourism in the economy

The growing tourism sector in Germany generates over EUR 105 billion in gross value added, equivalent to 3.9% of total GVA. Indirect effects are estimated to account for an additional EUR 76.1 billion. Over 2.9 million workers are directly employed in the tourism industry, equivalent to 6.8% of total employment.

International tourism receipts accounted for 3% of total exports in 2015. 80.8 million international visitors stayed overnight in Germany in 2016, an increase of 1.4% on 2015. The three main source markets are the Netherlands, Switzerland and the United States.

In 2016, there were 447.2 million overnight stays in accommodation facilities with ten beds or more (including camping), up 2.5% on the previous year. Domestic tourism accounts for 82% of these stays. Visitor spending exceeded EUR 287 billion in 2015, with EUR 224.6 billion (78%) of tourism revenue arising from domestic tourism, whereas visitors from abroad spent EUR 39.6 billion (14%).

## Tourism governance and funding

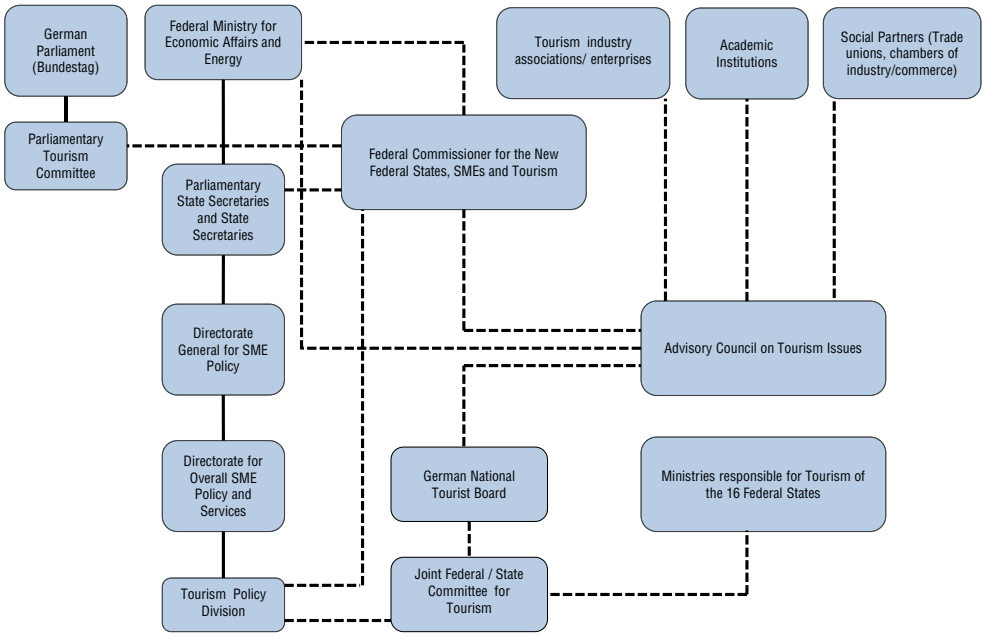
The Federal Government is primarily responsible for establishing an appropriate policy environment for tourism, with the 16 Federal States (*Länder*) developing, shaping and promoting tourism policy. The Federal *Länder*-Committee on Tourism meets twice a year, fostering the exchange of information and coordination of measures involving two or more of the *Länder*.

The Federal Minister for Economic Affairs and Energy (BMWi) has lead responsibility for tourism policy. The Federal Government's Commissioner for the New Federal States (*Länder*), SMEs and Tourism serves as the government's central point of contact within the Federal Government and with the German Parliament (Bundestag), especially with the Parliamentary Tourism Committee. The Federal Minister for Economic Affairs and Energy is supported by the Advisory Council on Tourism Issues, which brings together the interests of government, commerce, academia, trade unions and others.

The *Länder* ministries responsible for tourism devise, implement and fund policies to promote tourism development. Local tourism offices coordinate the work of small, local enterprises, promote product design and undertake relevant marketing activities. Each of the *Länder* has a tourism association representing the interests of regional and local/municipal organisations and/or a destination marketing organisation.

The German National Tourist Board (GNTB) is responsible for the marketing of Germany overseas. GNTB works closely with the tourism marketing organisations of the *Länder* and co-operates across the world with the German Chambers of Commerce Abroad, the German foreign missions, Germany Trade & Invest (Federal economic development agency), as well as the Federal cultural institutes (*Goethe Institut*).

**Germany: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Federal Ministry for Economic Affairs and Energy, 2018.

Budgetary funds available to BMWi for tourism are concentrated in two main areas:

- Institutional support for the GNTB. Since 2015, this has increased by EUR 1.6 million to around EUR 30.6 million a year, with the additional funds channelled *inter alia* into strengthening activities to target emerging source markets in Asia, particularly China, India and Arab Gulf States, as well as establishing new DZT agencies in locations well placed for additional source markets.
- Promotion of projects to enhance the performance of tourism, amounting to EUR 1.6 million in 2017.

The Joint Federal Government-*Länder* Scheme for Improving Regional Economic Structure (GRW) is the central instrument of the Federal Government's regional policy. The GRW project funding is provided through investments in trade and industry, including the tourism economy, and municipal investments in economic infrastructure, including basic infrastructure for tourism. The average portion of the GRW budget set aside for investment in the tourism industry and tourism infrastructure has been 14% over the past five years, an annual average of EUR 167 million (divided evenly between federal and *Länder* contributions). Other federal ministries fund measures and projects in their respective policy fields which benefit tourism in Germany.

Finance for tourism at municipal, regional, and *Länder* level derives from a range of different sources. In addition to public funds, revenue is generated from spa and tourism taxes, as well as from bed taxes.

## Tourism policies and programmes

The focus is on supporting small and medium-sized enterprises (SMEs) in the tourism industry so that they can develop their competitive position and realise their potential for growth and employment.

Competition for skilled professionals has intensified across the entire economy and is impacting the continued development of tourism. The tourism industry reports declining numbers of trainees, comparatively high drop-out rates, and high staff turnover levels. It is a challenge to make the industry attractive to the next generation.

The German government's tourism policy focuses not only on economic goals, but also on social and structural aspects. One of the biggest challenges is to enable the rural regions, especially economically weak regions, to reap greater benefits from tourism and to provide opportunities for rural enterprises to benefit from the growing tourism sector. Through strengthening local retail demand and using public facilities, tourists help to maintain local infrastructure and income in rural areas, and contribute to the development of entire regions.

Cultural tourism is a hallmark of tourism in Germany and many cultural destinations, mainly cities, attract tourists based on their museums, theatres, castles and palaces. Yet there is untapped potential in more remote regions, where traditions and customs provide variety in travel experiences.

BMWi is taking a fresh approach with its project *The Destination as a Stage: How can Cultural Tourism Make Rural Areas Successful?*. Five rural regions, each with a different level of tourism sophistication, are being coached to function as role models for other regions by demonstrating the benefits of the connection between culture and tourism, inspiring other destinations to develop their own initiatives. This work will continue into 2018.

Accessibility for all remains a tourism policy priority in Germany, including the provision of comprehensive and reliable information concerning barrier-free offers along the tourism service chain for people with disabilities. The "Tourism for All" project is funded by BMWi to support the creation of a nation-wide labelling and certification system (Box 1.17).

Digitisation is an increasingly important issue and smaller businesses especially are struggling to keep up. BMWi is conducting a study on the role of the sharing economy, analysing the market for sharing business models and their macroeconomic effects. The study will consider the need for regulatory action for private accommodation booking platform, with final results available in the first half of 2018.

In addition to a broad approach to sustainability, measures are in place with a strong focus on environmental sustainability. As part of a project on energy-efficient buildings conducted by BMWi in co-operation with the German Energy Agency (dena), the Check-in Energy Efficiency pilot project was initiated in 2015 to demonstrate an economic, ecological and socially acceptable strategy for hotels and hostels of the future. 30 participating hotels and hostels have been given expert energy-efficiency advice.

**Sustainable Destinations**

A German Tourist Association research project has produced guidelines for tourism destinations wishing to become increasingly sustainable. Sustainable tourism concepts protect the environment and nature while at the same time securing an economic future in their regions, ensuring quality of life and establishing identity. In order to attract more attention to sustainability in the tourism sector, a national competition was launched for the most sustainable tourism destination in Germany, based on 40 ecological, economic, social and management-related criteria. The Swabian Alb Biosphere Reserve was declared the winner in 2017, with further awards in specific categories. Finalists were rewarded through their inclusion in a national advertising campaign at train stations.

## Statistical profile

Table 1. **Germany: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 122 328 \| | 123 646 | 127 791 | 131 817 | 136 009 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 338 432 \| | 339 860 | 348 484 | 356 560 | 366 390 |
| Hotels and similar establishments | 194 562 \| | 196 499 | 201 846 | 207 127 | 213 736 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 30 410 \| | 31 545 | 32 999 | 34 970 | 35 555 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Netherlands | 4 200 \| | 4 124 | 4 238 | 4 326 | 4 477 |
| Switzerland | 2 500 \| | 2 594 | 2 778 | 3 027 | 3 115 |
| United States | 2 300 \| | 2 310 | 2 371 | 2 534 | 2 558 |
| United Kingdom | 2 200 \| | 2 294 | 2 415 | 2 560 | 2 551 |
| Italy | 1 600 \| | 1 581 | 1 642 | 1 715 | 1 652 |
| Nights in all types of accommodation | 68 828 \| | 71 919 | 75 577 | 79 672 | 80 788 |
| Hotels and similar establishments | 55 529 \| | 58 323 | 61 312 | 64 890 | 65 861 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 82 729 | 87 459 | 83 008 | 83 737 | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 40 259 | 41 657 | 42 140 | 42 736 | 33 818 p |
| International travel receipts | 29 683 | 31 081 | 32 609 | 33 229 | 33 818 p |
| International passenger transport receipts | 10 576 | 10 576 | 9 531 | 9 507 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 75 222 | 79 474 | 80 358 | 81 194 | 73 284 p |
| International travel expenditure | 65 105 | 68 794 | 70 261 | 69 861 | 73 284 p |
| International passenger transport expenditure | 10 117 | 10 680 | 10 097 | 11 333 | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640101

## Table 2. **Germany: Enterprises and employment in tourism**

| | Number of establishments[2] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **206 595** | **1 539 614** | **1 510 843** | **1 651 162** | **1 728 462** | .. |
| Accommodation services for visitors | .. | 1 495 | 1 416 | 1 560 | 1 621 | .. |
| Hotels and similar establishments[1] | 33 645 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 131 845 | 1 020 163 | 968 109 | 1 079 064 | 1 136 031 | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | 552 | 55 662 | 51 805 | 57 381 | 58 382 | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | 28 002 | 366 138 | 385 296 | 411 706 | 423 307 | .. |
| Water passenger transport | 580 | 6 433 | 6 606 | 8 373 | 8 867 | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 11 971 | 89 723 | 97 611 | 93 078 | 100 254 | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data for hotels and similar establishments refer to number of establishments.
2. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640120

## Table 3. **Germany: Internal tourism consumption**

Million EUR

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **224 649** | **39 555** | **287 207** |
| Tourism characteristic products | .. | .. | .. |
| Accommodation services for visitors | 26 820 | 9 003 | 39 457 |
| Food and beverage serving services | 43 819 | 7 422 | 51 241 |
| Passenger transport services | 31 182 | 10 393 | 41 575 |
| Air passenger transport services | 13 168 | 8 702 | 21 870 |
| Railways passenger transport services | 4 081 | 348 | 4 429 |
| Road passenger transport services | 12 802 | 928 | 13 730 |
| Water passenger transport services | 1 131 | 415 | 1 546 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 1 494 | 153 | 1 647 |
| Travel agencies and other reservation services industry | 12 408 | .. | 12 408 |
| Cultural services | .. | .. | .. |
| Sports and recreation services | 17 470 | 2 889 | 31 115 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 91 455 | 9 697 | 109 764 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640139

# Greece

## Tourism in the economy

Tourism is a central pillar of the Greek economy. In 2016, direct tourism GVA was estimated to be EUR 9.6 billion, which represented 6.4% of national GVA. In the same year, tourism directly supported nearly 366 000 jobs, accounting for approximately one in ten jobs in Greece.

In 2016, Greece received a record number of international tourist arrivals for the fourth consecutive year, totalling 28 million visitors, an increase of 7.5% on 2015. Overnight stays in Greece totalled 193.4 million, up by 2.9% from 188 million in 2015. Visits from EU countries accounted for 61.3% of all arrivals and saw an overall growth of 15% in 2016. In the same year, as far as the cruise sector is concerned, 4 093 cruise ship arrivals (4 375 in 2015) were recorded, while the number of cruise passenger visits was stable at 5.1 million.

Domestic tourism in Greece was estimated to account for 5.8 million trips and 57 million overnight stays in 2015 (down 10.2% from 2014). The vast majority of these trips (over 90%) were for leisure purposes, however, nearly two-thirds (64%) of total trips and over three-quarters (78.4%) of total nights were spent in non-commercial accommodation.

## Tourism governance and funding

Acknowledging the importance of tourism as a crucial factor in the Greek economy, a separate Ministry of Tourism was established in November 2016. The Ministry formulates the country's tourism policy, introduces legislative reforms, undertakes tourism planning and coordinates activities with other ministries in order to boost investment and improve the quality and competitiveness of Greek tourism. A number of directorates are responsible for the various functions of the Ministry. Within this structure, the National Strategic Reference Framework Executive (NSRF) reports directly to the Secretary General for Tourism Policy and Development, and contributes to the formulation of proposals which lead to specific tourism projects.

The Greek National Tourism Organisation (GNTO) is a public entity under the supervision of the Ministry. Its mission is to organise, develop and promote Greek tourism, within the country and worldwide, utilising its 16 overseas offices.

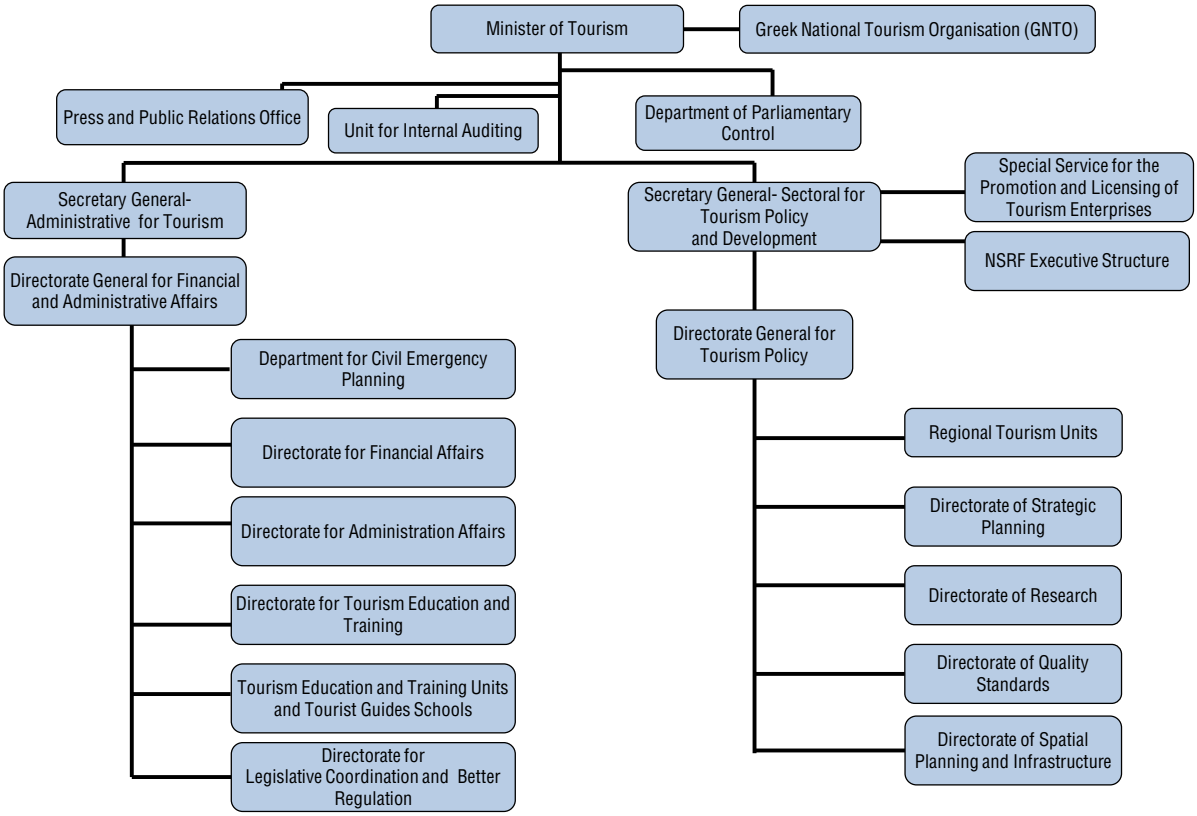
The Hellenic Chamber of Hotels is the state's institutional consultant and the competent authority responsible for the official classification of hotels, rooms and apartments for rent.

The Ministry of Tourism has 14 Regional Tourism Offices, located in each region, which have responsibility for licensing and inspecting tourism businesses, conducting quality control, monitoring official classification and imposing administrative sanctions on tourism businesses.

At the local level, Regions and Municipalities design and implement programmes and activities for tourism development and promotion. These activities are not financed by the central government; local authorities make use of their own resources or European programme funds. Regarding tourism promotion activities in particular, it is mandatory for all public (national or local) authorities to obtain prior approval from the GNTO, with a view to harmonising tourism promotion campaigns with the overall tourism promotion strategy of the country.

In 2016 the budget of the Ministry of Tourism was EUR 49 million. Of this, EUR 26 million comes from the regular budget, with a further public investment budget made up of approximately EUR 10 million from national sources (used for promotional activities by GNTO), and EUR 13 million from EU co-financing (used for innovation, infrastructure, projects, skills and SME support).

**Greece: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

Since 2015 the Ministry of Tourism has been implementing a New Tourism Policy to promote Greece as a globally attractive destination offering unique and authentic travel experiences, 365 days a year. All initiatives are geared towards increasing international travel share, further enriching the tourism offer, and enhancing competitiveness. The strategic pillars are:

- Extending the tourism season by innovative product development in close co-operation with all 13 Regions.

- Promoting new thematic tourism products and special interest tourism with an emphasis on cultural tourism, pilgrimage tourism, cruises, yachting, diving parks, wellness and spas, medical tourism, MICE, luxury tourism, city-breaks, and Greek gastronomy.
- Targeting new dynamic source-markets (Middle East, China, South Korea, and as of 2017 India) while enhancing Greece's presence in traditional markets in Europe, Russia and the United States.
- Increasing air connectivity/direct flights from central and regional foreign airports to existing and new destinations in Greece.
- Attracting investments of high quality and added value to upgrade the overall tourism product and accommodate the expected increase in demand in the coming years.
- Creating and promoting synergies with other economic sectors (e.g. agri-food, manufacturing).

In response to this strategy, a number of specific actions have been implemented to increase tourism flows and lengthen the season. For example, the Minister of Tourism supported the introduction of a direct year-round Athens-New York service by Emirates, which is expected to generate consistently high demand and enhance business, culture and leisure connections on both sides of the Atlantic.

In the field of tourism education and training, the core priorities are to provide:

- Tourism enterprises with qualified personnel in order to increasingly improve the quality of the services provide.
- Unqualified employees with opportunities to acquire the necessary skills in order to be more productive and competitive in the labour market.
- Incentives to tourism enterprises to hire qualified personnel.
- Quality education to tourist guides.

Tourism product innovation and upgrade involve:

- Pursuing the proper utilisation of funding instruments available within the framework of the NSRF.
- Regulating the licensing and general functioning of different types of tourism businesses (including lodgings, ski centres, mountain shelters, thermal establishments, travel and tourism agencies, and chauffeuring services), through a set of Joint Ministerial Decisions.
- Streamlining the legal and regulatory framework concerning domestic and foreign investment. To this end, a comprehensive "Codification of Tourism Legislation" was completed and implemented, with the purpose of reducing administrative-regulatory barriers, improving the business environment, and thereby promoting transparency and increased investment in the tourism sector (Box 1.18).

## Statistical profile

Table 1. **Greece: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 6 257 | 4 615 | 5 340 | 4 842 | 4 590 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 45 246 | 47 955 | 53 212 | 48 660 | 46 438 |
| Hotels and similar establishments | 4 596 | 4 491 | 5 487 | 5 275 | 4 405 |
| Specialised establishments | 956 | 537 | 609 | 481 | 528 |
| Other collective establishments | 571 | 356 | 833 | 402 | 367 |
| Private accommodation | 39 123 | 42 571 | 46 282 | 42 503 | 41 139 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 16 947 \| | 20 111 | 24 272 | 26 114 | 28 071 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | 2 109 \| | 2 268 | 2 459 | 2 810 | 3 139 |
| United Kingdom | 1 921 \| | 1 846 | 2 090 | 2 397 | 2 895 |
| Bulgaria | 599 \| | 692 | 1 535 | 1 901 | 2 523 |
| Former Yugoslav Republic of Macedonia | 1 300 \| | 1 692 | 2 347 | 3 023 | 1 721 |
| Italy | 848 \| | 964 | 1 118 | 1 355 | 1 387 |
| Nights in all types of accommodation | 142 417 \| | 162 918 | 186 927 | 188 012 | 193 419 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 4 681 | 4 594 | 5 802 | 6 291 | 7 235 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| Former Yugoslav Republic of Macedonia | 1 185 | 1 393 | 1 800 | 1 979 | 1 923 |
| Bulgaria | 509 | 536 | 751 | 1 109 | 1 557 |
| Turkey | 533 | 524 | 716 | 652 | 803 |
| Germany | 417 | 357 | 469 | 400 | 444 |
| Italy | 286 | 310 | 292 | 297 | 364 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 11 293 | 13 168 | 14 652 | 15 569 | 13 207 p |
| International travel receipts | 10 443 e | 12 152 | 13 393 | 14 126 | 13 207 p |
| International passenger transport receipts | 850 | 1 016 | 1 259 | 1 443 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 2 232 | 2 837 | 3 014 | 3 191 | 2 006 p |
| International travel expenditure | 1 844 e | 1 835 | 2 076 | 2 037 | 2 006 p |
| International passenger transport expenditure | 388 | 1 002 | 937 | 1 154 | .. |

.. Not available; | Break in series; e Estimated value; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640158

## Table 2. **Greece: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **60 595** | **286 392** | **274 131** | **320 003** | **347 756** | **365 892** |
| Accommodation services for visitors | 48 864 | 66 741 | 60 639 | 75 931 | 75 068 | 79 615 |
| Hotels and similar establishments | 48 864 | 59 281 | 54 333 | 69 617 | 67 851 | 72 238 |
| Food and beverage serving industry | .. | 205 235 | 198 122 | 220 539 | 249 681 | 261 484 |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | 6 521 | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | 2 496 | 2 083 | 2 205 | 4 002 | 3 921 |
| Travel agencies and other reservation services industry | 5 170 | 11 920 | 13 287 | 21 328 | 19 005 | 20 872 |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | 40 | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640177

# Hungary

## Tourism in the economy

According to the latest Tourism Satellite Account (2013), the direct contribution of tourism to the country's GDP is EUR 5.0 billion (6.1% of total) and the industry employs 346 000 people (9.1% of the workforce). If indirect contributions are included, tourism accounts for 9.8% of GDP (up from 9% in 2009) and provides 12% of total employment.

2016 was an exceptional year for the tourism sector. In total, Hungary welcomed 11.1 million guests in commercial accommodation, spending 27.6 million guest nights in 2016. This reflects an increase of 6.9% and 6.7% respectively compared to the previous year. The gross revenue of commercial accommodation establishments (including all services) grew by 9.4%.

International and domestic tourism both performed well, with 5.8 million domestic (up 6.2% on 2015) and 5.3 million international arrivals (up 7.6%) in commercial accommodation, with each group spending almost 14 million nights, an increase of 7% and 5.5% respectively on 2015.

Hungary's top three inbound markets by guest nights in 2016 were Germany, United Kingdom and Austria. While there was a slight decrease in guest nights from Germany (down 2.2%), those attributable to neighbouring countries such as the Slovak Republic (up 19.8%), the Czech Republic (up 17.8%) and Romania (up 16.4%) increased significantly from 2015.

## Tourism governance and funding

In 2016-2017, there have been significant structural changes in the Hungarian tourism administration. Government responsibility for tourism was transferred from the Ministry for National Economy to the Ministry of National Development in April 2016. The national tourism administration and the traditional promotional tasks of the former Hungarian Tourism Ltd. were integrated into the newly established Hungarian Tourism Agency (HTA), operating under the supervision of the Ministry of National Development.

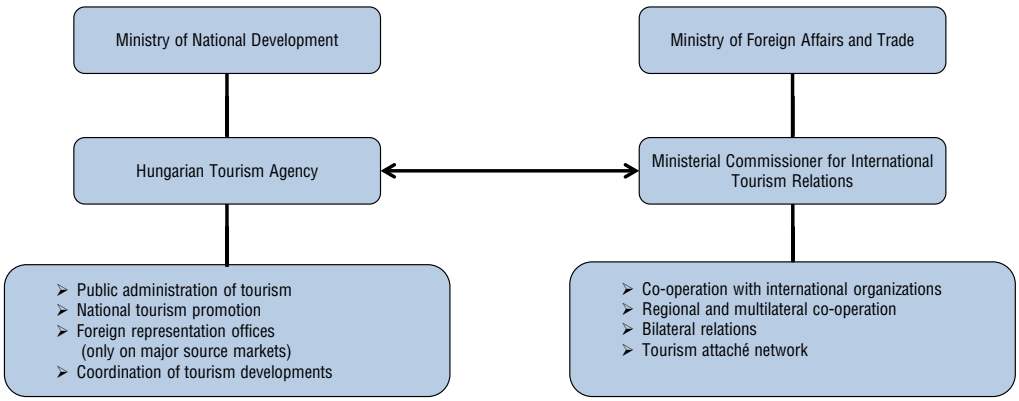
The main tasks of the HTA include: i) tourism policy making, ii) development and implementation of long-term tourism development strategies, iii) coordination of tourism developments in the designated tourism regions, iv) management of tourism related EU funding, and v) promotion of Hungary to international and domestic markets. Other tasks include:

- Monitoring: researching and analysing trends in the tourism sector on both the national and international level and their impact on Hungary,
- Communication: informing stakeholders about the performance of the sector, development opportunities, research findings and other information,

- Quality Assurance: introducing, developing and operating quality systems in the sector (trademarks, awards, etc.),
- Implementation: making priority tourism investments,
- Innovation: supporting the establishment of new products, business models and services,
- Incentives: planning and ensuring the effective use of grants and other financial resources for tourism projects and for the development of innovative grant schemes,
- Education: suggesting necessary developments in the higher education sector concerning tourism.

Since July 2017, international tourism relations have been managed by the Ministry of Foreign Affairs and Trade, under the supervision of the Ministerial Commissioner for International Tourism Relations. This includes bilateral arrangements (e.g. tourism working groups, joint economic commissions), representing Hungary in regional groupings (e.g. Visegrád Group, China-CEEC tourism co-operation), and co-operation with international organisations (e.g. OECD, UNWTO).

**Hungary: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of National Development and Ministry of Foreign Affairs and Trade, 2018.

Tourism is considered a strategic priority for the Hungarian Government. This has been underlined by the quadrupling of the budget allocation for tourism from 2016 to 2017, to almost EUR 70 million. Of this, EUR 36.7 million is dedicated to the operation and promotional activities of the HTA and EUR 33 million to quality developments in tourism.

As a further sign of support for the industry, VAT in the catering sector is being reduced in two stages. Since January 2017, the VAT was reduced from 27% to 18%. In 2018, the VAT on catering will reduce further to 5%, but relevant companies will be obliged to pay a 4% contribution to a dedicated fund which will be used to support tourism promotional activities. In addition to the preferential VAT rate for accommodation services, the VAT on tickets to festivals has been lowered to 18%.

In 2018, even more state funding (nearly EUR 173 million) for tourism development is planned. Together with the support of EU co-financing, in the financial period of 2014-2020, more than EUR 1.6 billion will be devoted to tourism development in Hungary.

## Tourism policies and programmes

The Government objectives for tourism are based on seven pillars:

- Destination based product and attraction development,
- Effective promotion and personalised marketing communication,
- Dedicated professionals and professional hospitality,
- Reliable data and measurable performance,
- Transparent, objective regulation and incentives,
- Governance and co-operation with industry, academic and other governmental stakeholders,
- Strengthening the Hungarian identity and attachment to homeland.

Based on legislation introduced in 2016, a new approach to tourism development has been introduced in Hungary, based on the identification of priority areas as the basic units for the planning of tourism development. Tourism in Hungary over the past decade could be characterised as product based, singular developments in different tourist regions. The new approach involves the concentration of development activities in designated areas based on current or potential tourism performance, coordinated by a single governmental body instead of various institutions. To ensure focused and sustainable tourism development, the Hungarian Tourism Agency in co-operation with local municipalities and stakeholders is now responsible for coordinating all publicly funded investments in identified priority areas for tourism development.

To date, five tourism development areas have been identified – Dunakanyar, Lake Balaton, Sopron-Fert , Debrecen and Tokaj – with other areas in the pipeline. Within these priority areas, the key tasks are to:

- Prepare a unique development program with the necessary allocation of resources,
- Renew or develop the destination brand for the area, as a basis for attracting visitors and influencing the development of suitable products and experiences.

The creation of priority tourism development areas affects the labour market and vocational training needs of the regions. It has been necessary to determine the quantity of labour and the types of skills required to sustain the planned tourism development areas.

In 2017, the National Tourism Development Strategy 2030 was introduced as the core document defining targets and methods for the management of tourism up to 2030. The document covers every future sub-strategy and programme in the tourism sector, and defines the short-, medium- and long-term tasks by identifying key intervention points and strategic goals. It puts great emphasis on the newly introduced destination-based approach, as well as the new concept behind state-supported attraction development and the development of basic infrastructure.

## Statistical profile

Table 1. **Hungary: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 17 119 | 14 378 | 14 854 | 15 253 | 14 425 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 48 193 | 41 069 | 40 779 | 42 131 | 38 905 |
| Hotels and similar establishments | 8 060 | 8 597 | 9 419 | 10 126 | 10 937 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 2 353 | 2 389 | 2 663 | 2 800 | 2 891 |
| Private accommodation | 37 780 | 30 083 | 28 697 | 29 205 | 25 077 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 14 878 | 14 836 | 17 253 | 20 189 | 21 444 |
| Overnight visitors (tourists) | 8 607 | 9 034 | 10 158 | 12 410 | 13 474 |
| Same-day visitors (excursionists) | 6 271 | 5 803 | 7 095 | 7 778 | 7 970 |
| Top markets | | | | | |
| Romania | 591 | 589 | 758 | 1 583 | 2 299 |
| Germany | 2 201 | 1 832 | 1 898 | 1 899 | 1 783 |
| Slovak Republic | 436 | 639 | 1 024 | 1 533 | 1 476 |
| Austria | 942 | 793 | 976 | 1 088 | 997 |
| Czech Republic | 320 | 494 | 748 | 792 | 833 |
| Nights in all types of accommodation | 11 392 | 11 983 | 12 351 | 12 962 | 13 802 |
| Hotels and similar establishments | 9 938 | 10 367 | 10 653 | 11 093 | 11 802 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 1 454 | 1 616 | 1 698 | 1 870 | 2 000 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 7 737 | 8 191 | 8 933 | 9 705 | 10 168 |
| Overnight visitors (tourists) | 4 267 | 4 339 | 4 927 | 5 720 | 6 303 |
| Same-day visitors (excursionists) | 3 470 | 3 852 | 4 006 | 3 985 | 3 865 |
| Top destinations | | | | | |
| Austria | 571 | 602 | 741 | 818 | 848 |
| Germany | 610 | 640 | 686 | 812 | 956 |
| Slovak Republic | 226 | 356 | 476 | 642 | 674 |
| Romania | 432 | 362 | 437 | 619 | 793 |
| Czech Republic | 324 | 398 | 522 | 473 | 544 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION HUF** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 1 385 421 | 1 493 256 | 1 741 464 | 1 941 282 | 1 591 365 p |
| International travel receipts | 1 139 211 | 1 200 364 | 1 365 918 | 1 492 619 | 1 591 365 p |
| International passenger transport receipts | 246 210 | 292 892 | 375 546 | 448 663 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 553 567 | 565 508 | 629 799 | 689 781 | 608 585 p |
| International travel expenditure | 425 024 | 426 780 | 472 913 | 511 531 | 608 585 p |
| International passenger transport expenditure | 128 543 | 138 727 | 156 887 | 178 250 | .. |

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

StatLink http://dx.doi.org/10.1787/888933640215

## Table 2. **Hungary: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **177 413** | **338 049** | **346 370** | .. | .. | .. |
| Accommodation services for visitors | 33 800 | 40 817 | 37 806 | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 36 374 | 113 429 | 114 376 | .. | .. | .. |
| Passenger transport | 10 620 | 75 184 | 78 889 | .. | .. | .. |
| Air passenger transport | 123 | .. | .. | .. | .. | .. |
| Railways passenger transport | 3 | 24 104 | 25 882 | .. | .. | .. |
| Road passenger transport | 10 360 | 45 297 | 48 776 | .. | .. | .. |
| Water passenger transport | 134 | .. | .. | .. | .. | .. |
| Passenger transport supporting services | 4 528 | 16 642 | 24 044 | .. | .. | .. |
| Transport equipment rental | 4 517 | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 3 202 | 6 069 | 7 270 | .. | .. | .. |
| Cultural industry | 40 563 | 39 831 | 34 150 | .. | .. | .. |
| Sports and recreation industry | 21 429 | 21 019 | 20 500 | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | 22 380 | 16 642 | 28 603 | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640234

## Table 3. **Hungary: Internal tourism consumption**

Million HUF

| | 2013 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **558 672** | **890 944** | **1 449 615** |
| Tourism characteristic products | 300 351 | 647 910 | 948 261 |
| Accommodation services for visitors | 78 503 | 197 372 | 275 875 |
| Food and beverage serving services | 112 397 | 133 188 | 245 585 |
| Passenger transport services | 49 228 | 121 047 | 170 276 |
| Air passenger transport services | 28 575 | 105 675 | 134 249 |
| Railways passenger transport services | 10 088 | 1 515 | 11 602 |
| Road passenger transport services | 10 555 | 13 107 | 23 663 |
| Water passenger transport services | 11 | 751 | 761 |
| Passenger transport supporting services | 5 179 | 13 450 | 18 629 |
| Transport equipment rental services | 58 | 2 624 | 2 682 |
| Travel agencies and other reservation services industry | 19 122 | 6 494 | 25 616 |
| Cultural services | 6 076 | 36 901 | 42 977 |
| Sports and recreation services | 21 600 | 68 480 | 90 080 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 8 187 | 68 355 | 76 542 |
| Other consumption products | 258 321 | 243 034 | 501 355 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640253

# Iceland

## Tourism in the economy

Iceland has been experiencing a tourism boom, with arrivals growing annually on average by 24.4% since 2010, far exceeding forecasts. Iceland received 1.8 million international tourists (overnight visitors) in 2016, representing a 39% increase on 2015. 2.3 million international tourists are estimated for 2017.

Tourism has played a major role in Iceland's economic recovery and growth in recent years, building an unprecedented surplus in foreign trade and creating new businesses and jobs. It is now the major export sector, accounting for ISK 462 billion (39%) of total foreign currency revenue in 2016; more than fisheries and aluminium combined. The total direct number of employees in activities related to tourism was around 25 000 in 2016, 14% of the Icelandic workforce. Tourism's direct contribution to GDP was 8.4% in 2016.

The top three source markets by volume are the United States, the United Kingdom and Germany, with especially strong growth from North America, the United Kingdom and, most recently, China. The diversification of inbound markets has contributed to reduced seasonality. The domestic market of approximately 340 000 inhabitants is relatively stable, with domestic overnight stays totalling 1 million in 2016.

## Tourism governance and funding

The Ministry of Industries and Innovation is responsible for tourism. The Icelandic Tourist Board (ITB) handles the implementation of tourism affairs on behalf of the Ministry, including:

- Issuing licenses, registration and monitoring operational requirements,
- Development and organisational issues related to tourism, including implementing a defined tourism strategy,
- Regional and local development, with a focus on the development of Destination Management Plans (DMPs),
- Responsibility for running the official quality and environmental system within Icelandic tourism (VAKINN), the Tourist Site Protection Fund, and the collection of data on tourist numbers, expectations and experiences.

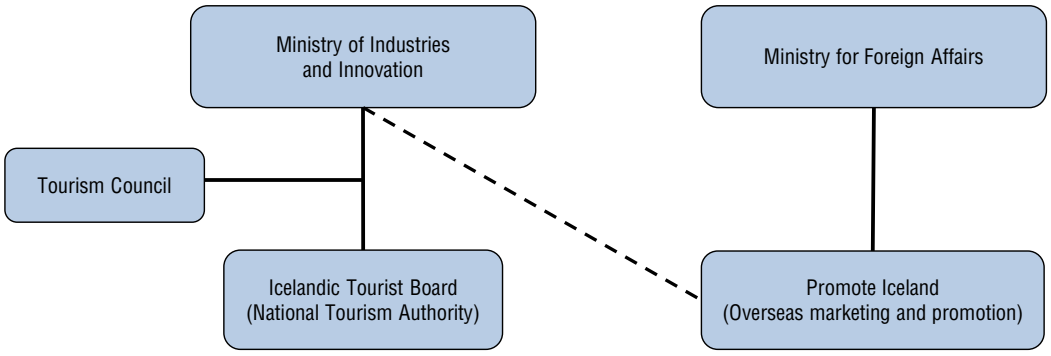
Marketing and promotion is the responsibility of Promote Iceland, an agency under the Ministry for Foreign Affairs. Promote Iceland is a public-private partnership whose goals are promoting Iceland as a tourism destination, assisting in the promotion of Icelandic culture abroad, and introducing Iceland as an attractive option for foreign direct investment. Visit Iceland is part of Promote Iceland and is the official destination marketing office for Iceland, aiming to attract visitors to the country.

The Icelandic Tourism Council is appointed by the Minister of Tourism, Industry and Innovation and advises the Minister on matters concerning tourism. The Council comments on amendments to tourism-related legislation and regulations and on other matters assigned to it by the Minister or that it deems appropriate in the interests of the tourism industry. The Tourism Council brings together representatives from the Ministry, the Icelandic Travel Industry Association, the Icelandic Association of Local Authorities, the Iceland Tourism Association and Promote Iceland.

A specific Tourism Task Force was established in 2015 and charged with implementing a Road Map for Tourism in Iceland. The Task Force includes various ministries (responsible for tourism, finance, environment, natural resources, transport and local government) and representatives of the industry and local authorities. The Task Force is set to operate temporarily until 2020.

Municipalities are responsible for planning issues and many tourist attractions. With the support of the Icelandic Regional Development Institute, regional associations of municipalities operate Developmental Agencies, and have implemented various tourism development projects. Seven regional marketing offices work on promoting tourism to the regions. They collaborate extensively with both Promote Iceland and the Icelandic Tourist Board, which provides financial support for their work.

**Iceland: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Industries and Innovation, 2018.

In 2017 the overall public budget allocated to tourism was ISK 1.7 billion. The main source of funding is through the general budget. Besides the general budget, 60% of the accommodation tax goes directly to the Tourist Site Protection Fund. The overall budget allocated to tourism is divided between three main organisations and funds. In 2017 the division was as follows: The Icelandic Tourist Board ISK 373.8 million, the Tourist Site Protection Fund ISK 576 million, while a budget of ISK 761.4 million was allocated to tourism services (of which ISK 390 million was for marketing and promotion).

## Tourism policies and programmes

The central challenge for Iceland is to maximise the gains from tourism for the population while protecting the assets upon which tourism is built. Sustained and rapid tourism growth in Iceland is putting increased pressure on nature, infrastructure and society. Tourism planning, infrastructure investment (e.g. roads, sanitary facilities, site facilities, housing, tourist information provision), and managing visitor flow at the most

popular natural sites, are key priorities. A more recent issue is the exchange rate appreciation that may affect Iceland's price competitiveness as a destination and thus tourism demand and travel patterns. Tourism's contribution to climate change is yet another concern.

Iceland's Road Map for Tourism 2015-2020 emphasises seven core issues: Coordinating management of tourism, ensuring positive visitor experiences, improving data reliability and comparability, promoting nature conservation, improving skills and quality, increasing profitability, and furthering the distribution of tourists around the country.

Actions defined in the Road Map are well underway with several initiatives implemented specifically to improve tourism management and distribution (Box 1.6), including: encouraging direct international flights to airports outside of Reykjavik; the development of Destination Management Plans for each region; reforms to the Tourist Site Protection Fund (Box 3.8) and new National Infrastructure Plan to improve the efficiency of infrastructure development at major tourist sites; and increased funding for the promotion of safe and responsible travel behaviour through marketing and information campaigns.

**Destination Management Plans in Iceland**

The Icelandic Government is aware of the need for destination management and planning for the future sustainable development of tourism. In 2015 the Icelandic Tourist Board (ITB), along with the Tourism Task Force, launched the development of Destination Management Plans (DMPs). This holistic approach takes into account the planning and coordination of development and management of tourist flows in each region and strengthens the local tourism support frameworks.

DMPs are joint policy statements intended to steer growth and development of areas over a certain amount of time, define stakeholders' roles, and specify certain actions that each stakeholder is responsible for, and the resources that they need to carry out their responsibilities.

The DMP project divides Iceland into seven different regions. The regional marketing offices carry out the development of the DMPs in each region, with ITB overseeing the project. The final product will be a plan including a shared vision of all stakeholders for tourism development in the region and a prioritised three year action plan on how to deliver that vision. Each project within the action plan has set milestones and a budget plan where the responsibilities and contribution of all stakeholders are clearly stated. The first DMP plans will be ready in spring of 2018 and will be revised every three years.

To ensure coordination in all layers of public planning, the DMPs will act as a very important compass both for regional plans, such as the general land use plans of municipalities, and other national plans, such as the National Transport Plan, the Regional Development Plan, and the National Infrastructure Plan for the Protection of Nature and Sites of Cultural and Historical Value.

Other recent and ongoing policy developments include increased funding for research, the establishment and continued development of a tourism education and training program to improve skills, new legislation on home sharing to help level the playing field in the short-term rentals market, and raising the accommodation tax. Tourism-specific actions to help reduce carbon emissions and fulfil Iceland's responsibilities concerning the Paris agreement are also in the process of being formulated.

Preparations have commenced for a new official tourism strategy for Iceland 2020-2025, building on the current Road Map and the coordination model of the Tourism Task Force.

## Statistical profile

Table 1. **Iceland: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 854 | 1 025 | 1 085 | 909 | 1 044 |
| Hotels and similar establishments | 461 | 516 | 537 | 534 | 630 |
| Specialised establishments | 37 | 48 | 38 | 42 | 61 |
| Other collective establishments | 316 | 405 | 435 | 285 | 304 |
| Private accommodation | 40 | 56 | 75 | 47 | 49 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 885 | 1 034 | 1 250 | 1 587 | 2 159 |
| Overnight visitors (tourists) | 673 | 807 | 998 | 1 289 | 1 792 |
| Same-day visitors (excursionists) | 212 | 227 | 252 | 298 | 367 |
| Top markets | | | | | |
| United States | 95 | 120 | 152 | 243 | 415 |
| United Kingdom | 95 | 137 | 181 | 241 | 316 |
| Nordic Countries | 145 | 150 | 164 | 160 | 175 |
| Germany | 70 | 83 | 94 | 103 | 133 |
| France | 42 | 49 | 59 | 66 | 85 |
| Nights in all types of accommodation | 2 898 | 3 522 | 4 405 | 5 561 | 6 764 |
| Hotels and similar establishments | 2 241 | 2 650 | 3 127 | 4 053 | 5 027 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 283 | 377 | 597 | 597 | 737 |
| Private accommodation | 267 | 363 | 511 | 688 | 754 |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 374 | 382 | 413 | 467 | 557 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION ISK** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 239 427 | 276 338 | 304 641 | 369 539 | 292 843 p |
| International travel receipts | 107 953 | 130 765 | 160 079 | 213 335 | 292 843 p |
| International passenger transport receipts | 131 475 | 145 574 | 144 562 | 156 205 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 105 455 | 110 759 | 120 713 | 139 278 | 154 297 p |
| International travel expenditure | 97 641 | 103 452 | 113 590 | 131 407 | 154 297 p |
| International passenger transport expenditure | 7 814 | 7 307 | 7 124 | 7 871 | .. |

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

StatLink http://dx.doi.org/10.1787/888933640272

## Table 2. **Iceland: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed[2] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **1 847** | **15 904** | **17 492** | **19 201** | **21 724** | **25 620** |
| Accommodation services for visitors | 481 | 3 159 | 3 668 | 4 188 | 4 945 | 5 937 |
| Hotels and similar establishments | 368 | 2 918 | 3 367 | 3 835 | 4 542 | 5 517 |
| Food and beverage serving industry | 567 | 6 518 | 6 990 | 7 490 | 8 264 | 9 171 |
| Passenger transport | 158 | 3 276 | 3 513 | 3 801 | 4 152 | 4 966 |
| Air passenger transport | 16 | .. | .. | .. | .. | .. |
| Railways passenger transport | 0 | 0 | 0 | 0 | 0 | 0 |
| Road passenger transport | 140 | .. | .. | .. | .. | .. |
| Water passenger transport | 2 | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 66 | 405 | 484 | 592 | 749 | 1 011 |
| Travel agencies and other reservation services industry | 436 | 1 443 | 1 734 | 2 007 | 2 494 | 3 382 |
| Cultural industry | 47 | 403 | 399 | 417 | 463 | 472 |
| Sports and recreation industry | 92 | 701 | 703 | 708 | 656 | 683 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
2. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640291

## Table 3. **Iceland: Internal tourism consumption**

Million ISK

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **111 142** | **263 218** | **396 875** |
| Tourism characteristic products | 87 181 | 221 666 | 330 915 |
| Accommodation services for visitors | 28 077 | 56 025 | 91 111 |
| Food and beverage serving services | 4 852 | 25 712 | 33 513 |
| Passenger transport services | 20 900 | 73 195 | 105 317 |
| Air passenger transport services | 17 651 | 57 716 | 85 854 |
| Railways passenger transport services | 0 | 0 | 0 |
| Road passenger transport services | 2 404 | 13 748 | 16 747 |
| Water passenger transport services | 845 | 1 732 | 2 717 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 12 753 | 23 173 | 36 225 |
| Travel agencies and other reservation services industry | 12 370 | 31 149 | 44 106 |
| Cultural services | 2 468 | 1 716 | 4 183 |
| Sports and recreation services | 5 761 | 10 697 | 16 458 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 23 961 | 41 551 | 65 959 |
| Tourism connected products | 21 618 | 37 905 | 59 524 |
| Non-tourism related consumption products | 2 343 | 3 646 | 6 436 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640310

# Ireland

## Tourism in the economy

Tourism is one of Ireland's most important economic sectors and has played a significant role in the country's economic renewal since 2011.

Since 2010, there has been a sustained increase in tourism activity, driven by increased numbers of overseas visitors. In 2016, the number of inbound arrivals increased by 10.9% over the previous year, bringing the total to 9.6 million. Growth in visitor numbers from North America was particularly strong, increasing by 19.4% to 1.8 million, while visitors from Great Britain, Ireland's largest source market, increased by 10.6% to 3.9 million.

Total revenue from tourism in 2016 was EUR 6.7 billion (excluding Irish carrier fares of EUR 1.5 billion). Overseas visitors accounted for the greater part, increasing by 8.8% to EUR 4.6 billion, while domestic and cross-border visitor spend contributed EUR 2.1 billion, growing at a rate of 3.9%.

Overseas visitors and revenue grew again in the first half of 2017, up by 4.1% and 7.1% respectively.

Employment in the industry is estimated to have grown to 220 000 by the end of 2016.

## Tourism governance and funding

The Tourism Division of the Department of Transport, Tourism and Sport sets national tourism policy, providing the strategic direction required to support the growth of a competitive and sustainable tourism industry. It does this through developing, implementing and influencing a range of policy actions and programmes of the Department, its agencies and other government Departments, in consultation with industry partners. Two tourism agencies operate under the aegis of the Department to administer policy:

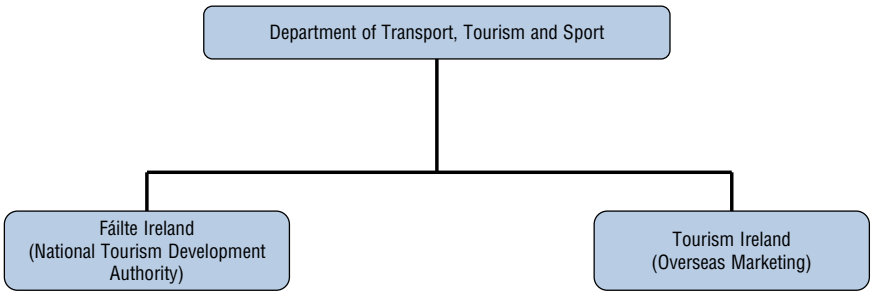
- Fáilte Ireland was established to support the tourism industry and sustain Ireland as a high-quality and competitive tourism destination. It provides a range of practical support to help tourism businesses better manage and market their products and services and develop experiences in line with new experience brands. Fáilte Ireland also promotes Ireland as a domestic holiday destination through its Discover Ireland marketing campaign and manages a nationwide network of tourist information centres.
- Tourism Ireland Ltd is an all-island tourism marketing company with the overall objective of promoting increased tourism to the island of Ireland. It is accountable to the North South Ministerial Council, with funding provided by the Department for the Economy in Northern Ireland and by the Department of Transport, Tourism and Sport in Ireland.

Local Authorities have long recognised the important contribution of tourism to their local areas, and are active in many areas of its delivery, including organising and funding

events, and developing public tourism infrastructure. Many work closely with Fáilte Ireland to develop these projects.

In its 2015 Tourism Policy Statement, the Government stated its commitment to a clear understanding of the responsibilities and expectations of Government, State agencies, Local Authorities, the tourism industry and other stakeholders in the development of the tourism industry, with an enhanced role for Local Authorities and recognition of the contribution of communities to tourism.

**Ireland: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Department of Transport, Tourism and Sport, 2018.

The overall central budget allocated to tourism in 2017 is EUR 122 million, an increase of 0.9% on 2016. Of this, 58% goes to Fáilte Ireland, 41% to Tourism Ireland and 1% to the Department of Transport, Tourism and Sport.

## Tourism policies and programmes

Notwithstanding strong performance in recent years, the tourism sector in Ireland faces a number of issues and challenges. Chief amongst these are:

- The UK vote to leave the EU is a challenge for tourism in Ireland. The consequent depreciation in sterling has had a negative impact on the number of British visitors (down 6.7% in the year to September 2017). It will be important that Brexit negotiations, particularly in areas such as aviation, borders, the Common Travel Area with the UK, and joint visa arrangements, do not result in outcomes that are detrimental to the tourism sector in Ireland.
- Access is critically important for Irish tourism given the country's island status. Anything which reduces access, particularly air access, will lead to reduced numbers of overseas visitors.
- Accommodation capacity, primarily in the main tourist centres at peak periods, has emerged as an issue with the strong sector performance of recent years. In particular, capacity in Dublin has been flagged as an issue. Evidence suggests that a number of hotel projects in the pipeline will help address this issue.
- Many of the main visitor attractions suffer from capacity issues at peak periods. In 2016 Fáilte Ireland published a Tourism Investment Strategy 2016-2022, laying out funding streams and delivery mechanisms for a capital allocation of EUR 125.7 million to tourism product development.

A 2015 policy statement, People, Place and Policy – Growing Tourism to 2025, sets out the Government's commitment to:

- Place tourism as a key element of economic strategy, reflecting the highest standards of environmental and economic sustainability, and continuing to recognise and encourage its role in promoting peace and political co-operation on the island of Ireland.
- Recognise the significance of Ireland's people and place as assets in attracting an even greater number of overseas visitors in the future.
- Ensure that Ireland is successfully promoted overseas, and that a balance of visitors from both mature and developing markets is achieved, visitors' expectations are met, heritage assets are protected, and public investment in tourism is based on evidence of need.
- Ensure that Ireland's tourism industry has the capacity and capability to meet the changing needs of visitors.

In 2016, the newly-formed Government affirmed its commitment to work towards achieving the ambitious tourism policy goals set for 2025.

The Tourism Action Plan 2016-2018 sets out 23 specific actions required to help achieve these objectives, addressing a number of key issues including:

- Training and skills in the tourism and hospitality sectors,
- Visitor accommodation,
- Overseas tourism marketing,
- The visitor experience,
- The contribution of sport to tourism,
- Technology in tourism,
- Planning for future growth.

The Plan allocates responsibility for each action to the Department, the tourism agencies and other stakeholders as appropriate. A Tourism Leadership Group meets approximately every six months to monitor progress. A new Action Plan for the period 2018-2020 will be drawn up in early 2018.

A key initiative in the last three years has been the establishment of geographic/thematic experience brands for the Wild Atlantic Way, Ireland's Ancient East, and Dublin, which have been the focus of marketing and product development initiatives (Box 1.12). This distinctive "story-based" approach ensures that Ireland's culture, history and heritage is brought to life by the stories found at its tourism offerings. These regional branding experiences have proved very successful and contributed to increased visitor numbers to the regions covered. They continue to gain traction internationally and are central to Ireland's overseas marketing effort.

## Statistical profile

Table 1. **Ireland: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 8 291 | 8 413 | 8 991 | 9 125 | 9 282 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 23 703 | 24 195 | 26 086 | 25 267 | 25 435 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 6 035 | 6 393 | 6 824 | 7 747 | 8 425 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Great Britain | 2 518 | 2 641 | 2 789 | 3 119 | 3 394 |
| Other Europe | 1 415 | 1 461 | 1 521 | 1 787 | 1 965 |
| United States/Canada | 922 | 1 012 | 1 121 | 1 271 | 1 447 |
| Germany | 435 | 464 | 533 | 604 | 619 |
| France | 382 | 405 | 418 | 469 | 490 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 6 170 | 6 179 | 6 287 | 6 758 | 7 190 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 7 080 | 7 664 | 8 348 | 9 750 | 4 685 p |
| International travel receipts | 3 022 | 3 370 | 3 656 | 4 320 | 4 685 p |
| International passenger transport receipts | 4 058 | 4 294 | 4 692 | 5 430 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 4 690 | 4 753 | 4 912 | 5 207 | 5 522 p |
| International travel expenditure | 4 609 | 4 669 | 4 826 | 5 121 | 5 522 p |
| International passenger transport expenditure | 81 | 84 | 86 | 86 | .. |

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

StatLink http://dx.doi.org/10.1787/888933640329

## Table 2. **Ireland: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **44 679** | **181 452** | **186 574** | **194 805** | **204 887** | .. |
| Accommodation services for visitors | 17 708 | 131 994 | 136 549 | 142 907 | 151 681 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | .. | .. | .. | .. | .. |
| Passenger transport | 15 628 | 20 240 | 19 674 | 20 463 | 20 843 | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 1 327 | 6 239 | 6 703 | 7 088 | 7 311 | .. |
| Cultural industry | 10 016 | 22 979 | 23 648 | 24 347 | 25 052 | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640348

## Table 3. **Ireland: Internal tourism consumption**

Million EUR

| | 2007 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **3 142** | **3 637** | **6 779** |
| Tourism characteristic products | 2 337 | 2 875 | 5 212 |
| Accommodation services for visitors | 228 | 672 | 900 |
| Food and beverage serving services | 983 | 932 | 1 915 |
| Passenger transport services | 762 | 1 062 | 1 824 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 155 | 12 | 167 |
| Cultural services | 209 | 197 | 406 |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 805 | 762 | 1 567 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640367

# Israel

## Tourism in the economy

Tourism accounts directly for 2.8% of Israel's GDP and about 3.5% of total employment. The combined total of direct and indirect tourism jobs is estimated at 230 000, representing just over 6% of total employment.

In 2016, there were 2.9 million international tourist arrivals, 3.6% more than in 2015. There were also 169 800 same-day visitors. Domestic tourism accounted for about 62% of all person/nights in all types of accommodation.

International tourism receipts are estimated at USD 4.7 billion. Israel's most important international source markets are, in decreasing order of size, the United States, the Russian Federation, France, the United Kingdom and Germany, together accounting for 54% of all tourist arrivals.

Revenues from incoming tourism are estimated to account for 15% of services exports and 5% of total exports in 2016. In the first half of 2017 international tourist arrivals increased by approximately 25% compared with the first half of the 2016, mainly due to the positive effects of geopolitical stability in the region and intensive marketing effort, specifically in Europe.

## Tourism governance and funding

Tourism policy, marketing and development of the tourism sector are handled by the Ministry of Tourism, assisted by several other ministries, with a focus on infrastructure and site development, rural and agro tourism, SME development, and job training. These ministries include the Ministry of Environmental Protection, the Ministry for the Development of Negev and Galilee, Ministry of the Economy, and the Ministry of Agriculture.

There are also many regional and local organisations promoting tourism in Israel. The regional and local authorities have the following powers and responsibilities:

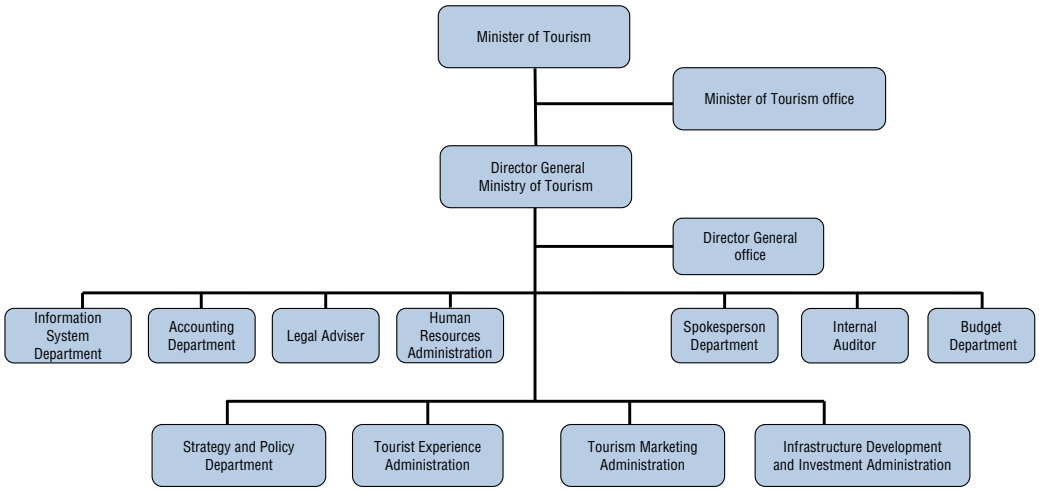
- Examination by local planning committees of all building projects within their jurisdiction, including hotels and other tourism projects, and forwarding recommendations to the National Planning Committee, of which they are members,
- Issuing construction permits,
- Collecting local taxes, although during a crisis, or as means of encouragement, the tax burden on tourism projects may be eased,
- Maintaining tourist sites,

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

- Operating projects as joint ventures with the Ministry of Tourism, including: constructing tourism infrastructure (e.g. beach promenades and bike routes); domestic marketing campaigns; and organising and promoting local events and festivals.

In the resort cities and regions of Acre, Eilat, Jaffa, Jerusalem and Tel-Aviv, the Government has established Government Development Companies.

**Israel: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

In 2016, the general budget of the Ministry of Tourism was ILS 930 million. Of this total, some 43% was allocated to marketing, 24% to investment incentives, and 23% to public tourist infrastructure. All funding comes from the Government's general budget. Marketing and infrastructure are funded by the Government and local authorities, while accommodation is funded by the private sector, although, sometimes with the support of government grants.

## Tourism policies and programmes

The main issues and challenges for tourism in Israel are:

- Diversification and improvement of the product and intensification of the tourist experience, including development of public infrastructure for tourism,
- breaking into and development of new markets while preserving existing markets and visitor flows,
- Creating and providing easy access to tourist information,
- Adapting the product to visitors from new and emerging source markets.

Policy priorities include:

- Expansion of hotel supply through investment,
- Raising the competitiveness of tourism, in particular by lowering vacation prices through easing hotel regulations and promoting alternative types of accommodation,
- Marketing and promotion, mainly through incentivising airlines to include Ben-Gurion, Ovda and the new Ilan Ramon (to open in 2018) Airports in their itineraries in order to

increase the number of flights to Israel; and co-operation with on-line (OTA) and off-line travel agents, offering incentives according to the extent of increase in purchases of packages to Israel,

- Improving the tourist experience, making information accessible on a digital level and supporting the creation of new tourism smartphone applications,
- Developing new tourist products, such as the Desert Tourism product in the Negev area (Box 1.10).

Policies aimed at addressing these challenges and priorities include:

- Placing emphasis on the tourist experience, building specific facilities (such as bicycle tracks and provision for camping), lowering prices and upgrading information bureaux,
- Encouraging investment in tourism, including identification of, and engagement with, entrepreneurs,
- Supporting negotiations with a range of OTAs and airlines,
- Diversifying the types of accommodations, and increasing the number of hotel beds,
- Streamlining innovative technological work,
- Improving marketing activity: conducting familiarisation trips, hosting visits by journalists and others of influence, and increasing Ministry activity with digital campaigns,
- Consolidating research tools and programs, and monitoring performance.

## Statistical profile

Table 1. **Israel: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 6 997 | 7 130 | 7 300 | 7 946 | 8 183 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 16 260 | 16 452 | 16 413 | 17 066 | 17 315 |
| Hotels and similar establishments | 13 360 | 13 564 | 13 762 | 14 368 | 14 549 |
| Specialised establishments | 1 026 | 1 043 | 983 | 965 | 984 |
| Other collective establishments | 967 | 991 | 1 013 | 1 012 | 1 080 |
| Private accommodation | 906 | 854 | 655 | 720 | 703 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 3 520 | 3 540 | 3 251 | 3 109 | 3 070 |
| Overnight visitors (tourists) | 2 886 | 2 962 | 2 927 | 2 799 | 2 900 |
| Same-day visitors (excursionists) | 635 | 578 | 325 | 309 | 170 |
| Top markets | | | | | |
| United States | 584 | 597 | 686 | 637 | 672 |
| France | 263 | 292 | 289 | 300 | 293 |
| Russian Federation | 526 | 405 | 411 | 415 | 285 |
| United Kingdom | 165 | 173 | 165 | 198 | 197 |
| Germany | 158 | 160 | 162 | 198 | 180 |
| Nights in all types of accommodation | 11 249 | 11 485 | 10 921 | 9 973 | 10 412 |
| Hotels and similar establishments | 10 541 | 10 804 | 10 276 | 9 335 | 9 713 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 306 | 307 | 254 | 287 | 340 |
| Private accommodation | 76 | 57 | 55 | 48 | 62 |
| **Outbound tourism** | | | | | |
| Total international departures | 4 349 | 4 757 | 5 181 | 5 891 | 6 781 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 6 068 | 6 498 | 6 495 | 6 490 | 5 722 |
| International travel receipts | 5 334 | 5 729 | 5 766 | 5 794 | 5 722 |
| International passenger transport receipts | 734 | 769 | 729 | 696 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 5 009 | 5 758 | 6 534 | 7 507 | 6 844 |
| International travel expenditure | 3 909 | 4 542 | 5 189 | 6 012 | 6 844 |
| International passenger transport expenditure | 1 100 | 1 216 | 1 345 | 1 495 | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640386

## Table 2. **Israel: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **122 100 e** | **120 000 e** | .. | .. | .. |
| **Tourism industries** | **21 521** | **118 100 e** | .. | .. | .. | .. |
| Accommodation services for visitors | 1 585 | 38 800 e | 39 000 e | .. | .. | .. |
| Hotels and similar establishments | 388 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 13 697 | 12 500 e | .. | .. | .. | .. |
| Passenger transport | .. | 17 000 e | .. | .. | .. | .. |
| Air passenger transport | .. | 12 500 e | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | 4 500 e | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | 7 000 e | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 1 451 | 14 900 e | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | 9 500 e | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | 4 400 | 18 400 e | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | **4 000 e** | .. | .. | .. | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640405

## Table 3. **Israel: Internal tourism consumption**

Million ILS

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **21 291** | **19 518** | **40 809** |
| Tourism characteristic products | 19 021 | 15 326 | 34 347 |
| Accommodation services for visitors | 6 381 | 4 195 | 10 576 |
| Food and beverage serving services | 1 240 | 2 252 | 3 492 |
| Passenger transport services | .. | .. | .. |
| Air passenger transport services | 5 084 | 3 053 | 8 137 |
| Railways passenger transport services | 20 | .. | 20 |
| Road passenger transport services | 644 | 879 | 1 523 |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 1 831 | 1 314 | 3 145 |
| Travel agencies and other reservation services industry | 2 631 | 1 128 | 3 759 |
| Cultural services | 758 | 368 | 1 126 |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 432 | 2 137 | 2 569 |
| Other consumption products | 2 270 | 4 192 | 6 462 |
| Tourism connected products | 2 270 | 4 192 | 6 462 |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640424

# Italy

## Tourism in the economy

In line with the global trend, data for 2016 shows steady and positive growth for tourism in Italy. The number of inbound visitors and average length of stay continued to increase steadily in 2016. International arrivals totalled 84.9 million, of which 32.6 million were overnight stays, resulting in 160.4 million nights spent in hotels and similar establishments. International overnight stays rose by 9.4% between 2011 and 2016. The top four inbound markets (including both overnight and same-day visitors) were Switzerland, Germany, France and Austria. More than 60% of international arrivals head to the four regions of Veneto, Lombardy, Tuscany and Lazio.

International travel receipts grew at a stronger pace (3.3%) than Italian exports in general (3%) moving from EUR 35.6 billion in 2015 to EUR 36.7 billion in 2016, and confirming the leading role of tourism in the Italian economy. Travel receipts accounted for 6.3% of total exports in 2016.

Expenditure by Italian outbound tourists increased from EUR 22 billion in 2015 to EUR 22.3 billion in 2016. Italy's balance of tourism payments therefore remains positive and 6.2% higher than for 2015.

A total of 54.7 million domestic overnight trips were made in 2016 (an increase of 16.2% on 2015), with 135.6 million nights spent in commercial accommodation (up 1.7% on 2015).

Tourism makes an important contribution to the Italian economy, accounting overall for 11.8% of national GDP and 12.8% of total national employment in 2015.

## Tourism governance and funding

The legislative framework for tourism in Italy involves the Ministry of Cultural Heritage, Activities and Tourism ("the Ministry"), the Permanent Conference for Relations between the State, Regions and Autonomous Provinces of Trento and Bolzano, and the Joint Conference of Regions and Municipalities.

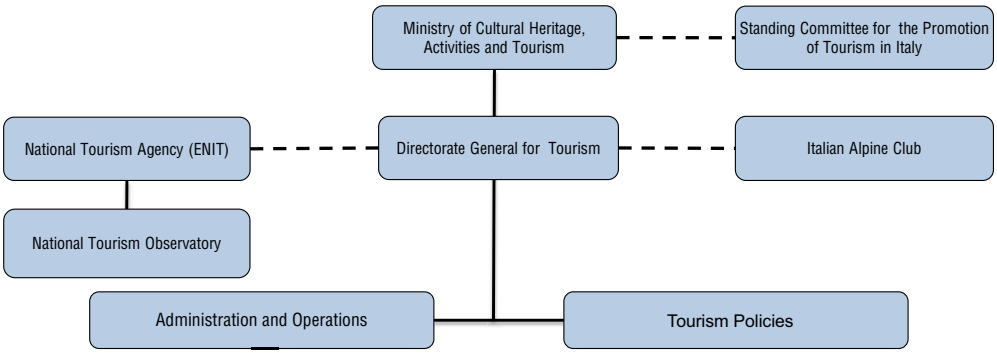
While the Directorate-General (DG) for Tourism in the Ministry sets the strategic policy agenda, the Italian Constitution devolves several key activities to the regions, including regulating tourism businesses, developing strategic marketing activities and managing European Structural Funds. Provinces and municipalities can also issue local regulations for the tourism sector.

The DG for Tourism, beyond its major task to develop and launch national tourism policies in coordination with regions and autonomous provinces, supervises the National Italian Tourism Agency (ENIT) and the Italian Alpine Club. The DG for Tourism also manages all tourism activities that fall outside the competence of the regions. It provides aid and incentives to develop tourism demand, it delivers certifications and authorisations

to foreign professionals, it manages relations with international organisations, and it participates in the development and adoption of European Union legislation.

The role of ENIT is to market and promote Italy as a tourist destination. A 2015 statute transformed ENIT from a public body into a public economic entity. The Board of Directors includes two members appointed by the Minister. ENIT may enter into agreements with the regions and autonomous provinces, local authorities and other public bodies.

**Italy: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Cultural Heritage, Activities and Tourism, 2018.

Tourism receives support from the Culture and Innovation 2014-20 programme financed by European Union Structural Funds. Of the total budget of EUR 490 million, a large proportion is allocated to the development of 60 cultural centres in five southern regions: Campania, Apulia, Basilicata, Calabria and Sicily.

The government-controlled Tourism Investment Fund, launched in 2014, and managed by the National Investment Bank *Cassa Depositi e Prestiti*, has an increased ceiling of EUR 250 million, of which EUR 100 million had been invested by 2016. The fund operates as a bridge between public assets in need of development and the private real estate market.

## Tourism policies and programmes

The government is reshaping its plan for the tourism economy, putting it at the heart of national policies. During 2016, the national tourism industry and all its public and private stakeholders came together to generate a new National Strategic Plan for Tourism (*Piano Strategico del Turismo – PST*) for the period 2017-2022. The Plan brings together all tourism operators in Italy with a consistent and coordinated approach, providing a clear framework to improve decision-making in the sector. It is based on key drivers such as technological and organisational innovation, skills development, and quality services. These aspects are integrated with a lasting and sustainable approach to Italy's environmental and cultural heritage.

The Plan's vision is to revive Italy's leadership in the tourism market and boost its contribution to the economic, social and sustainable development of its local areas. It focuses on four major themes, namely, territory and heritage, competitiveness and employment, putting the tourist at the centre, and integration and interoperability, with the strategic principles of sustainability, innovation, and accessibility, cutting across each (Box 1.5).

The Ministry has signed joint protocols with the following authorities:

- The Ministry of Economic Development (MISE) and AGID (Government digital agency) for the creation of new digital services for tourism, including national wifi and large bandwidth networks.
- The Ministry of Infrastructure and Transport, with a Special Plan for Tourist Mobility.

**New commitment to tourism mobility in Italy**

The Special Plan for Tourist Mobility has been signed between the Ministry of Culture and Tourism and the Ministry of Infrastructure and Transport. The Plan provides an important framework for commitment and collaboration to improve mobility for tourism by setting common goals with sector operators and key stakeholders. EUR 372 million is available to spend over the period 2016-2024, including EUR 90 million for investment in a "soft mobility" network (e.g. cycle tracks, tourist rail services) and EUR 60 million for Paths (*Cammini*), such as the *Via Francigena* and the *Via Appia*.

2016 has been the year of The Italian Paths (*I Cammini d'Italia*), with the objective of enhancing the value of cultural routes. Initiatives have taken place throughout the year, including the creation of a directory of paths and a website (*www.camminiditalia.it*).

A Tax Credit system for the tourism sector (the "Art Bonus Decree"), which was approved in 2014, has been refinanced with EUR 460 million until 2020 with special regard to the refurbishment and modernisation of tourism establishments.

The revived collaboration between the public and private sectors in tourism features a new support system of EUR 12.7 million for businesses and enterprises with a special focus on networks and start-ups.

Great emphasis has been placed from a promotional perspective on extending the national offer away from major attractions (cultural cities like Rome, Florence, Venice, and Milan) towards the diversity and plurality of landscapes and destinations. Among these initiatives, the first mapping of Italian villages (*I Borghi più belli d'Italia*) has been developed.

Finally, a new hotel classification system with a special focus on sustainability and accessibility is currently being approved.

## Statistical profile

Table 1. **Italy: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | 126 515 | 112 860 | 127 858 |
| Overnight visitors (tourists) | 61 594 | 49 809 | 50 155 \| | 47 093 | 54 714 |
| Same-day visitors (excursionists) | .. | .. | 76 359 | 65 767 | 73 143 |
| Nights in all types of accommodation | 450 088 | 391 852 | 373 327 | 351 149 | 370 877 |
| Hotels and similar establishments | 132 910 | 128 429 | 127 568 | 133 270 | 135 599 p |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 67 207 | 63 563 | 63 411 | 66 886 | 67 825 p |
| Private accommodation | 249 971 | 199 860 | 182 349 \| | 150 993 | 167 453 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 76 293 | 76 762 | 77 694 | 81 068 | 84 925 |
| Overnight visitors (tourists) | 29 933 | 29 058 | 29 118 | 30 336 | 32 552 |
| Same-day visitors (excursionists) | 46 360 | 47 704 | 48 576 | 50 732 | 52 372 |
| Top markets | | | | | |
| Germany | 10 170 | 9 545 | 9 451 | 10 016 | 11 161 |
| France | 4 977 | 5 252 | 5 358 | 6 483 | 6 394 |
| United Kingdom | 3 377 | 3 443 | 3 768 | 4 153 | 4 356 |
| Austria | 3 083 | 3 333 | 3 244 | 3 417 | 3 513 |
| Switzerland | 3 135 | 3 026 | 3 261 | 3 265 | 3 336 |
| Nights in all types of accommodation | 321 918 | 317 963 | 322 696 | 331 997 | 345 837 |
| Hotels and similar establishments | 132 978 | 138 119 | 141 331 | 146 744 | 160 438 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 18 793 | 20 359 | 22 126 | 26 105 | 25 918 |
| Private accommodation | 137 957 | 129 512 | 131 604 | 134 863 | 133 341 |
| **Outbound tourism** | | | | | |
| Total international departures | 53 338 | 52 633 | 55 169 | 57 418 | 57 480 |
| Overnight visitors (tourists) | 25 963 | 26 328 | 28 307 | 29 925 | 28 413 |
| Same-day visitors (excursionists) | 27 376 | 26 305 | 26 862 | 27 494 | 29 067 |
| Top destinations | | | | | |
| France | 5 325 | 4 796 | 5 281 | 5 635 | 5 435 |
| Spain | 2 479 | 2 201 | 2 312 | 2 481 | 2 646 |
| Germany | 2 324 | 2 071 | 2 146 | 2 152 | 2 425 |
| Switzerland | 1 880 | 1 581 | 1 706 | 1 594 | 1 478 |
| United Kingdom | 1 441 | 1 425 | 1 423 | 1 483 | 1 746 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 33 677 | 34 840 | 35 964 | 37 437 | 36 716 p |
| International travel receipts | 32 056 | 33 064 | 34 241 | 35 556 | 36 716 p |
| International passenger transport receipts | 1 622 | 1 776 | 1 723 | 1 881 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 25 626 | 25 251 | 26 781 | 27 346 | 22 335 p |
| International travel expenditure | 20 513 | 20 309 | 21 713 | 22 012 | 22 335 p |
| International passenger transport expenditure | 5 113 | 4 942 | 5 068 | 5 334 | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640443

## Table 2. **Italy: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | .. | .. | .. | .. | .. |
| Accommodation services for visitors | 178 443 | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 33 163 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | .. | .. | .. | .. | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640462

## Table 3. **Italy: Internal tourism consumption**

Million EUR

| | 2010 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | .. | .. | .. |
| Tourism characteristic products | 83 176 | 29 403 | 112 580 |
| Accommodation services for visitors | 36 275 | 12 180 | 48 454 |
| Food and beverage serving services | 10 346 | 6 554 | 16 899 |
| Passenger transport services | 13 166 | 2 127 | 15 293 |
| Air passenger transport services | 6 648 | 1 138 | 7 786 |
| Railways passenger transport services | 2 213 | 216 | 2 428 |
| Road passenger transport services | 2 428 | 732 | 3 160 |
| Water passenger transport services | 1 877 | 42 | 1 919 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 679 | 204 | 883 |
| Travel agencies and other reservation services industry | 6 674 | 188 | 6 862 |
| Cultural services | 1 256 | 258 | 1 513 |
| Sports and recreation services | 3 239 | 896 | 4 135 |
| Country-specific tourism characteristic goods | 11 543 | 6 997 | 18 540 |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | .. | .. | .. |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640481

# Japan

## Tourism in the economy

Overall, the size of the tourism economy in Japan increased by 4% in 2016 to JPY 25.8 trillion.

The number of international visitors to Japan has risen from 6.2 million in 2011 – the year of the Great East Japan Earthquake – to 24.0 million in 2016. Consumption by international visitors increased from JPY 813 billion to JPY 3.8 trillion, during this period.

Arrivals grew by 21.8% between 2015 and 2016. Of the 20 main overseas markets, all except Russia set new visitation records. Foreign tourists from other Asian countries totalled around 20.4 million, a 22.7% increase over the previous year, accounting for 85% of the total number of foreign tourists visiting Japan.

The three top inbound markets are China, Korea and Taiwan. All have seen growth, although there has been some fluctuation in arrivals from Korea owing to the influence of the Kumamoto earthquakes in 2016.

Domestic tourism accounts for around 80% of the tourism economy in Japan. The number of Japanese people who travelled within Japan in 2016 reached 641 million, up 6% from the previous year. In 2016, the total spending on domestic travel was JPY 20.9 trillion, an increase of 2.7% over the previous year. The main drivers of domestic tourism are hot springs, fine cuisine, nature or theme parks, and visiting historically or culturally significant sites. Social media is having a considerable impact on domestic choices along with the availability of low cost flights.

## Tourism governance and funding

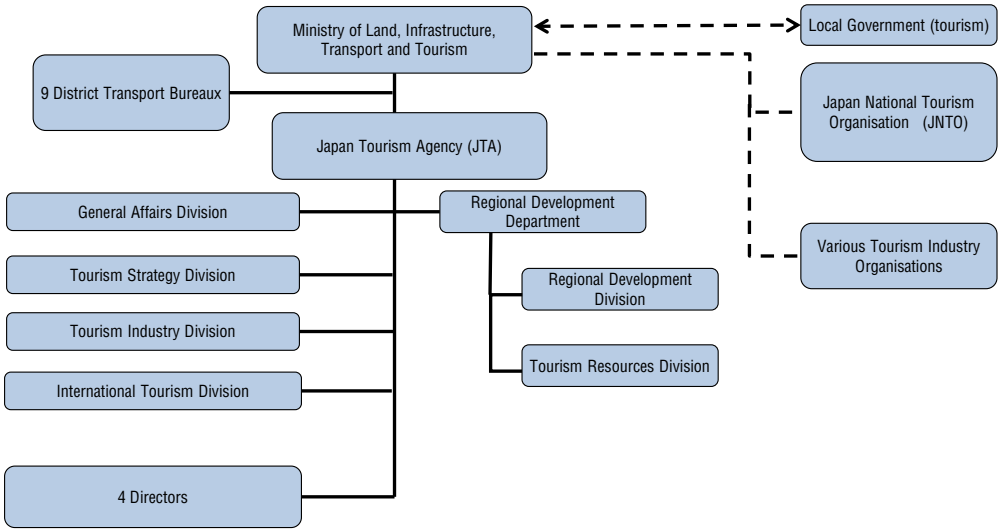
Established as an external organ of the Ministry of Land, Infrastructure, Transport and Tourism in 2008, the Japan Tourism Agency takes a leading role in tourism policy and represents the Government on issues relating to tourism and the promotion of Japan as a tourist destination. The Japan Tourism Agency is headed by a Commissioner.

The Japan National Tourism Organisation is in charge of executing the Visit Japan Project and other marketing activities, including promotion to the MICE market. This includes attracting visitors to Japan through overseas media campaigns and exhibitions at overseas tourism fairs.

Local governments improve local tourism resources, organise events and promotions, and manage the development of human resources. The National Government offers support to boost such regional initiatives including consulting services, providing statistical data, initiating area-wide co-operation and supporting regional development initiatives.

The Japan Tourism Agency budget for 2017 is JPY 25.6 billion (more than double its 2015 budget of JPY 10.4 billion), broken down as follows: JPY 9.4 billion for policies to promote inbound tourism; JPY 8.6 billion to support the development of tourism infrastructure; JPY 2.8 billion to support the development of tourism in regions and JPY 4.6 billion to help regenerate the Tohoku region.

**Japan: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Land, Infrastructure, Transport and Tourism, 2018.

A Ministerial Council for the Promotion of Japan as a Tourism-Oriented Country was established in March 2013 to unify government efforts on tourism. A cross-ministerial budget has yielded many projects and this budgetary policy has been maintained until this year, including the International Tourism Support for Historical Landscapes subsidy. The Japan Tourism Agency plays a co-ordinating role on tourism issues with the relevant government ministries.

## Tourism policies and programmes

The main factors behind the very positive growth in international arrivals in the last few years include relaxing visa restrictions and expanding the tax-free system for foreign tourists along with infrastructure improvements and better promotion.

Some of the main issues and challenges are: the creation of tourist areas of international appeal, the development of human resources for the tourism industry, and investing in additional appropriate infrastructure.

Tourism policy and planning is led by the overarching national strategy for economic growth, the Japan Revitalization Strategy 2016 – Towards the 4th Industrial Revolution. This has a target of achieving the "Biggest Post-War Goal: 600 trillion Yen GDP" by focusing on the following three challenges:

- The strategic creation of new promising growth markets,
- An "Industrial Revolution" to overcome the lack of workers and wage restrictions resulting from a decreasing population,
- The development of personnel to support the new industrial framework.

With respect to new promising growth markets, 10 Public-Private Strategic Projects have been established, with the realisation of Japan as a tourism-oriented country included as one of the projects. Tourism is the trump card for regional revitalisation and is seen as a key pillar in the growth strategy.

To realise the policies to become a tourism-oriented country, a new "Tourism Nation Promotion Basic Plan" was approved by the Cabinet, defining those policies to be enacted by the entire government. The plan, which runs from 2017-2022, establishes four basic national policies:

- The development of the private sector economy,
- The furtherance of international mutual understanding,
- The increased stability of civilian life,
- Countermeasures against the risks of fires and accidents.

In addition, the government's action plan for tourism policies in the "Tourism Vision Realisation Programs 2017" expresses more concrete policies for the coming year and moves towards realisation of that vision.

With the 2020 Tokyo Olympics/Paralympics approaching, Japan is working on various initiatives with a view to becoming a world-class tourist destination. This involves preparing additional infrastructure to accept the expected increase in foreign tourists, dispersing tourists to local areas, revitalising tourism in disaster-struck areas, and dealing with the changing needs of tourists.

Accommodation capacity is an important issue in parts of Japan. Extra capacity is being provided by new accommodation platforms, but these need regulation. In response, a Private Lodging Business Act was introduced in June 2017, which will be enforced from June 2018. This new law defines a set of rules for operating a private lodging. It provides notification and registration systems specifically for operators of private lodgings and for agencies that act as intermediaries between the guests and the operators (Box 1.19).

## Statistical profile

Table 1. **Japan: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 612 750 | 630 950 | 595 221 | 604 715 | 641 079 |
| Overnight visitors (tourists) | 315 549 | 320 416 | 297 343 | 312 985 | 325 658 |
| Same-day visitors (excursionists) | 297 201 | 310 534 | 297 878 | 291 730 | 315 421 |
| Nights in all types of accommodation | 413 181 | 432 398 | 428 677 | 438 464 | 423 096 |
| Hotels and similar establishments | 404 510 | 422 109 | 419 998 | 430 108 | 414 939 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 8 670 | 10 289 | 8 679 | 8 356 | 8 157 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 8 368 | 10 364 | 13 413 | 19 737 | 24 040 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| China | 1 430 | 1 314 | 2 409 | 4 994 | 6 374 |
| Korea | 2 044 | 2 456 | 2 755 | 4 002 | 5 090 |
| Chinese Taipei | 1 467 | 2 211 | 2 830 | 3 677 | 4 168 |
| Hong Kong, China | 482 | 746 | 926 | 1 524 | 1 839 |
| United States | 717 | 799 | 892 | 1 033 | 1 243 |
| Nights in all types of accommodation | 26 314 | 33 496 | 44 825 | 65 615 | 69 389 |
| Hotels and similar establishments | 26 174 | 33 380 | 44 705 | 65 285 | 69 159 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 140 | 116 | 119 | 330 | 230 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 18 491 | 17 473 | 16 903 | 16 214 | 17 116 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION JPY** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 1 291 987 | 1 649 825 | 2 206 700 | 3 304 700 | 3 337 500 |
| International travel receipts | 1 163 092 | 1 476 616 | 1 997 400 | 3 024 000 | 3 337 500 |
| International passenger transport receipts | 128 896 | 173 209 | 209 300 | 280 700 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 3 266 108 | 3 145 219 | 3 023 500 | 2 804 200 | 2 011 000 |
| International travel expenditure | 2 224 813 | 2 131 105 | 2 041 900 | 1 933 400 | 2 011 000 |
| International passenger transport expenditure | 1 041 295 | 1 014 115 | 981 600 | 870 800 | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640500

## Table 2. **Japan: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **60 512** | **4 424 721** | **4 477 798** | **6 431 130 \|** | **6 344 990** | .. |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 50 628 | 427 677 | 419 227 | 623 250 \| | 581 020 | .. |
| Food and beverage serving industry | .. | 1 092 878 | 1 063 824 | 3 443 750 \| | 3 464 980 | .. |
| Passenger transport | .. | 1 407 906 | 1 443 075 | 1 045 760 \| | 975 090 | .. |
| Air passenger transport | .. | 80 063 | 84 240 | 46 980 \| | 46 890 | .. |
| Railways passenger transport | .. | 417 437 | 427 703 | 305 890 \| | 260 070 | .. |
| Road passenger transport | .. | 694 584 | 678 412 | 622 430 \| | 597 800 | .. |
| Water passenger transport | .. | 215 822 | 252 720 | 70 460 \| | 70 330 | .. |
| Passenger transport supporting services | .. | 643 985 | 670 410 | 598 950 \| | 632 960 | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 9 884 | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | 852 275 | 881 261 | 719 420 \| | 690 940 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available; | Break in series
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640519

## Table 3. **Japan: Internal tourism consumption**

Million JPY

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **21 734 935** | **3 304 700** | **25 481 302** |
| Tourism characteristic products | 13 448 260 | 2 022 657 | 15 912 584 |
| Accommodation services for visitors | 3 525 303 | 780 423 | 4 747 393 |
| Food and beverage serving services | 2 584 414 | 558 365 | 3 142 779 |
| Passenger transport services | 5 733 485 | 571 260 | 6 304 745 |
| Air passenger transport services | 2 139 175 | 301 037 | 2 440 212 |
| Railways passenger transport services | 2 940 729 | 217 387 | 3 158 116 |
| Road passenger transport services | 542 552 | 47 532 | 590 084 |
| Water passenger transport services | 111 029 | 5 304 | 116 333 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 273 492 | 29 310 | 302 802 |
| Travel agencies and other reservation services industry | 473 783 | 19 993 | 493 776 |
| Cultural services | 267 651 | 24 088 | 291 739 |
| Sports and recreation services | 590 132 | 39 218 | 629 350 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 8 286 675 | 1 282 043 | 9 568 718 |
| Tourism connected products | 7 714 648 | 1 264 448 | 8 979 096 |
| Non-tourism related consumption products | 572 027 | 17 595 | 589 622 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640538

# Korea

## Tourism in the economy

In 2016, the number of international visitors to Korea totalled 17.2 million, an increase of 30.3% over 2015. The previous year, inbound tourism had been sufficiently resilient to withstand the threat presented by the emergence of MERS (Middle East Respiratory Syndrome), with a decrease of just 6.8% in the number of international visitors compared with 2014.

Korea has become one of the most popular destinations for Chinese and other Asian tourists in recent years. In 2016, China retained its position as the largest inbound market, accounting for 8.1 million visitors. Other markets of importance included Japan (2.3 million visitors), the United States (866 000 visitors) and Taiwan (833 000 visitors). At the same time, outbound travel grew by 15.9% to 22.4 million departures.

Tourism income in 2016 was estimated at USD 17.1 billion, up 13.2 % on 2015. Tourism expenditure was USD 23.1 billion, showing a reduction in the tourism deficit from USD 6.4 billion in 2015 to USD 6.0 billion in 2016, a decrease of 6.6 %. Highest spending visitors included those from the Middle East (USD 2 594), China (USD 2 060) and Russia (USD 1 783), compared to the average per person spend of USD 1 625.

The pattern of demand from international visitors has diversified in recent years, shifting from group tours towards individual tours and from five-star hotel stays towards three- and four-star hotel stays. Shopping accounted for 52.6% of all credit card expenditure by international visitors in 2016. Spending on accommodation (31.7%) and food services (9.1%) both showed a significant increase on the previous year.

In 2016, tourism contributed an estimated 5.1% of total GDP in Korea and the total number of employees in the tourism industry was 1.5 million, 5.8% of total national employment. Total domestic trips numbered 241.7 million, an increase of 1.4% over the previous year. Same-day trips increased by 1.6% to 140.6 million, overnight travel rose by 1.3% to 101 million, and the number of nights spent by domestic visitors in collective accommodation establishments totalled 271 million in 2016.

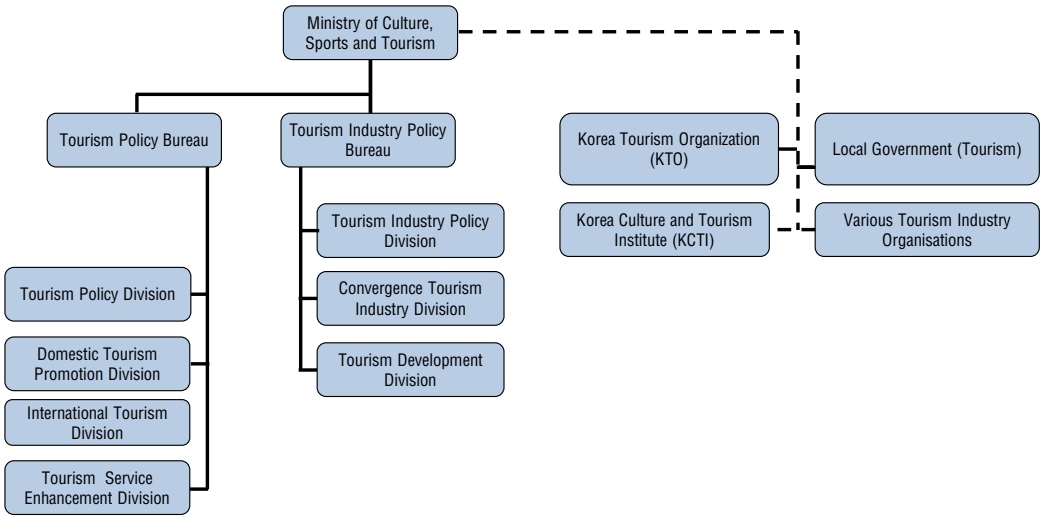
## Tourism governance and funding

In May 2017, the incoming President and Administration announced a new policy agenda, including goals, strategies and tasks for the next five years with the ultimate purpose of improving tourism welfare, promoting domestic tourism, and fostering a fourth industrial revolution. Accordingly, the Ministry of Culture, Sports and Tourism (MCST) completed its reorganisation in September 2017 to effectively respond to the new policy agenda while continuing to increase the competitiveness of Korea's tourism. As a result, under the purview of a Vice Minister within the Ministry of Culture, Sports and Tourism (MCST), there are currently two policy bureaus as follows:

- Tourism Policy Bureau, encompassing the Tourism Policy Division, Domestic Tourism Promotion Division, International Tourism Division and Tourism Service Enhancement Division.
- Tourism Industry Policy Bureau, comprised of the Tourism Industry Policy Division, Convergence Tourism Industry Division and Tourism Development Division.

The new administration is reviewing the option of establishing a National Tourism Strategy Meeting, to be presided over by either the President or Prime Minister. This would involve a horizontal and public-private co-operative platform at the ministerial level in order to foster tourism as a national strategic industry. Participating ministries may include the Ministry of Land, Infrastructure and Transport, Ministry of Justice, Ministry of Foreign Affairs and Ministry of Maritime.

**Korea: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Culture, Sports and Tourism, 2018.

The Tourism Promotion and Development Fund supports tourism promotion under Article 14 of the Framework Act on Tourism. In 2016, the total expenditure of the Fund was approximately USD 1.2 billion, including USD 332 million allocated to subsidies for tourism industry promotion, as well as tourism infrastructure and other projects to attract foreign tourists.

## Tourism policies and programmes

In recent years, Korea's tourism policy has focused primarily on increasing the volume of foreign tourists. In May 2017, the new Administration introduced a policy direction emphasising "tourism welfare" and promoting tourism as a mechanism to both enhance quality of life and boost the national economy. The five major priorities in tourism for 2017-2021 are:

- Fostering a tourism-leisure society,
- Enhancing the competitiveness of the tourism industry,
- Creating quality jobs through tourism,

- Fostering balanced regional growth and local economic development through tourism,
- Diversifying source markets and nourishing a more value added industry.

One of the major challenges in fostering sustainable inbound tourism is to diversify both source markets and regional destinations for visitors. Numbers of foreign tourists hit a record high in 2016. However, Chinese visitors accounted for 46.8% of the total international arrivals, helped by promotional campaigns and easing of visa rules to target a growing group of Chinese independent tourists. The tourism administration is moving to diversify source markets by launching aggressive marketing campaigns which target Japan and Southeast Asia.

Other priorities aimed at generating larger international tourism receipts include developing strategies to attract more independent travellers and fostering high value added tourism.

Korea is undertaking the following initiatives:

- Introduction of vacation bonus subsidies, providing employees of small companies with vacation bonuses partly subsidised by the government (25% of the set amount): a vacation support plan to better assure that employees of Small and Medium Sized Enterprises (SMEs) take adequate vacation leave; issued in the form of a prepaid debit card. The total vacation cost is shared by the ratio of 50% employee, 25% government, and 25% employer (each deposit their share to the virtual account linked with the prepaid card); spending of this card is restricted to the tourism sector and to a specified usage period.
- Life cycle tourism programs tailored to all age groups from children to seniors. Plans are also dedicated to underprivileged groups.
- Customised tourism content, promotion, and marketing strategies for each major source market.
- A strong overseas promotional and marketing campaign focused on ten designated regional destinations with high potential to attract a greater number of international visitors.
- A dedicated online platform and improved digital marketing strategies to enhance the visitor experience of independent travellers. Recommended tour itinerary information, with an option to purchase product, is scheduled to launch in September 2017.
- Major online and mobile promotional campaigns designed to attract the interest of independent travellers.

In addition to marketing campaigns, some new products have been introduced to facilitate tourist movements and spending. Furthermore, efforts continue to be made to improve the competitiveness of high added-value tourism by targeting new corporate meetings, diversifying the incentive tourism market and expanding the realm of medical tourism.

### Incentives to promote and facilitate visitor spending in Korea

The Korea Tour Card will be launched in 2017, aimed at improving the overall visitor experience of destinations. This official tour card, to be offered exclusively to international visitors, can be used as a convenient way to pay for public transport fares and entrance fees at various tourist attractions as well as to purchase shopping, dining, and entertainment products. Discounts will also be available to card users. Available for purchase at select locations, it offers international visitors a number of benefits including shop discounts, coupons, and a welcome gift for first-time card buyers. It can be topped up or refunded at banks, convenience stores, and subway stations (*http://koreatourcard.kr*).

The Tax Refund Automated System and Immediate Tax Refund Policy have also been introduced to enhance the shopping experience of visitors to Korea. The Automated Tax Refund System, launched in 2014, simplifies the traditional tax refund procedure. In the airport, visitors can scan their passport and VAT refund receipt on the landside kiosk to receive the tax refund in cash on the airside. Since January 2016, the Immediate Tax Refund Policy has enabled International tourists to purchase products, up to a certain value, exclusive of tax. This policy provides a more pleasant and convenient experience by saving travellers the time and effort of claiming tax refunds.

## Statistical profile

Table 1. **Korea: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 213 468 | 231 035 | 227 100 | 238 297 | 241 750 |
| Overnight visitors (tourists) | 92 289 | 99 667 | 98 521 | 99 776 | 101 068 |
| Same-day visitors (excursionists) | 121 180 | 131 368 | 128 579 | 138 522 | 140 682 |
| Nights in all types of accommodation | 244 102 | 257 852 | 269 268 | 268 297 | 271 696 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 11 140 | 12 176 | 14 202 | 13 232 | 17 242 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| China | 2 837 | 4 327 | 6 127 | 5 984 | 8 068 |
| Japan | 3 519 | 2 748 | 2 280 | 1 838 | 2 298 |
| United States | 698 | 722 | 770 | 768 | 866 |
| Chinese Taipei | 548 | 544 | 644 | 518 | 833 |
| Thailand | 360 | 400 | 558 | 523 | 651 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 13 737 | 14 846 | 16 081 | 19 310 | 22 383 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 18 850 | 19 644 | 22 704 | 19 056 | 21 053 |
| International travel receipts | 13 429 | 14 629 | 17 836 | 15 214 | 17 210 |
| International passenger transport receipts | 5 422 | 5 015 | 4 868 | 3 841 | 3 843 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 22 934 | 24 458 | 26 136 | 27 957 | 29 143 |
| International travel expenditure | 20 645 | 21 648 | 23 192 | 25 270 | 26 642 |
| International passenger transport expenditure | 2 289 | 2 811 | 2 944 | 2 687 | 2 501 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640557

## Table 2. **Korea: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed[1] | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **23 874** | **229 658** | **227 135** | **230 334** | **235 604** | .. |
| Accommodation services for visitors | 1 503 | 70 803 | 63 899 | 67 465 | 70 305 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 4 855 | 41 576 | 42 150 | 39 506 | 27 902 | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 14 607 | 69 990 | 70 574 | 69 400 | 84 558 | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | 2 290 | 33 690 | 36 421 | 36 633 | 37 707 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | 619 | 13 599 | 14 092 | 17 330 | 15 131 | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640576

# Latvia

## Tourism in the economy

Tourism is one of Latvia's main drivers of economic development, an important source of export revenue and a key contributor to GDP.

In 2016, tourism directly contributed EUR 1 billion, amounting to 4.1% of Latvia's total GDP. Tourism direct exports totalled EUR 783 million, representing 4.5% of total exports. The tourism sector, together with induced impacts, provided almost 79 000 jobs and accounted for 8.9% of total employment in 2016.

The number of hotels and other tourist accommodation providers has increased in recent years. In 2016 there were 607 establishments (37 453 beds) compared to 544 in 2014 (33 459 beds). The impact of sharing economy services such as Airbnb, has also continued to grow, with over 10% of visitors now estimated to use such services.

Hotels and other similar establishments recorded 2.3 million guests in 2016, an increase of 7.7% over 2015 levels, of which nearly 70% were international visitors (1.5 million). The largest tourism markets are Russia (208 800), Germany (187 800), Lithuania (158 800) and Estonia (145 300) together accounting for 45% of foreign tourists.

There were 12 million domestic trips in total in 2016, of which 3 million included overnight stays and 9 million were same-day visits. Receipts from domestic travel totalled EUR 328 million, of which overnight visitor trips accounted for EUR 111 million.

## Tourism governance and funding

The Ministry of Economics (the "Ministry") is responsible for the development and implementation of tourism policy in Latvia. Its main responsibilities are determined by the Tourism Law of 1998, under which it is charged to:

- Develop national tourism policy and organise and coordinate its implementation,
- Develop draft legislation and regulations,
- Represent the State's interests in the tourism industry,
- Plan state aid to the tourism industry,
- Prepare and implement international agreements regarding co-operation in the field of tourism, as well as coordinate the development of international projects.

In 2016 the tourism board of Latvia (the Latvian Tourism Development Agency) was merged with the Investment and Development Agency of Latvia (the "Agency"), which is supervised by the Ministry.

The new tourism tasks of the Agency include:

- Ensuring implementation of Latvian tourism development policy,

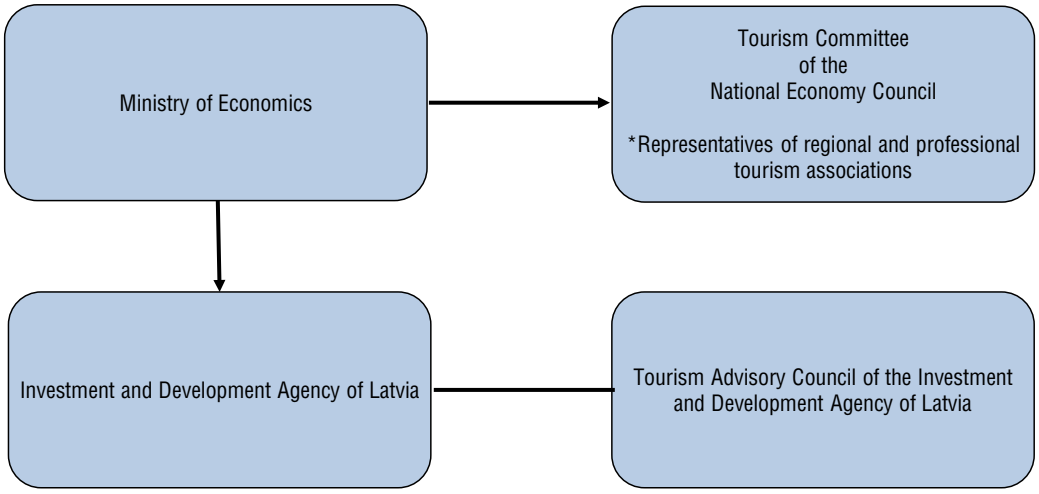
- Promoting Latvia as an attractive tourist destination to both national and international markets,
- Introducing tourism projects developed by a partnership of the public and private sectors,
- Attracting financial resources for tourism development,
- Introducing quality management into the tourism sector, including the assessment of compliance by Latvian tourism operators and related service and retail providers,
- Helping to implement international co-operation agreements in the tourism sector.

The Ministry and Agency co-operate actively with the regions of Latvia via four regional tourism associations. If more detailed issues are to be resolved, co-operation with local municipalities and tourism information centres is also possible. The Ministry also co-operates with sector associations on issues related to specific topics such as accommodation or the activities of travel agencies.

Coordination over nationally relevant issues regarding tourism is undertaken by the Tourism Committee of the National Economy Council, which includes representatives of the tourism associations, regional associations and other bodies.

In 2016, the total budget for tourism marketing was EUR 2 million, including state funding of EUR 500 000 plus co-funding from the European Regional Development Fund (ERDF), and funds for the implementation of the EURO VELO 13 and EDEN projects. During the period of ERDF funding (2014-2020), Latvia has allocated EUR 20 million to tourism marketing and other promotional activities.

**Latvia: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economics, 2018.

## Tourism policies and programmes

Three main challenges have been identified for competitive and sustainable tourism development:

- Decrease of average spending by tourists per day. During the evaluation of the Latvian Tourism Guidelines for the period of 2014-2016, it has been noted that while the number

of tourists is rising and has exceeded the forecasts by 8%, the total expenditure has not reached the expected rates due to a decrease of average spending per tourist per day.

- Strong tourism seasonality leading to fluctuations in business turnover. The average occupancy rate in the low season falls to 30%, while in the high season it can reach 60-80%.
- Low competitiveness of Latvia as a tourism destination in the region, the EU and globally. Latvia is relatively unknown as a tourism destination and it is important to raise market awareness.

The Ministry of Economics has developed the Latvian Tourism Development Guidelines for 2014-2020, which is the main tourism policy document. The overall goal is to ensure sustainable growth of the Latvian tourism sector by facilitating the competitiveness of Latvian tourism services in export markets.

Latvian tourism policy aims to increase the competitiveness of Latvian tourism supply by:

- Meeting the criteria of sustainable tourism product development,
- Encouraging international competitiveness,
- Reducing seasonal imbalance in tourism flows,
- Extending the average length of stay.

Overall, Latvia's most competitive tourism sectors are MICE tourism, health tourism, nature tourism, and cultural tourism and creative industries.

The policy response to the identified challenges has focused on the following activities:

- Improving the quality of tourism offer. In order to increase the average spending of tourist per day, it is important to improve the quality of tourism offer to increase the willingness of visitors to pay higher prices. The Latvian Tourism Development Guidelines for 2014-2020 support only quality tourism product development. The product has to be sustainable, offer innovative solutions, be export oriented, and offer high quality with high added value.
- Improving education and skills in tourism. In order to improve the quality of services, it is important to improve the education and skills of the service providers. The qualifications of undergraduate students have been redesigned, with improved efficiency in higher education in tourism and beauty/spa studies.
- Combating seasonality. Latvia has set MICE and wellness/health tourism as key priorities in tourism development, to minimise the negative effects of seasonality.
- Improving competitiveness in the region. To increase Latvia's competitiveness as a tourism destination, Latvia has set the VAT rate for accommodation below the general VAT rate, to ensure prices are regionally competitive.

The Investment and Development agency of Latvia is providing support for SMEs in various activities to improve the international competitiveness of Latvia as a tourist destination. Three main activities, financed through the European Regional Development Fund (ERDF), include:

- Organising national stands in international tourism fairs and exhibitions abroad,
- Marketing and promotional activities,
- Financial support to SMEs for individual stands and participation in tourism-related conferences and seminars abroad.

## Statistical profile

Table 1. **Latvia: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 12 149 \| | 12 151 | 11 413 | 10 691 | 12 197 |
| Overnight visitors (tourists) | 3 796 \| | 3 156 | 3 258 | 2 972 | 3 071 |
| Same-day visitors (excursionists) | 8 353 \| | 8 995 | 8 155 | 7 718 | 9 126 |
| Nights in all types of accommodation | 7 678 \| | 7 289 | 8 447 | 6 542 | 7 233 |
| Hotels and similar establishments | 450 \| | 467 | 671 | 592 | 400 |
| Specialised establishments | 220 \| | 431 | 427 | 322 | 416 |
| Other collective establishments | 261 \| | 249 | 320 | 435 | 357 |
| Private accommodation | 6 748 \| | 6 142 | 7 029 | 5 193 | 6 060 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 5 569 | 5 822 | 6 246 | 6 842 | 6 797 |
| Overnight visitors (tourists) | 1 435 | 1 536 | 1 843 | 2 024 | 1 793 |
| Same-day visitors (excursionists) | 4 134 | 4 286 | 4 403 | 4 818 | 5 004 |
| Top markets | | | | | |
| Russian Federation | 273 | 333 | 348 | 204 | 209 |
| Germany | 123 | 123 | 168 | 179 | 188 |
| Lithuania | 203 | 210 | 266 | 145 | 159 |
| Estonia | 121 | 146 | 181 | 139 | 145 |
| Finland | 65 | 72 | 80 | 83 | 101 |
| Nights in all types of accommodation | 5 792 | 7 009 | 7 822 | 8 145 | 8 766 |
| Hotels and similar establishments | 2 756 | 3 060 | 3 269 | 3 566 | 3 146 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 138 | 164 | 121 | 152 | 136 |
| Private accommodation | 2 717 | 3 552 | 4 202 | 4 217 | 4 959 |
| **Outbound tourism** | | | | | |
| Total international departures | 2 265 \| | 1 777 | 1 846 | 1 719 | 1 939 |
| Overnight visitors (tourists) | 1 398 \| | 1 246 | 1 362 | 1 242 | 1 250 |
| Same-day visitors (excursionists) | 867 \| | 530 | 484 | 478 | 689 |
| Top destinations | | | | | |
| Lithuania | 152 \| | 123 | 134 | 171 | 231 |
| Estonia | 141 \| | 158 | 95 | 168 | 190 |
| Russian Federation | 131 \| | 162 | 138 | 121 | 36 |
| Sweden | 116 \| | 98 | 86 | 75 | 78 |
| Germany | 135 \| | 94 | 95 | 71 | 37 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 833 | 896 | 935 | 1 024 | 783 p |
| International travel receipts | 581 | 651 | 719 | 807 | 783 p |
| International passenger transport receipts | 252 | 245 | 216 | 217 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 674 | 676 | 682 | 721 | 628 p |
| International travel expenditure | 529 | 538 | 537 | 554 | 628 p |
| International passenger transport expenditure | 145 | 138 | 145 | 167 | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640614

## Table 2. **Latvia: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **13 428** | **72 200** | **69 500** | **74 900** | **73 800** | **79 600** |
| Accommodation services for visitors | 1 108 | 3 400 | 4 300 | 5 700 | 5 500 | 6 000 |
| Hotels and similar establishments | 444 | 2 500 e | 3 200 | 4 600 | 5 000 | 4 700 |
| Food and beverage serving industry | 4 689 | 24 900 | 22 200 | 23 600 | 24 800 | 24 500 |
| Passenger transport | 1 478 | 18 000 | 18 800 | 20 200 | 18 400 | 22 100 |
| Air passenger transport | 16 | 2 400 e | .. | .. | .. | .. |
| Railways passenger transport | 66 | 3 900 | 3 400 | 4 900 | 4 200 | 3 500 |
| Road passenger transport | 1 361 | 9 700 | 12 800 | 13 400 | 12 400 | 15 700 |
| Water passenger transport | 35 | 2 000 e | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 805 | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 960 | 2 700 | 2 600 e | 2 800 | 2 400 | 1 500 e |
| Cultural industry | 1 999 | 12 900 | 13 300 | 12 300 | 12 800 | 15 600 |
| Sports and recreation industry | 2 389 | 10 300 | 8 200 | 10 000 | 9 500 | 9 400 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640633

# Luxembourg

## Tourism in the economy

In 2016 it is estimated that tourism contributed 1.7% of Luxembourg's GDP directly and 5.1% if indirect impacts are also included. Tourism accounted for 6 000 jobs directly, with a total of 18 500 jobs being dependent either directly or indirectly on the sector (WTTC).

The number of overnight stays has risen steadily in the Grand Duchy of Luxembourg since 2010. 2016 was a record year for tourism in Luxembourg with 3 million overnight stays, an increase of 59% since 2010.

Luxembourg's four main tourist markets are its neighbouring countries and the Netherlands, which in 2016 accounted for over 62% of overnight stays, comprising of the Netherlands (25.6%), Belgium (17.3%), Germany (11.2%) and France (8.3%). Other source markets, such as the United States, China and Japan, are seeing ongoing growth. Domestic tourism regularly accounts for around 10% of total overnight stays.

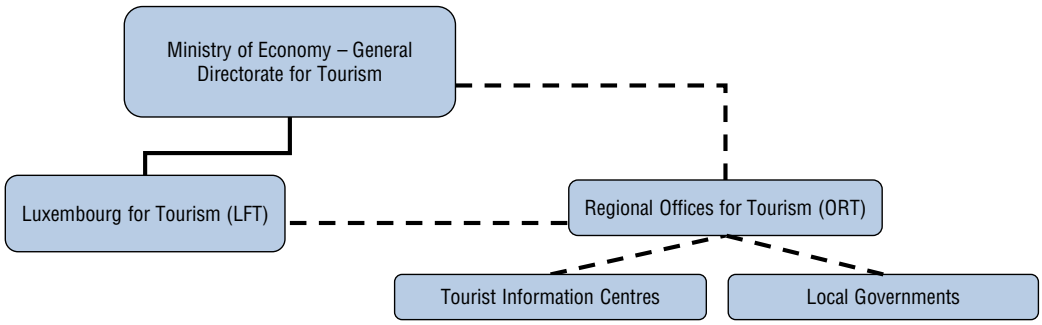
## Tourism governance and funding

Since 2013, tourism has been under the responsibility of the Directorate General for Tourism (DGT), within the Ministry of the Economy ("the Ministry"). In addition to regulating tourism, the DGT coordinates the work of Luxembourg for Tourism (LFT), the national body responsible for tourism development and promotion, as well as the Regional Tourist Boards which coordinate the local services and cultivate the regional tourist offer. LFT defines and implements the national marketing strategy to enhance the country's international image and reputation as a tourist destination, and also promotes Luxembourg as a destination for business and conferences.

The Directorate General for Tourism also supports accommodation businesses, associations and local administrations which promote tourism. The main aim is to develop both the quality of tourism and quality of life. The Ministry is represented within Luxembourg for Tourism's decision-making bodies and regional tourism boards. In addition, regular meetings are held to ensure coordination and effective collaboration between the different parties. DGT is also responsible for assigning tourism labels, such as for hotel and camping classification, service quality, EcoLabel, EureWelcome, or bed+bike.

A budget of EUR 45 million was allocated for the five year plan for tourism covering 2013-17. The approved annual budget for the Directorate General for Tourism in the Ministry of the Economy has risen steadily since 2014, increasing from EUR 14.1 million in 2015 to EUR 14.6 million in 2016. Included in this amount are subsidies of EUR 3.7 million for Luxembourg for Tourism and EUR 1.8 million for regional tourism stakeholders.

**Luxembourg: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economy, 2018.

## Tourism policies and programmes

Tourism in Luxembourg is facing a number of challenges:

- Offer quality: this small destination that is not well known to tourists requires an increasingly high-quality of offer and service to stand out from the competition,
- Tourist structures: at national, regional and local level, tourist structures need to be more professionalised if they are to meet the current and future challenges of the tourist industry,
- Digitalisation: the tourist sector will need to adapt to rapid developments,
- Accessibility: the tourist offer needs to develop so that it becomes accessible to everybody,
- Statistics: timely delivery of reliable data is crucial for tracking trends in tourism and adapting accordingly,
- New growth markets: it is essential to adapt the offer to attract tourists from new growth markets,
- Innovation: developing and supporting innovative tourism products,
- Transparency: ensuring transparency in the tourism offer, especially in the hospitality sector.

In recent years, the Luxembourg government has put together a new medium- to long-term strategy for the tourist industry, in close collaboration with national and regional bodies, and based on a participatory approach. The strategy will shortly be made public.

A bill has been tabled to allow government to subsidise delivery of a tenth five-year plan for boosting tourist infrastructure (2018-2022), supporting tourism professionals in their efforts to develop tourism in Luxembourg and broaden the country's tourism offer. This will include tourism projects initiated by municipalities, associations, non-profit organisations and private investors, as well as the owners or operators of various kinds of tourist accommodation. The new five-year plan will also continue to subsidise the costs of investment in programmes for certification of service quality.

To encourage development of a high-quality offer and ensure the greatest possible transparency, in 2017 the government launched a new hotel classification system. Already operated in many European countries under the patronage of HOTREC, Hotelstars Union offers a harmonised hotel classification with common criteria across Europe. Participation offers increased transparency and security to guests, enhancing the reputation and quality

of hotels in its member countries. The Ministry is implementing this classification in close collaboration with HORESCA, the hotel federation. A new classification for camping sites will be rolled out in autumn 2017.

Hiking holidays are a major tourism niche for the country, and the focus on infrastructure quality for this market segment over the past ten years has led to two of its major trails being awarded the highly coveted European label "Leading Quality Trails – Best of Europe".

Analysis of the current offer and benchmarking against the best European offers provide the basis for Luxembourg to compete with top performers in hiking tourism by 2020. With rising expectations in a competitive growth market, it will be essential to invest in clear, effective signposting, digital support and high-quality hiking infrastructure across the country. The new concept encompasses not only the trail network, but also local accommodation and food services, tourist attractions and cultural sights, as well as all forms of mobility.

A further specific priority has been given to the development and promotion of the MICE market in Luxembourg, where the MICE Luxembourg cluster was established by the Ministry of the Economy in 2015. In addition, the government is working with the sector to implement a number of development projects, including a timetable for MICE events, business quality guidelines, and a Green Meetings project designed to promote and showcase ecologically responsible events (Box 1.11).

## Statistical profile

Table 1. **Luxembourg: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 67 | 96 | 99 | 101 | 103 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 233 | 311 | 340 | 313 | 306 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 950 | 945 | 1 038 | 1 091 | 1 054 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Belgium | 193 | 190 | 203 | 211 | 210 |
| Netherlands | 170 | 164 | 176 | 180 | 178 |
| Germany | 129 | 137 | 147 | 152 | 152 |
| France | 131 | 126 | 141 | 141 | 139 |
| Nights in all types of accommodation | 2 202 | 2 218 | 2 397 | 2 540 | 2 522 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | 2 944 | 2 497 | 2 138 |
| Overnight visitors (tourists) | 1 580 | 1 624 | 1 515 | 1 452 | 1 393 |
| Same-day visitors (excursionists) | .. | .. | 1 428 | 1 045 | 745 |
| Top destinations | | | | | |
| France | 363 | 384 | 322 | 306 | 255 |
| Germany | 256 | 272 | 272 | 272 | 253 |
| Spain | 112 | 102 | 128 | 113 | 119 |
| Belgium | 148 | 154 | 135 | 107 | 91 |
| Italy | 115 | 97 | 108 | 94 | 107 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 4 261 | 4 325 | 4 638 | 4 394 | 3 878 p |
| International travel receipts | 3 877 | 3 879 | 4 133 | 3 872 | 3 878 p |
| International passenger transport receipts | 384 | 446 | 505 | 522 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 2 867 | 2 920 | 2 976 | 3 037 | 3 027 p |
| International travel expenditure | 2 793 | 2 863 | 2 917 | 2 987 | 3 027 p |
| International passenger transport expenditure | 74 | 57 | 59 | 50 | .. |

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

StatLink http://dx.doi.org/10.1787/888933640671

## Table 2. **Luxembourg: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **389** | .. | .. | .. | .. | .. |
| Accommodation services for visitors | 322 | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 234 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | .. | .. | .. | .. | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 67 | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640690

# Mexico

## Tourism in the economy

It is estimated that tourism contributes approximately 8.7% of the total GDP in Mexico. The sector provides 2.3 million fulltime jobs (5.9% of fulltime paid employment), rising to around 10 million jobs in total including informal employment. Tourism accounts for over 79.9% of exports in services. Overall, economic and employment growth in tourism has been faster than in the rest of the economy.

Mexico received 35 million international arrivals in 2016, a 9% increase over the previous year. It is estimated that this figure could reach 37.5 million in 2017. By far the largest source market is the United States, followed by Canada and Argentina. However, the general pattern has been towards greater market diversification, with arrivals from the United States reducing as a proportion of total arrivals over the past ten years, as a result of faster growth from Latin America and Asia. This is linked to the opening of new international air routes, including three new direct flights from Asia in 2017 (Seoul, Canton and Tokyo). In terms of domestic tourism, the number of Mexican nationals staying in hotels is estimated at around 91.5 million, with an annual growth rate of 2.8%.

## Tourism governance and funding

The Ministry of Tourism is the lead government body with responsibility for tourism policy, planning, development, quality and regulation.

The Mexico Tourist Board (CPTM) is responsible for promoting the tourism brand and for developing and coordinating international and national strategies for tourism marketing. CPTM aims to strengthen the image of Mexico as a tourist destination promoting the quality, diversity and authenticity of its attractions.

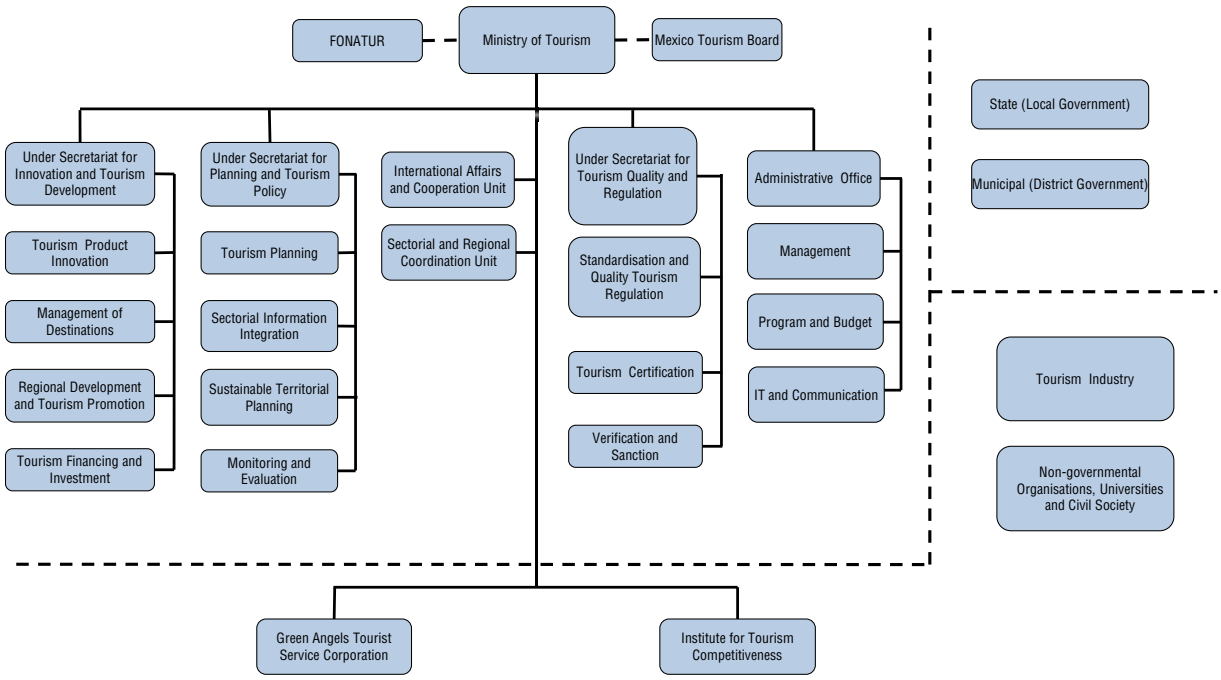
The National Fund for Tourism Development (FONATUR) acts as a facilitating instrument for foreign investors. It was created by the Ministry of Finance and is coordinated by the Ministry of Tourism. FONATUR's objectives are to promote investment, create jobs, improve social welfare and encourage national and regional development. It engages in the development of destinations and tourism products. FONATUR's functions include conducting feasibility studies, developing destination master plans, project management, executing infrastructure projects and engagement with various forms of financing.

State and local level bodies have the right to promote and finance their destinations and to collect room taxes. Coordination with the state and local levels of government is undertaken by several commissions, including the Governor's Commission for Tourism and the association of local ministers of tourism.

In 2017 the budget for tourism in Mexico amounted to USD 441 million. This figure consisted of around USD 219 million for the Ministry of Tourism, USD 188 million for

FONATUR and USD 34 million for the Mexico Tourist Board. The latter also obtains significant resources from an entry tax charged on tourists. Much of the funding for the tourism sector also occurs at the local level and from public and private initiatives.

**Mexico: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

The overall National Development Plan 2013-2018 recognises the importance of tourism for creating jobs, developing markets for SMEs and preserving the natural and cultural richness of the country. Derived from this, the Tourism Sectoral Plan 2013-2018 has five objectives:

- Transform the tourism sector and strengthen collaboration schemes and joint responsibilities to tap the tourism potential,
- Strengthen the comparative advantages of the tourism offer,
- Facilitate financing and public-private investment in projects with tourism potential,
- Boost tourism promotion in order to contribute to the diversification of markets and increase development and growth of the sector,
- Promote sustainable development of tourism destinations and increase the social and economic benefits for the recipient communities.

The main challenges facing the tourism sector in Mexico include sustainability, a competitive business environment, connectivity, infrastructure and social responsibility. In this context, three policy priorities have been identified:

- Careful planning and regulation of urban growth and the use of natural resources and public services to meet the needs of tourism and of the local population,

- Establishing a model for tourism development in destinations that addresses the viability of tourism activity while strengthening local communities and involves all types of stakeholder (three levels of government, civil society, NGOs, academia and the private sector),
- Maximising the retention of wealth generated in the regions, minimising imports of goods and services and increasing employment for local people.

The Programme for Tourism Territorial Planning provides the basis for the responsible development of tourism destinations. A new programme, called Zones for Sustainable Tourism Development, is underway and seeks to implement destination plans, along with local governments, that address territorial, geographical, economic, social, cultural, educational and environmental issues. This program seeks to combine and incentivise with federal funding, an increase in state, municipal and private investments.

The Tourism Board has developed a program dedicated to the promotion of domestic tourism (which represents 85% of all tourism in Mexico), called "Let's All Travel for Mexico" (*Viajemos Todos por México*), which encourages domestic travel, diversification of tourist products, and the reduction of seasonality.

The Board is involved in organising fairs and events to promote the tourism sector. An example of this is the *Tianguis Turístico*, an unique business forum in which national and international buyers meet with Mexican companies to develop business relationships. In addition they continue to improve and innovate the "Magical Towns" program, which has helped to diversify the market and encouraged regional development.

An advisory board has been created to help execute the strategic lines of action for medical tourism, including product, quality, investigation, integration, financing, facilitating and promotion. Currently 10 medical tourism clusters have been identified. The competitiveness of these clusters will be derived from their proximity to source markets, world class medicine and infrastructure, competitive pricing relative to other destinations, connectivity, public image and customer service.

An initiative has been introduced, together with the private sector, to develop the capacity of employees in the tourism sector and to improve their quality of life. It includes a programme for the construction of accommodation for employees, close to tourist centres, thereby reducing pollution and travel times.

A policy has been introduced to promote the application of new technology in the tourism sector, aimed particularly at analysing and facilitating visitor flows, mobility and interaction with service providers. It focuses on certain destinations such as Smart Cities and on visitor arrivals, through a Digital Borders initiative.

In response to the UN global initiative in 2017, an event was held in Acapulco at which state tourism authorities (subnational), representatives from the private sector, academia, environmental organisations and international non-governmental organisations, signed the National Commitment for Sustainable Tourism for Development. Two particular areas of action relating to this commitment include:

- Adjustment of legislation and development programmes relating tourism to the conservation of biodiversity and the environment, as outlined by the Conference on Biological Diversity (COP 13) held in Mexico in 2016.
- Commitment to actions in the National Code of Conduct for the Protection of Children and Adolescents in the Travel and Tourism Sector, as an instrument to support good employment practices and address social impacts.

## Statistical profile

Table 1. **Mexico: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 74 668 | 78 527 | 80 746 | 85 939 | 89 874 p |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 126 933 | 129 356 | 143 035 | 143 754 | 150 445 p |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 76 749 | 78 100 | 81 042 | 87 129 | 94 853 |
| Overnight visitors (tourists) | 23 403 | 24 151 | 29 346 | 32 093 | 35 079 |
| Same-day visitors (excursionists) | 53 346 | 53 950 | 51 696 | 55 035 | 59 774 |
| Top markets | | | | | |
| United States | 18 658 | 18 940 | 23 399 | 24 094 | 24 261 |
| Canada | 1 572 | 1 599 | 1 677 | 1 749 | 1 781 |
| United Kingdom | 363 | 414 | 459 | 506 | 545 |
| Spain | 279 | 282 | 310 | 333 | 361 |
| France | 203 | 200 | 214 | 222 | 234 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 57 527 | 63 765 | 70 718 | 82 654 | 86 616 p |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 87 493 | 90 787 | 90 982 | 94 988 | 97 372 |
| Overnight visitors (tourists) | 15 581 | 15 911 | 18 261 | 19 603 | 20 223 |
| Same-day visitors (excursionists) | 71 913 | 74 875 | 72 721 | 75 385 | 77 149 |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 13 320 | 14 311 | 16 607 | 18 728 | 20 540 |
| International travel receipts | 12 739 | 13 949 | 16 208 | 17 734 | 19 571 |
| International passenger transport receipts | 581 | 362 | 399 | 995 | 969 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 10 734 | 11 970 | 12 556 | 12 668 | 12 749 |
| International travel expenditure | 8 449 | 9 122 | 9 606 | 10 098 | 10 227 |
| International passenger transport expenditure | 2 286 | 2 848 | 2 950 | 2 570 | 2 522 |

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

StatLink http://dx.doi.org/10.1787/888933640728

## Table 2. **Mexico: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **..** | **2 131 440** | **2 153 084 p** | **2 180 896 p** | **2 229 801 p** | **2 271 112 p** |
| **Tourism industries** | **104 848 p** | **1 498 625** | **1 521 294 p** | **1 546 054 p** | **1 592 052 p** | **1 627 250 p** |
| Accommodation services for visitors | .. | 179 045 | 182 832 p | 188 920 p | 198 140 p | 203 846 p |
| Hotels and similar establishments | 21 085 p | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 76 785 p | 609 733 | 620 109 p | 619 663 p | 639 360 p | 658 096 p |
| Passenger transport | .. | 518 965 | 524 890 p | 540 357 p | 555 270 p | 566 670 p |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 6 978 p | 19 192 | 19 373 p | 20 018 p | 20 381 p | 20 648 p |
| Cultural industry | .. | 42 286 | 38 416 p | 42 702 p | 43 702 p | 44 031 p |
| Sports and recreation industry | .. | 56 185 | 57 191 p | 56 512 p | 55 646 p | 56 110 p |
| Retail trade of country-specific tourism characteristic goods | .. | 73 219 | 78 483 p | 77 882 p | 79 553 p | 77 849 p |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **..** | **632 815** | **631 790 p** | **634 842 p** | **637 749 p** | **643 862 p** |

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

StatLink http://dx.doi.org/10.1787/888933640747

## Table 3. **Mexico: Internal tourism consumption**

Million MXN

| | 2016 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **..** | **..** | **..** |
| **Consumption products** | **2 156 993 p** | **462 813 p** | **2 619 806 p** |
| Tourism characteristic products | 1 951 601 p | 461 562 p | 2 413 163 p |
| Accommodation services for visitors | 469 495 p | 124 209 p | 593 705 p |
| Food and beverage serving services | 423 299 p | 114 856 p | 538 155 p |
| Passenger transport services | 617 359 p | 79 890 p | 697 249 p |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 25 904 p | 780 p | 26 684 p |
| Cultural services | 9 749 p | 16 074 p | 25 822 p |
| Sports and recreation services | 13 262 p | 31 469 p | 44 732 p |
| Country-specific tourism characteristic goods | 392 534 p | 94 283 p | 486 816 p |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 205 392 p | 1 251 p | 206 643 p |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | **..** | **..** | **..** |

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

StatLink http://dx.doi.org/10.1787/888933640766

# Netherlands

## Tourism in the economy

The importance of domestic and inbound tourism for the Netherlands remains high, with both providing a substantial impetus to the Dutch economy. In 2016, direct tourism GDP was estimated to be EUR 24.8 billion (up 5.9%), representing 3.9% of total GDP. Over the same period, the number of persons directly employed in tourism was estimated to be up 2.6% to 389 000 (full-time equivalents), which accounted for 5.5% of total employment.

Overnight international arrivals grew to 15.8 million in 2016, representing an increase of 5.5% on 2015 but down slightly on recent years (7.8% in 2015 and 8.9% in 2014). Inbound travel receipts totalled EUR 12.8 billion in 2016, up 22.1% on the previous year and accounting for 1.5% of total exports (up from 1.2% in 2014). As in previous years, Germany provided the largest proportion of international visitors (29%), with a growth of 7.8% on 2015. The other leading foreign markets were Belgium (13.5%), the United Kingdom (13%) and the United States (5%).

In 2016 domestic overnight trips totalled 23.1 million (up 3%) and generated 21.4 million nights in hotels and similar establishments. Domestic tourism expenditure amounted to EUR 54.7 billion, or 72.2% of total internal tourism consumption.

## Tourism governance and funding

The Ministry of Economic Affairs (the "Ministry") is responsible for tourism policy at the national level. Responsibilities include:

- Partial funding of the Netherlands Board of Tourism and Conventions (NBTC) Holland Marketing, which is responsible for international marketing of the Netherlands and attraction of international conventions,
- Stimulating innovation, entrepreneurship and sustainability,
- Stimulating synergy between nature, recreation and entrepreneurship,
- Acting as first point of contact within government for tourism industry associations and stakeholders,
- Improving the business climate for the hospitality sector by reducing the regulatory burden.

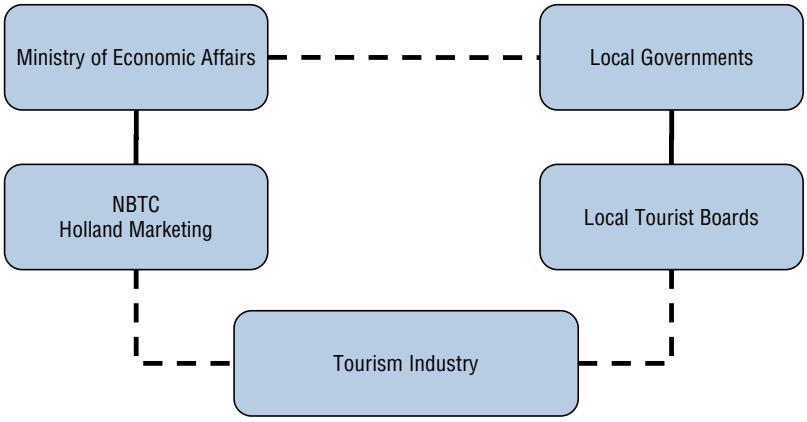
Regional and local authorities are responsible for tourism policy at their respective levels. They deal with tourism matters such as funding regional and local destination marketing organisations, responsible for both domestic and international marketing, and with product development.

NBTC Holland Marketing uses a private public partnership model to create the co-operation necessary to organise marketing programmes, enabling a variety of different

partners to bundle their budgets and other investments around a shared goal or interest. They can be public partners (national, provincial and municipal authorities or regional tourist boards), public-private partners (marketing and promotional organisations) and private partners (businesses in the visitor sector and related sectors) in the Netherlands and other countries.

In 2016 the Ministry of Economic Affairs provided NBTC Holland Marketing with a grant of EUR 8.5 million.

**Netherlands: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economic Affairs, 2018.

## Tourism policies and programmes

In 2013, the hospitality sector brought together a high level group of entrepreneurs, knowledge and marketing institutes, and representatives of the Ministry. The group's ambition for the hospitality economy is that, by 2025, the Netherlands will be the country with the greatest diversity of experiences in the world. Their aim is to offer excellent hospitality, a competitive sector, and an attractive society. In turn, this will promote a healthy business climate to encourage foreign companies to invest in the Netherlands.

The strategic vision is based on three concepts:

- Find: guests do not want to go searching but wish to find things and be surprised at what they discover,
- Surprise: it is essential to provide excellent hospitality with an innovative choice of offers and concepts,
- Connect: guests like to combine different experiences within the Netherlands and beyond geographical borders. Closer co-operation with companies and organisations within and outside the sector improves access to what is on offer and creates a surprising and innovative range of options.

Based on this vision, an action agenda was defined for each of seven themes: innovation, human capital, technology, marketing, deregulation, nature, spirituality and social involvement.

Organisations representing the hospitality sector, nature and consumer organisations have become involved in this networking approach.

In 2017, a final report demonstrated that the action agenda has led to stronger collaboration within the sector. The Ministry wishes to see this collaboration continue, with an emphasis on collaboration between national and regional authorities, and private parties.

HollandCity is a recent example of a collaborative approach based on a new concept of destination level identity and the delivery of visitor experiences.

**Spreading tourism to destinations in the Netherlands**

Together with NBTC and the provinces, the Ministry of Economic Affairs aims to promote the sustainable growth of tourism through a more balanced distribution of the increasing numbers of tourists throughout the year and across the country.

Attractions located outside of major centres enable regions to profit from the economic benefits of tourism, while helping to prevent tourism from becoming concentrated in just a few places. Building on this philosophy, the HollandCity concept was developed by NBTC and industry partners to present the Netherlands as one large metropolis, inspiring visitors to step off the beaten track through a three-pronged strategy focused on events, districts and storylines, built around an imaginary metro network.

HollandCity's imaginary storylines link different places across the country through a common theme. For example, visitors are inspired to enrich their experience of the Netherlands through exploring Van Gogh's connections not only with Amsterdam, but also the Arnhem region and Brabant. Good connectivity between the different places within each storyline is essential.

Attractive events can help to distribute visitors throughout the country, and also attract visits in the off-season. Cultural and regional themes have been used successfully to promote the Netherlands. In 2016, for example, domestic and overseas promotions focused on "Jheronimus Bosch 500", with a year-long programme on the 500th anniversary of the artist's death, while 2017 showcases "Mondrian to Dutch Design". To date, eleven of the twelve Dutch provinces are participating and, over the next two years, NBTC will work with the provincial authorities and market operators to introduce additional storylines.

## Statistical profile

Table 1. **Netherlands: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 21 147 \| | 21 267 | 21 931 | 22 311 | 23 054 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 63 341 \| | 64 304 | 65 328 | 66 237 | 66 589 |
| Hotels and similar establishments | 18 709 \| | 19 039 | 19 680 | 19 910 | 21 421 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 12 206 \| | 12 783 | 13 925 | 15 007 | 15 829 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | 3 209 \| | 3 495 | 3 894 | 4 283 | 4 615 |
| Belgium | 1 537 \| | 1 673 | 1 828 | 1 965 | 2 132 |
| United Kingdom | 1 662 \| | 1 680 | 1 857 | 1 967 | 2 045 |
| United States | 1 381 \| | 1 337 | 1 431 | 1 508 | 1 646 |
| France | 666 \| | 680 | 725 | 750 | 788 |
| Nights in all types of accommodation | 29 570 \| | 31 771 | 34 424 | 37 298 | 39 624 |
| Hotels and similar establishments | 17 827 \| | 18 351 | 20 184 | 21 708 | 23 169 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 18 628 | 18 093 | 17 933 | 18 070 | 17 938 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| Germany | 3 400 | 3 183 | 3 377 | 3 375 | 3 519 |
| France | 2 798 | 2 677 | 2 606 | 2 617 | 2 550 |
| Spain | 1 796 | 1 759 | 1 856 | 1 969 | 2 177 |
| Belgium | 1 811 | 1 766 | 1 425 | 1 430 | 1 341 |
| Austria | 1 233 | 1 178 | 1 113 | 1 157 | 1 104 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 13 757 | 14 633 | 15 430 | 16 200 | 12 756 p |
| International travel receipts | 9 569 | 10 343 | 9 749 | 10 447 | 12 756 p |
| International passenger transport receipts | 4 188 | 4 290 | 5 681 | 5 752 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 15 639 | 15 824 | 17 365 | 17 544 | 16 190 p |
| International travel expenditure | 15 393 | 15 589 | 15 382 | 15 826 | 16 190 p |
| International passenger transport expenditure | 246 | 235 | 1 983 | 1 718 | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640785

## Table 2. **Netherlands: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **487 000** | **495 000** | **515 000** | **530 000** | **542 000** |
| **Tourism industries** | .. | .. | .. | .. | .. | .. |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | .. | .. | .. | .. | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640804

## Table 3. **Netherlands: Internal tourism consumption**

Million EUR

| | 2016 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **54 716** | **21 029** | **75 745** |
| **Consumption products** | .. | .. | .. |
| Tourism characteristic products | .. | .. | .. |
| Accommodation services for visitors | .. | .. | .. |
| Food and beverage serving services | .. | .. | .. |
| Passenger transport services | .. | .. | .. |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. |
| Cultural services | .. | .. | .. |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | .. | .. | .. |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640823

# New Zealand

## Tourism in the economy

In the year ended March 2016, tourism directly contributed NZD 12.9 billion, or 5.6%, of New Zealand's total GDP. The indirect value added by industries supporting tourism generated an additional NZD 9.8 billion for tourism, or 4.3% of GDP.

Tourism is New Zealand's largest export earner, having accounted for 20.7% of exports in the year ended March 2016. It directly employed 188 136 people, 7.5% of the total workforce, and generated NZD 2.8 billion in goods and services tax revenue.

International tourism expenditure increased 19.6% in the year to March 2016, to NZD 14.5 billion, while domestic tourism expenditure increased 7.4% over the same period, to NZD 20.2 billion.

In the year ended August 2017, international arrivals to New Zealand were 3.7 million. New Zealand's largest visitor markets over this period were Australia (accounting for 40% of arrivals), China (11%) and the United States (9%). Australian arrivals grew 6% from the previous year, and United States grew 21%. Growth from China softened, with arrivals up less than 1% following a period of much higher growth (21.7% in 2015/16).

The Ministry of Business, Innovation and Employment (MBIE) has forecast that visitor arrivals to New Zealand will grow at an annual rate of 4.8% over the 2017-2023 period, reaching 4.9 million visitors in 2023. International visitor spend is expected to grow 6.2% annually over the same period, and reach NZD 15.3 billion.

## Tourism governance and funding

MBIE provides advice to the Minister of Tourism and across government on creating the right environment for enhanced productivity and growth in the tourism sector in order to increase tourism's contribution to the New Zealand economy and to regional economies across New Zealand.

Tourism New Zealand (TNZ) is a Crown Entity which markets New Zealand as an international visitor destination. Its statutory functions are to develop, implement and promote strategies for tourism and to provide related advice to the government and tourism industry. Two subsidiary organisations, Qualmark Limited, and Visitor Information Network Incorporated, work to improve visitor satisfaction and product quality.

A central government Tourism Chief Executives' group was established in 2016 to help coordinate tourism-related activities within government. The group includes Chief Executives from MBIE, TNZ, the Department of Conservation (DOC), the Ministry of Transport (MOT), the New Zealand Transport Agency (NZTA), the Ministry of Culture and Heritage, and the Department of Internal Affairs. It provides strategic oversight, facilitates

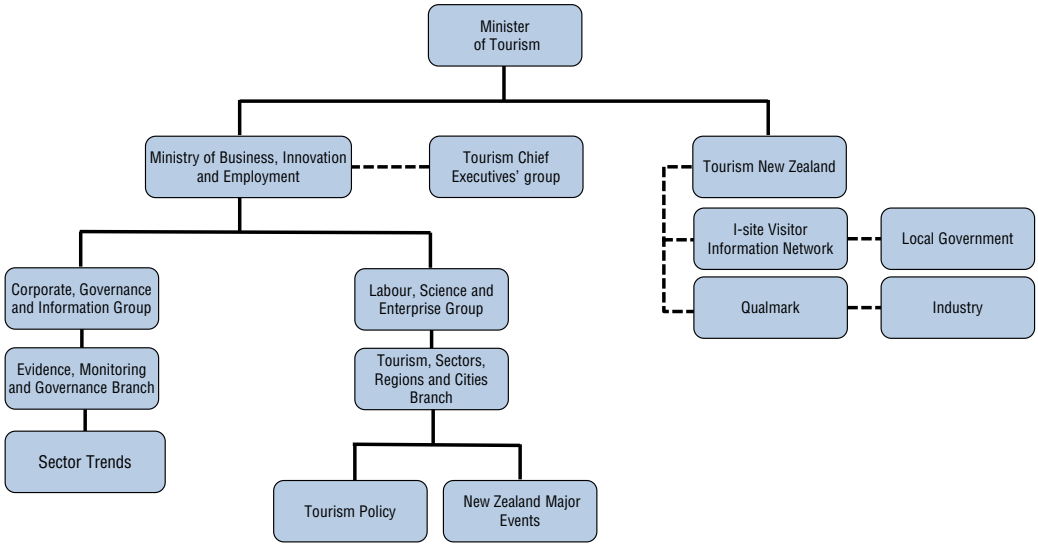
information sharing, removes roadblocks and helps manage relationships across the diverse range of Ministers whose portfolios intersect with the tourism sector.

Thirty Regional Tourism Organisations (RTOs) are responsible for promoting regional destinations to domestic and international visitors. RTOs are funded and governed by local and regional governments, and/or supported by annual membership fees from the local tourism industry. RTOs act as a bridge between tourism operators, national tourism bodies, and local and central government. Their interests are represented by Regional Tourism Organisations New Zealand, a membership-based and funded organisation which has regular engagement with MBIE.

The government budget appropriation related to tourism for 2017/18 is NZD 175.5 million, comprising:

- Marketing New Zealand as a visitor destination (NZD 117.4 million, managed by TNZ),
- Tourism Infrastructure Fund (NZD 25.5 million, administered by MBIE),
- Policy advice and related services (NZD 4.1 million),
- Tourism data and analysis (NZD 3.2 million, managed and provided by MBIE),
- *Nga Haerenga*, the New Zealand Cycle Trail (NZD 13.4 million),
- Tourism Facilities Development Grants for non-commercial tourism facilities and services (NZD 5.8 million),
- Tourism Growth Partnership (NZD 6.1 million).

**New Zealand: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Business, Innovation and Employment, 2018.

## Tourism policies and programmes

In December 2015, Tourism Ministers approved the Government Tourism Strategy, which aligns and coordinates government efforts to boost the economic contribution of tourism across the country, and plan for the future. The strategy aligns with the industry-led growth framework, Tourism 2025. It identifies three broad challenges and priority areas for government, aimed at driving higher value from the tourism sector:

- Attracting the right mix of visitors to give the greatest return on marketing investment, balancing established, high growth and emerging markets (Box 2.1); and better managing visitor flows to help smooth seasonal peaks and troughs.
- Ensuring continued provision of high-quality visitor experiences through good infrastructure, skilled and committed people, and by responding to challenges placed on communities, services and infrastructure by higher visitor numbers.
- Supporting regions to benefit from increasing visitor numbers and ensuring that opportunities to host tourists are available to all regions of New Zealand.

In March 2017, TNZ released a revised four-year strategy, with priorities to: target near and long-term value, including through the shoulder season and regional growth; strategically manage markets and sectors; and work with others to sustain and improve the experience of tourism for all. To address seasonality issues, TNZ currently allocates all of its marketing spend to promoting the shoulder seasons.

The government also invests in major events that generate significant, immediate, and long-term benefits for New Zealand and align with wider government objectives. These events may attract significant numbers of international visitors as participants and spectators, or generate significant media coverage in markets of interest for tourism and business opportunities. Preferential consideration may also be given to events which are timed to fall within off-peak or shoulder tourism periods. The New Zealand Major Events unit located within MBIE works across government, including with TNZ, to provide advice to Ministers and to identify, attract and leverage major events. It administers the contestable Major Events Development Fund, which has a current annual appropriation of NZD 10 million, much of which is committed several years in advance.

Several initiatives are in place to support the growth of regional tourism. DOC is expanding New Zealand's Great Walks network by adding two new Great Walks, and promoting a network of Great Short Walks and Great Day Walks. By developing and promoting areas of the conservation estate which are less well-known, the new Great Walks and the refreshed promotion of Great Short and Day Walks will encourage dispersal while relieving pressure on hotspots. The government also continues to invest in enhancing and extending *Nga Haerenga*, the New Zealand Cycle Trail, to encourage visitor flows into the regions.

In New Zealand, the government releases a Government Policy Statement (GPS) on land transport to signal government priorities that influence transport investment decisions across the country. Tourism was emphasised in the draft GPS 2018 to ensure that roads and supporting infrastructure used by visitors were fit for purpose.

New Zealand Trade and Enterprise, a Crown Entity, facilitates connections between investors and potential hotel projects to address accommodation constraints in New Zealand's main tourism centres.

The government established the Regional Mid-sized Tourism Facilities Grant Fund (MFF) in Budget 2016 to support local tourism infrastructure development. To help maintain high-quality visitor experiences, a Tourism Infrastructure Fund (TIF) replaced the MFF in 2017. The TIF provides up to NZD 25 million per year over four years as co-funding for the development of tourism-related infrastructure that contributes to quality experiences for visitors, particularly in areas where the local population is too small to completely fund the work themselves (Box 1.4).

## Statistical profile

Table 1. **New Zealand: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 16 599 | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 49 753 | .. | .. | .. | .. |
| Hotels and similar establishments | 19 250 | 19 630 | 20 758 | 21 537 | 22 049 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 2 555 | 2 710 | 2 854 | 3 129 | 3 494 |
| Overnight visitors (tourists) | 2 473 | 2 629 | 2 772 | 3 039 | 3 370 |
| Same-day visitors (excursionists) | 81 | 82 | 82 | 90 | 124 |
| Top markets | | | | | |
| Australia | 1 156 | 1 218 | 1 248 | 1 327 | 1 409 |
| China | 197 | 229 | 265 | 356 | 409 |
| United States | 178 | 201 | 221 | 243 | 291 |
| United Kingdom | 190 | 192 | 194 | 204 | 221 |
| Japan | 72 | 75 | 81 | 87 | 101 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 12 188 | 13 081 | 13 854 | 14 718 | 16 451 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 2 169 | 2 197 | 2 276 | 2 412 | 2 611 |
| Overnight visitors (tourists) | 2 149 | 2 174 | 2 256 | 2 390 | 2 583 |
| Same-day visitors (excursionists) | 23 | 23 | 20 | 21 | 28 |
| Top destinations | | | | | |
| Australia | 990 | 1 018 | 1 091 | 1 137 | 1 176 |
| United States | 122 | 142 | 165 | 177 | 197 |
| Fiji | 105 | 112 | 130 | 146 | 160 |
| United Kingdom | 96 | 97 | 101 | 112 | 110 |
| China | 66 | 73 | 77 | 86 | 101 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION NZD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 10 292 | 10 589 | 11 687 | 14 539 | 15 512 e |
| International travel receipts | 8 797 | 9 020 | 10 155 | 12 976 | 13 845 |
| International passenger transport receipts | 1 495 e | 1 569 e | 1 532 e | 1 563 e | 1 667 e |
| **Outbound tourism** | | | | | |
| Total international expenditure | 5 819 | 5 933 | 6 155 | 6 587 | 6 884 e |
| International travel expenditure | 4 585 | 4 717 | 4 950 | 5 356 | 5 731 |
| International passenger transport expenditure | 1 234 e | 1 216 e | 1 205 e | 1 231 e | 1 153 e |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640842

## Table 2. **New Zealand: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **176 883** | **174 477** | **175 284** | **181 500** | **188 136** |
| **Tourism industries** | .. | .. | .. | .. | .. | .. |
| Accommodation services for visitors | 3 089 | 23 145 | 23 010 | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | 48 738 | 48 072 | .. | .. | .. |
| Passenger transport | .. | 13 035 | 12 849 | .. | .. | .. |
| Air passenger transport | .. | 9 465 | 9 288 | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | 5 574 | 5 529 | .. | .. | .. |
| Transport equipment rental | .. | 4 104 | 3 987 | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. | .. | .. | .. |
| Cultural industry | .. | 6 738 | 7 008 | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | 30 345 | 28 398 | .. | .. | .. |
| Other country-specific tourism industries | .. | 12 834 | 12 891 | .. | .. | .. |
| **Other industries** | .. | **32 376** | **32 736** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640861

## Table 3. **New Zealand: Internal tourism consumption**

Million NZD

| | 2016 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **18 527** | **13 342** | **31 869** |
| Tourism characteristic products | 8 566 | 7 121 | 15 687 |
| Accommodation services for visitors | 1 150 | 1 457 | 2 607 |
| Food and beverage serving services | 1 792 | 2 104 | 3 896 |
| Passenger transport services | 5 624 | 3 560 | 9 184 |
| Air passenger transport services | 2 825 | 2 374 | 5 199 |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. |
| Cultural services | .. | .. | .. |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 9 961 | 6 220 | 16 181 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640880

# Norway

## Tourism in the economy

In the ten-year period to 2015, the value creation attributable to tourism in Norway increased considerably, to reach NOK 110 billion. This figure represents 3.6% of total GDP, a share that has remained relatively stable in recent years. In 2015, the Norwegian tourism industry employed around 160 000 people, representing 6.5% of total employment in Norway.

Domestic tourism, for both leisure and business purposes, dominates the tourism industry in Norway. In 2016, Norwegians made up 71% of all commercial overnight stays. Inbound tourism has, however, seen a considerable increase in the last couple of years, including a 10% increase in 2016 alone. Exchange rate conditions in 2016 continued to benefit inbound tourism, making a visit to Norway less expensive. Key inbound markets are Sweden, Germany and Denmark, but emerging markets such as China have seen a sharp increase.

## Tourism governance and funding

The main responsibility for development and regulation in the tourism industry lies with the Ministry of Trade, Industry and Fisheries (the "Ministry"). The Ministry co-operates with other ministries in order to coordinate policies of importance to the tourism industry. One example is the extended co-operation with the Ministry of Culture in order to showcase the potential for increased value creation through closer co-operation between the cultural and creative industries and the tourism industry. The Ministry of Climate and Environment is another key partner, given its role in developing policies to promote a more sustainable tourism industry.

Regional and local authorities also influence tourism activities throughout the country. They establish framework conditions of key importance to tourism, being in charge of planning and regulation in areas such as infrastructure, utilities, national parks and numerous local attractions linked to nature and cultural heritage. A number of regions and municipalities have put in place strategies for tourism in their areas of responsibility, and many also give financial support to their local destination management company.

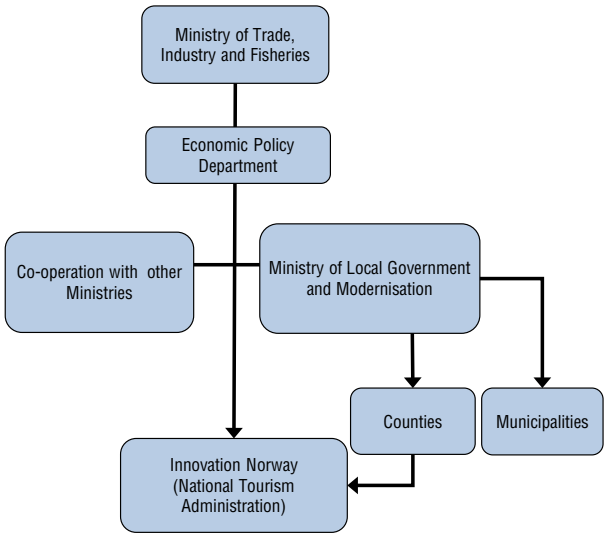
In 2016, the Norwegian Government proposed to restructure regional government, with renewed roles, structures and responsibilities and a reduction in the number of counties. The purpose was to provide a more efficient framework to coordinate activities and solve cross-sectoral challenges. This will be of benefit to the tourism industry, as many of the challenges facing the industry are cross-sectoral. Municipalities have undergone a similar process.

Innovation Norway is a state-owned company that functions as the National Tourism Administration. Its main goal is to increase overall economic growth and to increase value creation in the tourism industry. Innovation Norway focuses on product and business development, as well as international promotion of Norway as a tourist destination, and

brand building. This is achieved through various projects and activities, in close partnership and co-operation with the tourism industry. Innovation Norway is funded by the Ministry of Trade, Industry and Fisheries (majority owner), as well as other ministries and counties.

In both 2017 and 2018, NOK 231.5 million are allocated (annually) to the tourism industry through transfers from the Ministry of Trade, Industries and Fisheries to the National Tourism Administration Innovation Norway.

**Norway: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Trade, Industry and Fisheries, 2018.

## Tourism policies and programmes

One of the key challenges facing the Norwegian tourism industry is its relatively low level of value creation and profitability compared to that of other industries. This is due to factors such as the low share of high value added tourism products, a high level of seasonality, and lack of co-operation both within the tourism industry itself and with other stakeholders involved in tourism. In certain parts of the country, overcrowding is a major issue.

In May 2017, the Parliament approved a government report (white paper) on Norwegian tourism. The report lays out the Government's overall policy for the tourism industry, including the ways in which the Government will strengthen the foundation for the industry's development in the longer term.

The report concluded that the main national policy priorities for developing the Norwegian tourism industry are:

- Establishing sound framework conditions for business activity in Norway by lowering levels of business tax, improving infrastructure, digitalising the public sector,
- Developing a sustainable tourism industry,
- Increasing co-operation between stakeholders,
- Continuing to promote Norway as a tourism destination,
- Increasing knowledge and expertise in the tourism industry.

As the Government amends framework conditions in order to strengthening the business climate in Norway, the tourism industry is one beneficiary. The Government is

prioritising tax and fee relief for Norwegian companies and is focused on simplification and digitalisation of the public sector, so companies can spend less time on their reporting duties and following regulations, and more time creating value and jobs.

Accessibility is another key factor to competitiveness in tourism. In 2017, the Norwegian Parliament approved the next 12-year national plan for infrastructure in Norway, with a record high level of investment. The plan has a focus on developing safer, more efficient and greener transport solutions, by utilising, and adapting to, the massive technological changes taking place within the sector.

Increased co-operation between the tourism industry and other parts of the economy can contribute to developing Norwegian destinations and tourism products further. The white paper on tourism concluded that a joint strategy for culture and tourism will be prepared by Government. This strategy will be in parallel to the Government's agriculture based rural tourism strategy, presented in January 2017.

In order to improve coordination within the tourism industry, both public and private initiatives have been taken to put in place more effective destination management organisations. In 2013, overall responsibility for a restructuring exercise of these organisations was given to the industry itself. New and considerably larger destination management entities have been designed to secure more reliable and stable financial arrangements, as well as facilitating coordination between the local tourism industry and tourism activities undertaken by local public authorities. By 2017, the process was almost completed, with the new local management boards up and running and showing initial indications of enhanced coordination and co-operation between stakeholders.

Nature is a significant aspect of what the Norwegian tourism industry markets. Over time, increased traffic and crowding could undermine the quality of the surroundings, the tourism product and even affect safety. In order to achieve national and international environmental goals, the tourism industry must base its activities on sustainability. The Government will promote management of human traffic in nature by providing information, signage and simple infrastructure. As part of this effort, the Government will market a selection of prepared hiking trails as National Hiking Trails, on the model of Norway's National Tourist Routes for roads. The objective is to make the trails sustainable and more accessible, and thus attractive for travel and business activity.

## Statistical profile

Table 1. **Norway: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 13 280 | 15 060 | 15 450 | 13 700 | 13 840 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 43 530 | 53 130 | 56 060 | 48 060 | 51 840 |
| Hotels and similar establishments | 9 540 | 10 500 | 11 320 | 10 720 | 10 210 |
| Specialised establishments | 480 | 2 120 | 1 660 | 1 250 | .. |
| Other collective establishments | 10 460 | 11 370 | 11 330 | 9 310 | 1 710 \| |
| Private accommodation | 23 060 | 29 130 | 32 040 | 26 790 | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | 4 938 e | 4 842 e | 5 304 e | 5 960 e |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | .. | 870 e | 878 e | 919 e | 1 095 e |
| Sweden | .. | 612 e | 611 e | 612 e | 679 e |
| Great Britain | .. | 335 e | 348 e | 389 e | 419 e |
| Netherlands | .. | 337 e | 320 e | 338 e | 405 e |
| Denmark | .. | 418 e | 374 e | 376 e | 402 e |
| Nights in all types of accommodation | 7 940 | 7 692 | 8 154 | 8 829 | 9 727 |
| Hotels and similar establishments | 5 051 | 5 067 | 5 428 | 6 032 | 6 627 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 2 890 | 2 624 | 2 726 | 2 796 | 3 100 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 15 609 | 16 885 | 17 339 | 16 277 | 15 733 |
| Overnight visitors (tourists) | 9 260 | 9 280 | 9 190 | 8 750 | 8 030 |
| Same-day visitors (excursionists) | 6 349 | 7 605 | 8 149 | 7 527 | 7 703 |
| Top destinations | | | | | |
| Sweden | 1 789 | 1 770 | 1 478 | 1 535 | 1 222 |
| Spain | 1 202 | 1 395 | 1 234 | 1 242 | 1 290 |
| Denmark | 906 | 890 | 1 127 | 937 | 825 |
| United Kingdom | 680 | 777 | 676 | 674 | 654 |
| Germany | 609 | 542 | 620 | 498 | 452 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION NOK** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 31 659 | 33 147 | 35 131 | 39 297 | 43 715 |
| International travel receipts | 31 659 | 33 147 | 35 131 | 39 297 | 43 715 |
| International passenger transport receipts | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 96 764 | 108 642 | 116 168 | 123 315 | 129 463 |
| International travel expenditure | 96 764 | 108 642 | 116 168 | 123 315 | 129 463 |
| International passenger transport expenditure | .. | .. | .. | .. | .. |

.. Not available; | Break in series; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640899

## Table 2. **Norway: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **24 115** | **153 000** | **153 700** | **156 800** | **158 400 p** | .. |
| Accommodation services for visitors | 3 273 | 23 200 | 23 400 | 24 200 | 24 700 p | .. |
| Hotels and similar establishments | 1 429 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 10 762 | 42 000 | 43 800 | 45 500 | 46 500 p | .. |
| Passenger transport | 7 652 | 49 800 | 50 100 | 50 300 | 50 600 p | .. |
| Air passenger transport | 125 | 7 200 | 7 200 | 7 000 | 7 200 p | .. |
| Railways passenger transport | 57 | 4 500 | 4 600 | 4 600 | 4 600 p | .. |
| Road passenger transport | 7 014 | 28 500 | 28 600 | 28 800 | 29 000 p | .. |
| Water passenger transport | 456 | 9 600 | 9 700 | 9 900 | 9 800 p | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | 7 200 | 7 000 | 7 200 | 7 200 p | .. |
| Travel agencies and other reservation services industry | 2 428 | 5 300 | 5 200 | 5 200 | 5 200 p | .. |
| Cultural industry | .. | 18 600 | 17 500 | 17 600 | 17 700 p | .. |
| Sports and recreation industry | .. | 6 700 | 6 800 | 6 800 | 6 600 p | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933640918

## Table 3. **Norway: Internal tourism consumption**

Million NOK

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **113 477 p** | **45 516 p** | **158 993 p** |
| Tourism characteristic products | 78 112 p | 25 168 p | 103 280 p |
| Accommodation services for visitors | 9 193 p | 6 856 p | 16 049 p |
| Food and beverage serving services | 13 106 p | 7 070 p | 20 176 p |
| Passenger transport services | 34 931 p | 9 393 p | 44 324 p |
| Air passenger transport services | 22 366 p | 5 559 p | 27 925 p |
| Railways passenger transport services | 2 349 p | 649 p | 2 998 p |
| Road passenger transport services | 4 066 p | 617 p | 4 683 p |
| Water passenger transport services | 6 150 p | 2 568 p | 8 718 p |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 367 p | 267 p | 634 p |
| Travel agencies and other reservation services industry | 17 596 p | 294 p | 17 890 p |
| Cultural services | 1 291 p | 554 p | 1 845 p |
| Sports and recreation services | 1 628 p | 734 p | 2 362 p |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 35 365 p | 20 348 p | 55 713 p |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933640937

# Poland

## Tourism in the economy

The total value of the tourism economy in Poland was estimated at PLN 110.3 billion in 2016, a rise of 7.7% over 2015. This equates to a contribution of 6% to Poland's GDP.

International visitor arrivals increased by 3.6% to 80.5 million in 2016. This includes 17.5 million tourist arrivals, a rise of 4.8% over 2015 and a new record for Poland since joining the Europe's Schengen Area in 2007. Germany remains the largest source market, accounting for 36% of international tourist arrivals. International tourism receipts increased by 6.9% to reach PLN 57.6 billion in 2016, accounting for 6% of total export earnings.

The number of domestic trips totalled 43.5 million in 2016, a rise of around 9% on 2015. A majority of domestic trips were short visits of 2-4 days (60.9%). Revenues from domestic tourism increased by 17.8% to PLN 21.8 billion in 2016.

In 2015, 252 300 people were employed in the accommodation and catering sector, compared with 248 700 in 2014.

## Tourism governance and funding

The Ministry of Sport and Tourism (the "Ministry") is responsible for tourism-related matters, including management and regulation of tourism in Poland and the Polish Tourism Organisation (POT).

The main activities of POT include: the promotion of Poland as an attractive tourism destination; operation and development of domestic and international tourism information systems; and the initiation, assessment and support for plans to develop, renovate or rejuvenate tourist infrastructure. POT has 14 international offices in important current and future source markets.

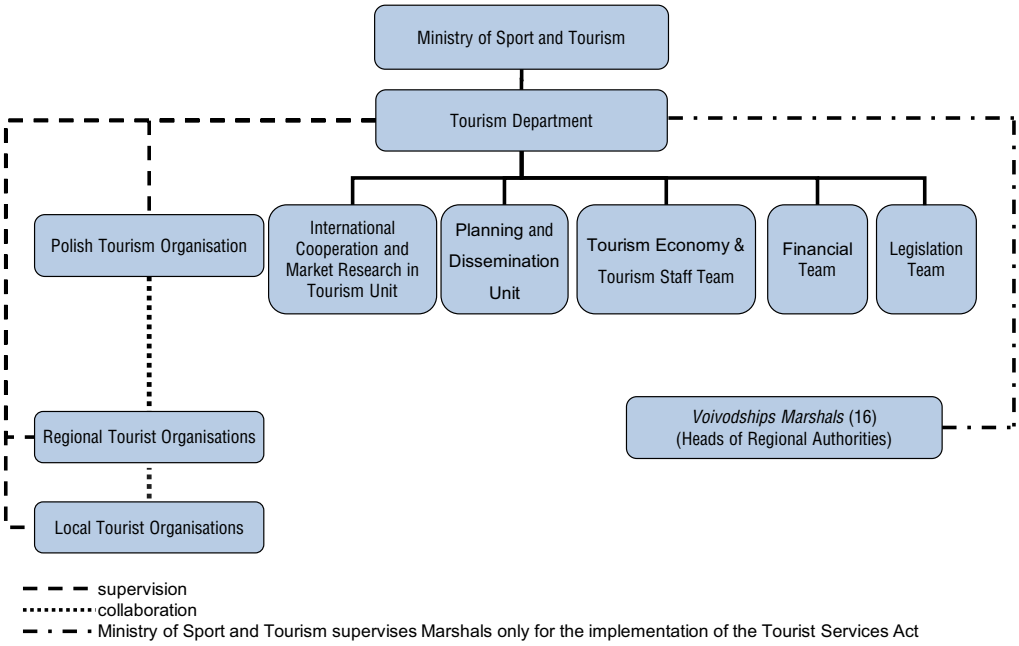
Many aspects of national policy that affect tourism reside outside the responsibility of the Ministry, while many tasks affecting tourism development fall within the remit of regional and local governments. POT also co-operates with regional and local tourism organisations and autonomous bodies involved in tourism promotion and development at a regional and local level, based on a partnership of equal rights.

At sub-national level, the primary role in tourism development is played by regional governments (*Voivodships*) and local governments (*Poviats* at the county level and *Gminas* at the municipality level). Local or regional tasks fall into two groups: i) public sector tasks that are not allocated elsewhere by relevant legislation, and ii) tasks commissioned by the National Government Administration.

Commissioned tasks include supervision, registration, licensing and compliance with various standards of travel agents and tour operators, mountain guides, and also the classification of hotel facilities.

Municipalities are responsible for keeping registers of campsites and non-hotel accommodation service providers, inspecting accommodation facilities, and applying sanctions if necessary.

**Poland: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Sport and Tourism, 2018.

In 2016, the budget of the National Tourism Administration amounted to PLN 50.3 million, including PLN 39.4 million for the Polish Tourist Organisation. In addition, specific tourism sector projects were supported by EU structural funds during 2014-20. The above figures do not include regional and local government budgets, which together accounted for additional spending of PLN 198 million on tourism in 2016.

## Tourism policies and programmes

The main objective of Poland's national policy is to strengthen the development of competitive and innovative tourism through the support of enterprises, organisations, institutions and initiatives in the tourism sector, while respecting the principles of sustainable development.

This comprehensive approach is focused on the following priority areas:

- Competitive and innovative tourism,
- Modern tourism management systems,
- Skilled workforce for the tourism industry,
- Contribution of tourism to regional and local development, enhancing social and economic cohesion and improving quality of life.

The "Programme for Tourism Development until 2020" sets out operational objectives and specific tasks for the sector, identifying those responsible for coordination, delivery and funding.

One of the main projects developed to implement the programme and commercialise the Polish tourist brand is the House of Polish Tourism Territorial Brands (*Dom Polskich Turystycznych Marek Terytorialnych*). The House will coordinate tourism policies by creating systematic and comprehensive solutions. It will provide organisational, financial and legal tools for integration, coordination, commercialisation and internationalisation of Polish tourism products that are based on the cultural and natural potential of the country. This creates an opportunity for rural areas to be better integrated within the development process of the country, to ensure that they provide the necessary public goods, and are marketed as unique landscapes with cultural and natural assets.

The House of Polish Tourism Territorial Brands is among the strategic projects to be implemented under the Responsible Development Strategy adopted by the Council of Ministers in February 2017.

Increased interest in domestic tourism and short break holidays inspired the Polish Ministry of Sport and Tourism to introduce a new marketing campaign in 2016 called "Poland See More – Weekend at half price". Over 400 partners, including mines, museums, theme parks, zoos, castles, palaces, theatres, hotels, hostels, and spa resorts, developed special half-price offers for a chosen weekend. Both public and private sectors were involved in this new form of regional co-operation which marks a new approach to promoting both acclaimed and lesser-known tourist attractions. The first campaign led to over 60 000 tourists taking advantage of the special offers. The Polish Tourist Organisation went on to arrange a second weekend, which saw over 77 500 people choosing to benefit from the offers. Similar weekends are now scheduled to take place twice a year.

## Statistical profile

Table 1. **Poland: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 17 656 | 18 158 | 19 614 | 21 252 | 23 730 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 50 138 \| | 50 488 | 53 587 | 57 477 | 63 815 |
| Hotels and similar establishments | 21 466 | 22 605 | 24 982 | 27 502 | 31 405 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 26 775 | 25 928 | 26 545 | 27 676 | 29 734 |
| Private accommodation | 1 898 | 1 955 | 2 060 | 2 299 | 2 676 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 67 390 | 72 310 | 73 750 | 77 743 | 80 476 |
| Overnight visitors (tourists) | 14 840 | 15 800 | 16 000 | 16 728 | 17 471 |
| Same-day visitors (excursionists) | 52 550 | 56 510 | 57 750 | 61 015 | 63 005 |
| Top markets | | | | | |
| Germany | 4 800 | 5 280 | 5 743 | 6 012 | 6 288 |
| Ukraine | 1 930 | 2 110 | 1 072 | 1 198 | 1 265 |
| Russian Federation | 670 | 765 | 1 003 | 873 | 801 |
| United Kingdom | .. | .. | 664 | 753 | 797 |
| Belarus | 1 620 | 1 530 | 811 | 801 | 715 |
| Nights in all types of accommodation | 11 877 \| | 12 471 | 12 992 | 13 758 | 15 579 |
| Hotels and similar establishments | 9 425 | 10 129 | 10 667 | 11 302 | 12 918 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 2 330 | 2 232 | 2 193 | 2 308 | 2 452 |
| Private accommodation | 122 | 110 | 132 | 148 | 209 |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 10 000 | 12 950 | 10 300 | 10 900 | 11 300 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION PLN** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 38 798 | 39 359 | 40 685 | 42 770 | 43 218 p |
| International travel receipts | 35 849 | 35 919 | 37 298 | 39 454 | 43 218 p |
| International passenger transport receipts | 2 949 | 3 440 | 3 387 | 3 316 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 29 808 | 28 938 | 30 056 | 32 117 | 31 411 p |
| International travel expenditure | 28 608 | 27 950 | 27 934 | 29 913 | 31 411 p |
| International passenger transport expenditure | 1 200 | 988 | 2 122 | 2 204 | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640956

## Table 2. **Poland: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed[1] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **22 445** | .. | .. | .. | .. | .. |
| Accommodation services for visitors | 10 509 | 174 811 | 170 061 | 171 138 | 172 043 | 180 707 |
| Hotels and similar establishments | 3 965 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 7 690 | .. | .. | .. | .. | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 4 246 | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640975

## Table 3. **Poland: Internal tourism consumption**

Million PLN

| | 2013 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **18 385** | **35 450** | **60 880** |
| Tourism characteristic products | 13 172 | 14 052 | 30 311 |
| Accommodation services for visitors | 4 753 | 3 734 | 10 527 |
| Food and beverage serving services | 3 822 | 5 005 | 8 827 |
| Passenger transport services | 2 894 | 2 786 | 6 461 |
| Air passenger transport services | 2 339 | 2 444 | 5 030 |
| Railways passenger transport services | 293 | 59 | 711 |
| Road passenger transport services | 258 | 217 | 650 |
| Water passenger transport services | 4 | 66 | 70 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 0 | 0 | 0 |
| Travel agencies and other reservation services industry | 1 562 | 361 | 2 038 |
| Cultural services | 141 | 2 166 | 2 458 |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 5 213 | 21 398 | 30 569 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933640994

# Portugal

## Tourism in the economy

2016 was an excellent year for Portugal in terms of tourism performance, with most tourism indicators reaching double-digit growth. The total number of overnight stays was 53.5 million (up 9.6%), with 71.5% of tourist demand generated by international markets and 28.5% by domestic markets.

International tourism receipts totalled EUR 12.7 billion in 2016, an increase of 10.7% on the previous year. The three leading international source markets were, in order of importance, the United Kingdom, Germany, and Spain; together, they accounted for 48% of demand.

When considering commercial accommodation, tourist arrivals at hotels and similar establishments totalled 19.1 million in 2016, of which 40.1% were domestic guests while 59.9% were from abroad. International overnight stays at hotels grew by 11.4% in 2016 while the domestic market increased by 5.2%. Revenue from hotels reached a record of EUR 2.9 billion in 2016, EUR 421 million more than in 2015.

Tourism plays a very important role in the Portuguese economy; it is the largest export industry, representing 16.7% of total exports and 48.3% of services exports in 2016.

## Tourism governance and funding

The Secretary of State for Tourism is located within the Ministry of Economy (the "Ministry"). Turismo de Portugal I.P. is the National Tourism Authority. It is responsible for implementing tourism policy at national level and reports to the Secretary of State for Tourism. Turismo de Portugal oversees promotion, improvement and sustainability of tourism activities, as well as training and investment.

Turismo de Portugal's mission is to: enhance and foster tourism infrastructure; promote human resources training; support investment in the tourism sector; coordinate domestic and international promotion; and regulate and inspect gambling activities.

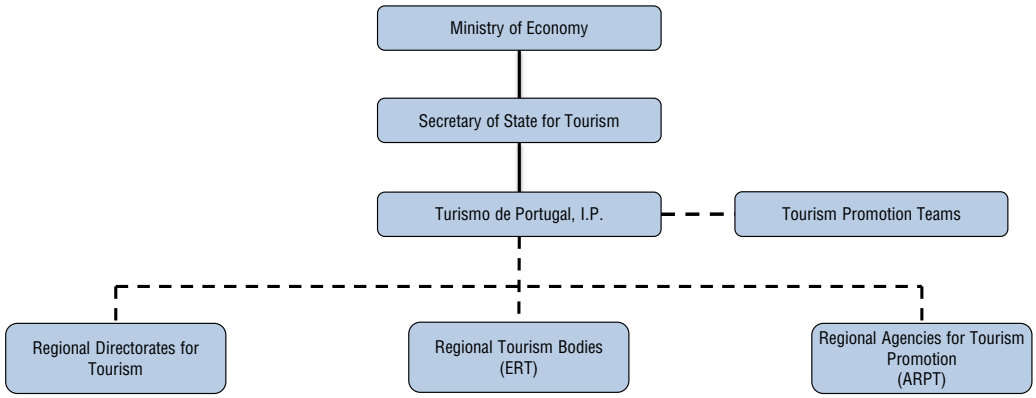
Five Regional Tourism Bodies (ERTs) operate within Portugal. These are public law corporate bodies with a specific territorial scope that act as destination management organisations with financial and administrative autonomy. They are responsible for domestic marketing and product development in close co-operation with Turismo de Portugal, with whom they have a contractual relationship. In addition to these bodies, there are two Regional Directorates for Tourism in the autonomous regions of Madeira and the Azores.

There are also seven Regional Tourism Promotion Agencies (ARPTs) which are non-profit, private associations that bring together the ERTs and private companies. They engage in international marketing in coordination with Turismo de Portugal. Turismo de

Portugal and its partners ensure that marketing plans and campaigns supported by public and private funding align with the national strategy.

The total budget of Turismo de Portugal was EUR 244 million in 2016, of which half is derived from dedicated taxes on gambling, with the remainder from EU Structural Funds and other public funding. The promotional budget is around EUR 45 million and includes expenditure on promotion at national and international level, as well as the co-financing of regional promotion abroad (ARPTs), to which private companies and regional tourism bodies also contribute.

**Portugal: Organisational chart of tourism bodies**




*Source:* OECD, adapted from Turismo de Portugal, 2018.

## Tourism policies and programmes

Like many established tourism destinations, Portugal is experiencing challenges to remain competitive in the face of change, resulting in the need for continuous innovation.

Sustainability is perhaps the most important challenge for Portugal. More specifically, how to remain competitive while promoting tourism as a tool for regional development, preserving the natural and cultural resources and authenticity of destinations, creating quality jobs, reducing seasonality and regional imbalances, and maintaining a good balance between residents and tourists.

To address this challenge, the Ministry launched the Tourism Strategy 2027 (TS27), which establishes a strategic framework for tourism development in Portugal for the next decade. Development of the strategy involved large numbers of tourism stakeholders from across the country in an open and participatory process utilising web based platforms and regional discussion workshops.

TS27 sets out a vision for the Portuguese tourism industry that:

- Affirms tourism as a hub for economic, social and environmental development throughout the territory, positioning Portugal as one of the most competitive and sustainable tourism destinations in the world.

This vision represents a broader perspective in terms of key tourism policy priorities, positioning Portugal as a:

- Sustainable destination; a cohesive territory, where the benefits of tourism are spread widely; an innovative and competitive destination; a country that values work and talent; an attractive destination to visit, invest, live and study; an inclusive, open and

connected country; and an international benchmark in terms of the production of goods and services for the tourism industry.

A ten-year strategy requires a certain degree of flexibility and TS27 will be implemented through various programs and projects which combine a long-term vision with short-term actions.

Putting people at the core of tourism policy, Tourism Strategy 2027 established five strategic pillars:

- Value the territory: using historical-cultural heritage and preserving their authenticity; promoting urban regeneration; improving product development to better match consumer needs; protecting natural and rural resources; promoting the importance of tourism in terms of maritime economy.
- Boost the economy: promoting the competitiveness of tourism businesses, through simplification and reduction of red tape and bureaucracy; attracting investment; developing the circular economy; fostering entrepreneurship and innovation.
- Promote knowledge: improving the tourism professions; promoting the development of human resources; promoting continuous qualification of entrepreneurs as managers; dissemination of knowledge and tourism data and research; and promoting a smart destination strategy.
- Generate networks and connectivity: improving air accessibility; developing mobility within the destination; promoting "tourism for all" from an inclusive point of view; involving society in the process of tourism planning and development; promoting networks and co-operation between tourism stakeholders.
- Highlight Portugal: improving Portugal's positioning as an attractive destination to visit, invest, live and study; fostering the domestic market; promoting Portugal as a destination for congresses and events and for students/education; promoting the internationalisation of tourism businesses.

For the first time, TS27 has also defined specific goals and targets for each of the three pillars of sustainable development. Economic goals cover overnight stays and tourism receipts; social goals cover seasonality, skills and qualifications and residents' satisfaction; and environmental goals cover energy, water and waste.

Enhancing destination value is a key area of focus in Portugal. For example, the *Valorizar* Programme aims to support investment and enhance the quality and value of Portugal as a tourist destination. The programme was created specifically to address seasonality and achieve a more balanced distribution of demand throughout the country. With an annual budget of EUR 30 million, *Valorizar* provides financial support for the regeneration and rehabilitation of public spaces for tourism purposes, the development of new tourism products, and to optimise the value gained from cultural and natural heritage (Box 1.8).

## Statistical profile

Table 1. **Portugal: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 6 161 | 6 071 | 6 780 | 7 218 | 7 636 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 12 424 | 12 210 | 13 777 | 14 483 | 15 240 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 7 685 | 8 301 | 9 277 | 9 448 | 10 622 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| United Kingdom | 1 293 | 1 393 | 1 559 | 1 723 | 1 926 |
| Spain | 1 216 | 1 258 | 1 443 | 1 538 | 1 670 |
| France | 740 | 834 | 1 000 | 1 135 | 1 332 |
| Germany | 809 | 903 | 977 | 1 099 | 1 218 |
| Netherlands | 408 | 431 | 427 | 456 | 456 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 27 257 | 29 360 | 32 095 | 32 760 | 36 520 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 1 531 | 1 490 | 1 628 | 1 893 | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 11 396 | 12 210 | 13 362 | 14 268 | 12 680 p |
| International travel receipts | 8 606 | 9 250 | 10 394 | 11 451 | 12 680 p |
| International passenger transport receipts | 2 790 | 2 960 | 2 968 | 2 817 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 3 490 | 3 748 | 4 054 | 4 313 | 3 849 p |
| International travel expenditure | 2 946 | 3 120 | 3 318 | 3 612 | 3 849 p |
| International passenger transport expenditure | 544 | 628 | 736 | 701 | .. |

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

StatLink http://dx.doi.org/10.1787/888933641013

## Table 2. **Portugal: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **106 699 p** | **324 970** | **320 448** | .. | .. | .. |
| Accommodation services for visitors | 16 394 p | 54 128 | 54 869 | 59 145 | 70 548 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 75 432 p | 216 327 | 212 424 | 216 160 | 225 335 | .. |
| Passenger transport | 11 657 p | 44 940 | 43 497 | .. | .. | .. |
| Air passenger transport | 67 p | 10 495 | 10 092 | 10 302 | 10 625 | .. |
| Railways passenger transport | 2 p | .. | .. | .. | .. | .. |
| Road passenger transport | 11 426 p | 34 085 | 33 405 | .. | .. | .. |
| Water passenger transport | 162 p | 360 | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 3 216 p | 9 575 | 9 658 | 10 221 | 11 301 | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641032

## Table 3. **Portugal: Internal tourism consumption**

Million EUR

| | 2008 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **6 126** | **8 847** | **14 973** |
| Tourism characteristic products | 5 648 | 6 766 | 12 414 |
| Accommodation services for visitors | 953 | 2 107 | 3 060 |
| Food and beverage serving services | 1 544 | 2 229 | 3 773 |
| Passenger transport services | 1 691 | 2 137 | 3 828 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 547 | 64 | 611 |
| Cultural services | 24 | 30 | 54 |
| Sports and recreation services | 441 | 170 | 611 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 448 | 29 | 477 |
| Other consumption products | 478 | 2 081 | 2 559 |
| Tourism connected products | 122 | 995 | 1 117 |
| Non-tourism related consumption products | 356 | 1 086 | 1 442 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641051

# Slovak Republic

## Tourism in the economy

In 2016, international travel receipts in the Slovak Republic reached EUR 2 483 million, up 13.3% on the previous year. This amounts to a contribution of 2.7% of GDP and 28.9% of exports of services.

Expenditure by Slovak citizens travelling abroad in 2016 totalled EUR 2 billion, 5.5% more than for 2015. The surplus in the balance of payments in international travel increased significantly by 67% and remained positive at EUR 460 million in 2016.

Slovakia attracted more visitors in 2016 than in any previous year. The total number of domestic and foreign tourists increased by 16 % in 2016 to over 5 million, of whom more than 2 million came from abroad. The five leading international markets are the Czech Republic, Poland, Germany, Hungary and Austria, which together accounted for 58% of international arrivals in 2016.

In total, 19 834 enterprises provided accommodation and food services in 2016, 1.8% more than in 2015. Of these, 3 489 provided accommodation services, offering around 63 819 rooms with 160 939 beds. The number of employees in accommodation and catering establishments was 113 900 in 2016, about 4.6 % of the total employment workforce.

## Tourism governance and funding

Responsibility for tourism rests with the Ministry of Transport and Construction ("the Ministry"). The Tourism Section of the Ministry is divided into five departments. Responsibilities include: preparation of legislative regulations, strategy formulation, implementation of the Tourism Support Act (development of destination management), processing statistical data, administration of the register of local and regional tourism organisations, and marketing and promotion.

The marketing and promotion of Slovakia as a tourist destination had previously been carried out by the Slovak Tourism Board. However, the latter was wound up at the end of 2016 and its responsibilities were taken over by the Ministry.

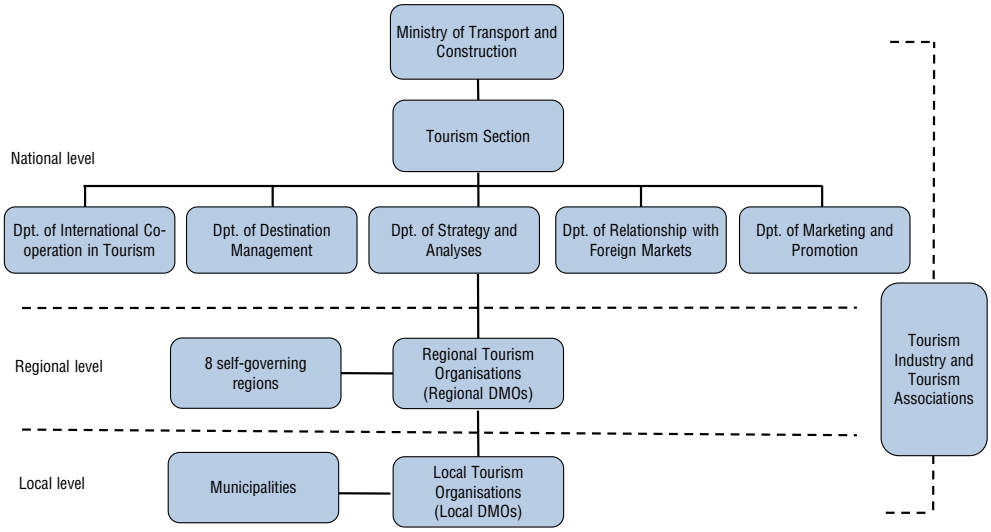
At the regional level, tourism responsibilities were devolved in 2001 to self-governing bodies in the eight regions. Local governments in municipalities and towns also play an important role in the development of tourism in their areas.

Local and regional tourism organisations (DMOs) created under the Tourism Support Act are responsible for the development of tourism and the creation and promotion of competitive tourist products within their defined territories. Currently there are 35 local and 5 regional tourism organisations operating in Slovakia and co-funded from the state budget. In 2016, the Ministry provided EUR 4.4 million to these organisations for product development, tourist infrastructure and marketing.

Tourism associations contribute at local and regional levels, primarily in the fields of quality improvement, professional training, the application of quality standards and the communication of the best practices. Representatives of the seven most important nationwide tourism associations founded the Slovak Tourism Association in 2011 as a voluntary, non-political organisation of employers in tourism, which has been promoting greater co-operation in the sector and necessary legislative changes.

The Ministerial budget for tourism was EUR 4.5 million in 2016, of which EUR 115 000 represented the budget of the tourism section and almost EUR 4.4 million was distributed in the form of subsidies to the local and regional tourism organisations. In addition, the budget of the Slovak Tourist Board was EUR 4.1 million.

**Slovak Republic: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Transport and Construction, 2018.

## Tourism policies and programmes

According to its Manifesto for 2016-2020, the Government of the Slovak Republic intends to increase competitiveness of the tourism sector, while creating new jobs. To achieve this goal, it has recognised the need to:

- Review the possibility of adopting more flexible forms of employment given the seasonal nature of tourism,
- Adopt measures to improve coordination between railway and bus transport sectors and operators of tourism resorts on a year-round and seasonal basis,
- Present the country as an attractive and safe destination and increase the number of tourists, as well as encourage them to stay longer in Slovakia,
- Encourage destination management through regional tourism organisations and actively present Slovakia as part of its activities,
- Strengthen the development of tourism products that deliver higher value added and cost-effectiveness,
- Place more emphasis on support for the development of spa industry.

In 2013, the Government approved the Tourism Development Strategy to 2020. The Strategy focuses on two key areas: the quality of the tourism offer and the presentation and promotion of the Slovak Republic as a tourism destination.

The main priorities and challenges identified in the Tourism Development Strategy have been addressed by various initiatives in the last two years.

- Establishing and launching the Slovak system of quality of tourism services as a systematic voluntary tool to enhance quality and increase competitiveness. The system also provides tourism enterprises with advice and assistance. The award of an internationally comparable quality mark provides an indication of quality to prospective customers and also serves as a tool for motivating employees to perform better.
- Signing of an agreement between the Ministry and the Statistical Office of the Slovak Republic to improve statistics relating to inbound tourism, and establish Tourism Satellite Accounts. The Ministry financially supports the Statistical Office in this work.
- Studying the legislative burden on selected businesses in tourism. The study identified legislation with the largest financial and administrative impact on businesses. The findings have provided a roadmap for action to reduce these burdens and to simplify and improve business conditions, especially for small and medium enterprises.
- Studying the macroeconomic impact of the introduction of recreational vouchers on promotion and support of domestic tourism. The study offered a systematic tool for promoting domestic tourism, including a legislative proposal.
- Launching, in December 2016, an official network of three geoparks, which the Ministry identify as a new and promising sustainable tourism product, providing potential for the development of domestic tourism. The Ministry has developed recommendations and guidance for their management and functioning.
- Running in 2016, for the fourth time, a competition for secondary school students called "Top tourist destination of the region". One of the aims of the competition is to strengthen the relationship between students and tourism.
- Carrying out marketing and promotional activities in neighbouring countries and those with high market potential. This involved participation in 17 tourism fairs in 11 countries in 2016.
- Signing a co-operation agreement in 2016 with representatives of the V4 countries (Czech Republic, Hungary, Poland, and Slovakia) during their high-level meeting in Prague. The protocol on co-operation in the field of tourism aims to increase joint marketing and promotional activities in overseas markets and thus increase tourist flows from distant markets to V4 countries.

## Statistical profile

Table 1. **Slovak Republic: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 10 123 | 11 678 | 11 109 | .. | .. |
| Overnight visitors (tourists) | 4 789 | 5 525 | 5 771 | .. | .. |
| Same-day visitors (excursionists) | 5 334 | 6 153 | 5 338 | .. | .. |
| Nights in all types of accommodation | 20 127 | 18 879 | 20 104 | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 15 668 | 14 842 | 12 855 | .. | .. |
| Overnight visitors (tourists) | 1 528 | 1 670 | 1 475 | 1 721 | 2 027 |
| Same-day visitors (excursionists) | 14 140 | 13 172 | 11 380 | .. | .. |
| Top markets | | | | | |
| Czech Republic | 491 | 493 | 437 | 510 | 621 |
| Poland | 164 | 168 | 158 | 168 | 188 |
| Germany | 136 | 154 | 138 | 159 | 178 |
| Hungary | 60 | 69 | 58 | 70 | 91 |
| Austria | 66 | 74 | 67 | 82 | 88 |
| Nights in all types of accommodation | 4 101 | 4 340 | 3 904 | 4 456 | 5 145 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 4 568 | 4 469 | 4 738 | .. | .. |
| Overnight visitors (tourists) | 2 880 | 2 479 | 2 760 | .. | .. |
| Same-day visitors (excursionists) | 1 689 | 1 989 | 1 978 | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | .. | 1 963 | 1 924 | 2 177 | 2 483 p |
| International travel receipts | .. | 1 927 | 1 890 | 2 130 | 2 483 p |
| International passenger transport receipts | .. | 37 | 34 | 47 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | .. | 1 901 | 1 945 | 2 043 | 2 023 p |
| International travel expenditure | .. | 1 784 | 1 829 | 1 917 | 2 023 p |
| International passenger transport expenditure | .. | 118 | 116 | 126 | .. |

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

StatLink http://dx.doi.org/10.1787/888933641070

## Table 2. **Slovak Republic: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2012 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **25 235** | **131 893** | **136 107** | **144 129** | .. | .. |
| Accommodation services for visitors | 2 862 | 13 987 | 14 331 | 15 974 | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 12 537 | 64 053 | 67 866 | 71 412 | .. | .. |
| Passenger transport | 3 327 | 25 023 | 24 076 | 25 484 | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 702 | 1 483 | 2 559 | 1 412 | .. | .. |
| Travel agencies and other reservation services industry | 1 302 | 3 093 | 3 370 | 3 442 | .. | .. |
| Cultural industry | 851 | 8 973 | 9 036 | 9 256 | .. | .. |
| Sports and recreation industry | 3 654 | 15 281 | 14 869 | 17 149 | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641089

## Table 3. **Slovak Republic: Internal tourism consumption**

Million EUR

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | .. | .. | .. |
| Tourism characteristic products | 1 497 | 2 049 | 4 025 |
| Accommodation services for visitors | 223 | 277 | 575 |
| Food and beverage serving services | 125 | 366 | 491 |
| Passenger transport services | 312 | 460 | 772 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 48 | 19 | 66 |
| Travel agencies and other reservation services industry | 127 | 6 | 134 |
| Cultural services | 30 | 10 | 292 |
| Sports and recreation services | 91 | 48 | 242 |
| Country-specific tourism characteristic goods | 468 | 830 | 1 298 |
| Country-specific tourism characteristic services | 73 | 34 | 155 |
| Other consumption products | .. | .. | .. |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641108

# Slovenia

## Tourism in the economy

In 2016, Slovenia recorded more than 4.3 million overnight tourist arrivals, with over two-thirds of this number being inbound visitors (a 12% increase on 2015). Out of a total of 11.2 million nights in all means of accommodation, 7.3 million were generated by foreign tourists (up 11% on 2015) and 3.8 million by domestic tourists (up 3% on 2015). Tourism revenue is growing at a moderate pace, approximately 4% per year.

The largest visitor flows are from Slovenia's neighbouring countries, including Italy (up 7.9% on 2015 for overnight stays), Austria (up 7.3% on 2015) and Germany (up 7.1% on 2015). Together they generate 37.7% of total overnight international arrivals. Slovenian's undertook 5.4 million outbound trips in 2016, an increase of 10.1% from the previous year.

Tourism GDP increased by 4.4% between 2012 and 2014, to EUR 1.8 billion, representing 4.9% of total GDP. Total direct tourism employment increased from 48 700 jobs (6.1% of total employment) in 2014, to 51 800 in 2016 (up 6.3%). According to Bank of Slovenia data, export of travel services increased to EUR 2.3 billion in 2016 (up 3.9% from 2015), accounting for more than one third of all services exports, and 7% of total exports. The surplus of trade in travel services also increased in 2016 in year-on-year terms to EUR 1.5 billion.

## Tourism governance and funding

The Ministry of Economic Development and Technology (MEDT) is the main governmental body responsible for producing and implementing national tourism policy as part of overall economic policy. Given the cross-cutting nature of tourism, it is regulated by a number of national laws requiring permanent cross-sectoral coordination. Legislation requires the adoption and implementation of a Tourism Strategy for a five-year period.

Strategic planning for Slovenian tourism policy reflects a partnership between the public and private sectors, and NGOs. The MEDT co-operates and consults primarily with the Chamber of Tourism and Hospitality, the Chamber of Craft and Small Business and the Tourism Association of Slovenia, engage in the strategic planning of tourism policy.

The promotion of Slovenia as a tourism destination and the corresponding marketing activities are the responsibility of the Slovenian Tourist Board (STB), a public agency which operates six offices in Europe and works with other promotional offices worldwide. The STB is also responsible for the infrastructure of tourist information, coordinating products, stakeholder networking and undertaking research and development.

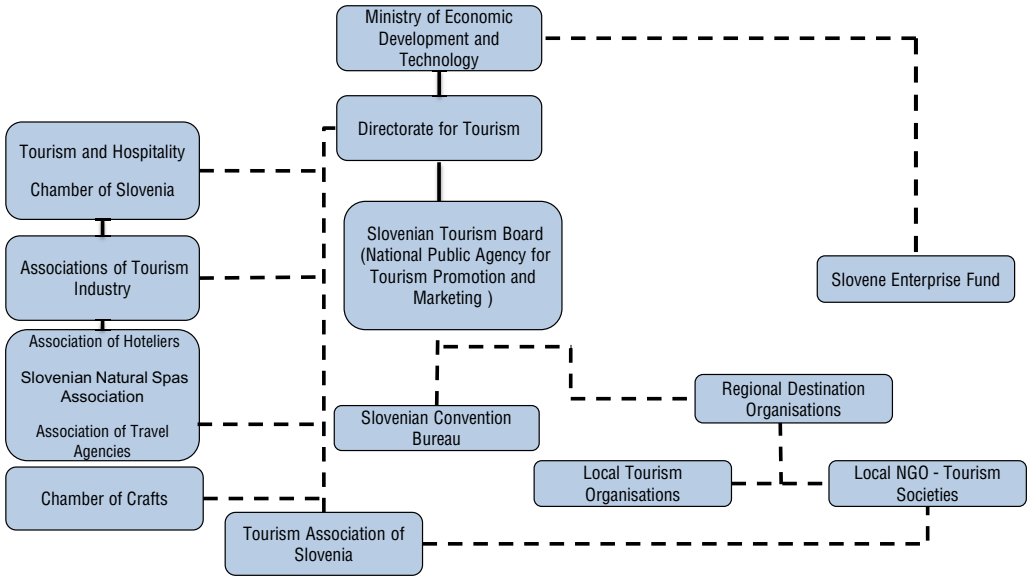
Tourism development at regional level is undertaken by twelve Regional Development Agencies which are responsible to Regional Councils comprised of Mayors of local communities. Regional tourism development is governed by national legislation and the national development objectives of Slovenian tourism, which include some specific

regional development objectives. The MEDT has sought to establish Regional Destination Organisations (RDOs) with the aim of achieving better integration of local tourism destinations. RDOs now operate specific development and marketing programmes and destination brands in each of the twelve statistical regions.

At the local level, each mayor and community council is responsible for tourism development according to national legislation and national strategic objectives. A locally collected tourist accommodation tax goes directly to the community budget. It is the main financial source for local tourism development and is dedicated for this purpose, including construction of information centres, trails, parks, and sports facilities, along with local marketing activities. In 2016, the tourist tax receipts amounted to EUR 11.8 million.

The national budget for promotion and development of tourism in 2017 is EUR 16.1 million, including EUR 11.4 million for marketing and development of tourism and EUR 2.2 million for the Slovenian Tourism Board. In addition, European funds to the value of EUR 2.5 million have been allocated for the creation of new tourism projects and the development of tourism infrastructure.

**Slovenia: Organisational chart of tourism bodies**




*Source:* OECD, adapted by the Ministry of Economic Development and Technology, 2018.

## Tourism policies and programmes

The Government of the Republic of Slovenia adopted in October 2017 the new Development Strategy for Sustainable Growth of Slovenian Tourism 2017-2021. The primary objective of which is to increase the competitiveness and visibility of Slovenian tourism. The key task of the Government is to provide a conducive environment for business and investment in all sectors, including tourism. This implies an appropriate regulatory framework and development incentives for investment. The strategy will focus on five key policy areas:

- Organisation. Reorganising the structure of tourism in Slovenia, into four macro regions with the greatest potential for development: Alpine Slovenia, Mediterranean Slovenia, Thermal Pannonian Slovenia, and Central Slovenia with the capital Ljubljana.

- Institutional and legal issues. Reducing administrative barriers to improve the development of tourism SMEs, including rules on the categorisation of accommodation establishments and on minimum technical conditions for catering and tourism business activities. Revising current legislation including a new Promotion of Tourism Development Act, new *Lipica Stud Farm* Act and an amended Hospitality Industry Act.
- Investment. Launching a new cycle of investment in both greenfield and brownfield sites for the development of tourism infrastructure, including private and public investments.
- Small and medium-sized enterprises (SMEs). Promoting the development of new tourism SMEs, and the development of competitiveness and productivity of existing tourism SMEs.
- Human resource development. Promoting the training and education of tourism personnel in line with the needs of tourism enterprises, and promoting vocational education and skills for tourism.

One of the key activities of the Slovenian Tourist Board in 2016 was the promotion of Slovenia as a green, active and healthy boutique destination. At the core of the promotional activities was the digital campaign, "Slovenia – Make New Memories", which the Slovenian Tourist Board implemented in co-operation with the Slovenian tourism industry in thirteen international markets.

A number of key policies and actions have been identified for the next five year programme. These include:

- Promotion of investments in sustainable and innovative tourist offers/services, in line with brand positioning embodied in the above promotion,
- Introduction of new information technologies in the field of promotion and marketing of national tourism,
- Transport policy measures that will affect tourism, including support for the development and establishment of new air, rail, maritime and other transport routes and services to improve accessibility and investment in the renovation and construction of cableways and cycle networks,
- Associated actions related to cultural policy, including investment in the renovation of built cultural heritage of particular significance to tourism, such as castles, manors, monasteries, etc.,
- New investments in tourist information centres and in infrastructure for congress tourism.

**Seeking green, quality and year round tourism investment in Slovenia**

In positioning Slovenia as a boutique destination in the heart of Europe, one of the main challenges will be attracting new investment in tourism infrastructure within the four principal regions. The most visited facilities are health resorts, seaside resorts and mountain resorts, and all require investment in tourism infrastructure that meets Slovenia's positioning as "Green, active and healthy". Slovenia needs new investment in building new accommodation capacity, renovating the existing accommodation portfolio, and in new tourist attractions and general infrastructure. Within this framework and brand positioning, the Government will particularly promote investment that is environmentally sustainable, of high quality, and capable of attracting interest outside the main tourist seasons. The aim will be to "de-season" Slovenian tourism while improving the competitiveness, productivity and sustainability of tourism SMEs.

## Statistical profile

Table 1. **Slovenia: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 1 142 | 1 126 | 1 113 | 1 221 | 1 285 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 3 733 | 3 617 | 3 500 | 3 727 | 3 838 |
| Hotels and similar establishments | 2 046 | 1 973 | 1 945 | 2 052 | 2 097 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 1 553 | 1 497 | 1 413 | 1 511 | 1 548 |
| Private accommodation | 135 | 148 | 142 | 164 | 193 |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 2 156 | 2 259 | 2 411 | 2 707 | 3 032 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Italy | 414 | 414 | 443 | 484 | 524 |
| Austria | 240 | 243 | 266 | 283 | 311 |
| Germany | 238 | 243 | 251 | 282 | 307 |
| Croatia | 114 | 119 | 120 | 136 | 153 |
| United Kingdom | 69 | 75 | 76 | 94 | 109 |
| Nights in all types of accommodation | 5 777 | 5 962 | 6 090 | 6 614 | 7 342 |
| Hotels and similar establishments | 4 150 | 4 202 | 4 294 | 4 540 | 4 985 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 1 274 | 1 342 | 1 332 | 1 496 | 1 642 |
| Private accommodation | 354 | 418 | 464 | 578 | 716 |
| **Outbound tourism** | | | | | |
| Total international departures | 4 465 | 4 440 | 4 672 | 4 909 | 5 408 |
| Overnight visitors (tourists) | 2 474 | 2 612 | 2 642 | 2 867 | 2 853 |
| Same-day visitors (excursionists) | 1 991 | 1 828 | 2 030 | 2 042 | 2 555 |
| Top destinations | | | | | |
| Croatia | 1 351 | 1 449 | 1 494 | 1 614 | 1 660 |
| Italy | 152 | 170 | 157 | 217 | 152 |
| Austria | 132 | 203 | 162 | 189 | 149 |
| Bosnia and Herzegovina | 128 | 143 | 129 | 132 | 117 e |
| Germany | 121 | 91 | 117 | 109 | 103 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 2 138 | 2 185 | 2 218 | 2 274 | 2 371 |
| International travel receipts | 2 008 | 2 043 | 2 060 | 2 098 | 2 190 |
| International passenger transport receipts | 130 | 141 | 158 | 176 | 181 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 846 | 815 | 864 | 948 | 1 015 |
| International travel expenditure | 730 | 708 | 745 | 823 | 854 |
| International passenger transport expenditure | 116 | 107 | 119 | 126 | 161 |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641127

## Table 2. **Slovenia: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **16 121** | **48 402** | **47 433** | **48 749** | **49 693** | **51 803** |
| Accommodation services for visitors | 2 425 | 10 064 | 9 567 | 9 426 | 9 676 | 9 833 |
| Hotels and similar establishments | 451 | 8 899 | 8 404 | 8 268 | 8 448 | 8 559 |
| Food and beverage serving industry | 8 319 | 20 996 | 20 727 | 21 651 | 22 118 | 23 533 |
| Passenger transport | 1 195 | .. c | 4 805 | .. c | 5 012 | 5 115 |
| Air passenger transport | 81 | 533 | 503 | 539 | 552 | 553 |
| Railways passenger transport | 1 | .. c | .. c | .. c | .. c | .. c |
| Road passenger transport | 1 046 | 3 682 | 3 621 | 3 798 | 3 791 | 3 910 |
| Water passenger transport | 67 | .. c | .. c | .. c | .. c | .. c |
| Passenger transport supporting services | 382 | 2 807 | 2 812 | 2 889 | 2 919 | 2 958 |
| Transport equipment rental | 211 | .. c | 235 | .. c | 314 | 312 |
| Travel agencies and other reservation services industry | 939 | 1 847 | 1 801 | 1 809 | 1 898 | 1 985 |
| Cultural industry | 2 095 | 4 137 | 4 222 | 4 400 | 4 477 | 4 679 |
| Sports and recreation industry | 555 | 3 399 | 3 264 | 3 251 | 3 280 | 3 388 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641146

## Table 3. **Slovenia: Internal tourism consumption**

Million EUR

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **1 107** | **2 408** | **3 587** |
| Tourism characteristic products | 749 | 1 094 | 1 916 |
| Accommodation services for visitors | 116 | 392 | 556 |
| Food and beverage serving services | 195 | 297 | 492 |
| Passenger transport services | 243 | 102 | 346 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 66 | 22 | 87 |
| Cultural services | 47 | 21 | 93 |
| Sports and recreation services | 81 | 261 | 342 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 358 | 1 314 | 1 671 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641165

# Spain

## Tourism in the economy

Tourism is one of the mainstays of the Spanish economy and an outstanding driver of social development. It accounts for 11.1% of the GDP and 13% of employment. Tourism continues to contribute substantially to the offsetting of the country's trade deficit with tourism receipts amounting to EUR 54.5 billion (up 7.1% from 2015).

With 75.3 million tourist arrivals (up 10.5%) and EUR 54.7 billion in international travel receipts (up 7.2%) in 2016, Spain ranked as the third largest destination worldwide and the second largest in terms of receipts. Spanish domestic tourism is also on the rise.

In relation to inbound markets, Chinese and Russian tourists are increasing every year with improvements in air connectivity and international relations at governmental levels.

In 2017, and for the second consecutive time, the World Economic Forum declared Spain as the top country for tourism competitiveness.

## Tourism governance and funding

National responsibility for tourism lies within the newly named Ministry of Energy, Tourism and Digital Agenda ("the Ministry") through the State Secretariat for Tourism. This name change reflects the growing interest in innovation and digital technology in the sector.

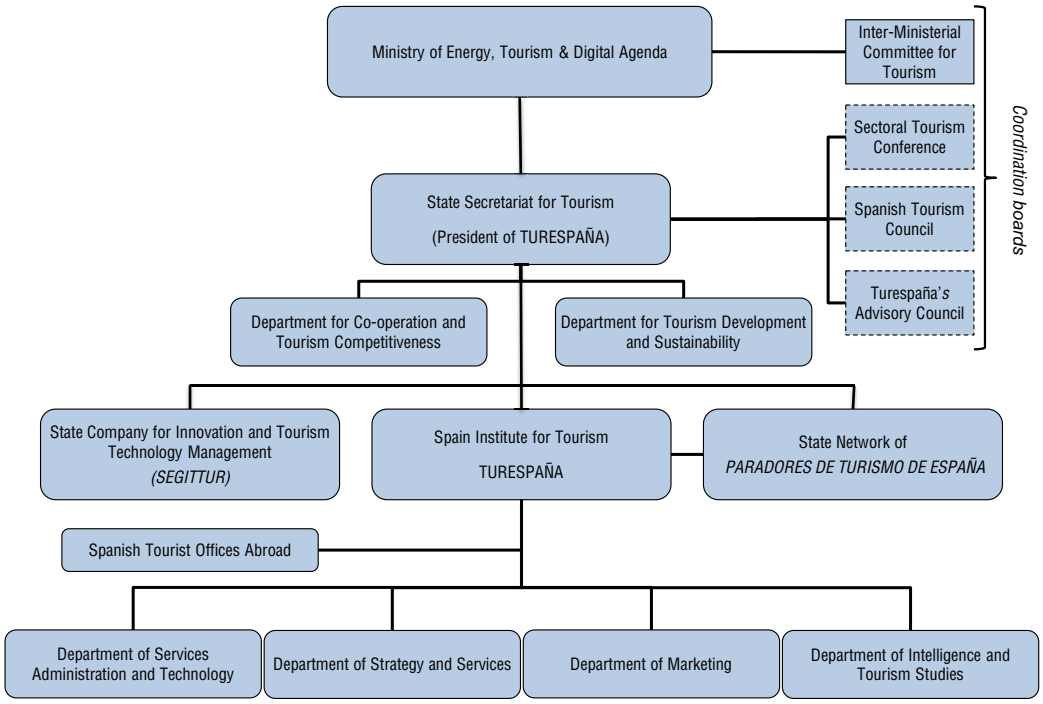
The State's role is in international relations, the promotion and marketing of tourism abroad, tourism policy, the overall regulation of tourism activity and national economic planning in which tourism is a key component. The State Secretariat is responsible for developing, coordinating and implementing tourism policy that falls within the sphere of the central government's responsibility, as well as institutional relations at national and international level. The Secretariat for Tourism coordinates three entities at national level: Turespaña, Paradores de Turismo S.A. and SEGITTUR (State Society for the Management of Innovation and Tourism Technologies).

Turespaña is an autonomous body attached to the Ministry, carrying out its activity abroad through the network of Spanish Tourism Offices supported by Spain's embassies and consulates. Its remit includes:

- Tourism promotion in international markets in collaboration with the regional authorities (*Comunidades Autónomas*), local authorities and the private sector,
- Drawing up tourism policy in collaboration with other state organisations, public authorities and the private sector,
- Supporting Spanish tourism firms abroad and also expediting international tourism co-operation and relations,
- Analysing and disseminating knowledge and intelligence for the tourism economy,

- Drawing up plans and programmes to foster innovation, quality, sustainability and competitiveness of tourism products and destinations,
- Driving the modernisation of the tourism sector, improving its technological capacity and enhancing the effectiveness and efficiency of management processes,
- Strategy and investment for the Paradores de Turismo S.A.

**Spain: Organisational chart of tourism bodies**




*Source:* OECD, adapted from Ministry of Energy, Tourism & Digital Agenda, 2018.

Paradores de Turismo S.A. is a public corporation, whose origin dates back to 1930, that runs the state-owned hotel network. There are now 95 establishments, employing 3 500 people, most of which are located in historic sites.

SEGITTUR is a state-owned company responsible for promoting research and development for innovation and new technologies in the Spanish tourism industry, in both the public and private sectors. It generates and manages the technology, knowledge and innovation necessary to enhance competitiveness, quality and sustainability in the environmental, economic and social aspects of tourism.

The 17 Autonomous Regions are responsible for the promotion and regulation of tourism within their own territories. Local entities (provinces and municipalities) manage their own tourism interests, mainly in terms of promotion and dissemination of information.

The mechanisms established between the State and the regional administrations are vital for coordination and to help foster competitiveness in the private sector. The main coordination instruments between public and private tourism stakeholders are the:

- Sectoral Tourism Conference, a collegiate, advisory and executive coordination body, which brings together public representatives from central government and the autonomous regions with tourism responsibilities.

- Spanish Tourism Council, an advisory body which brings together all the territorial tourism administrations (state, regions and provinces/cities) and the private sector i.e. chambers of trade, the National Employers' Association (CEOE), professional associations, trade unions and a wide spectrum of tourism professionals.
- Inter-Ministerial Committee for Tourism, whose members represent those national ministries that have responsibility for tourism related matters.
- Advisory Council of Turespaña, established in 2013 to enhance collaboration with the private sector. It comprises 11 members, 5 of which come from the private sector.

The national administration (Spanish Secretariat for Tourism) had a budget of EUR 332.9 million for 2016 (up from EUR 323.7 million in 2015). In addition, the 17 Autonomous Regions and local administrations also contribute a significant share of the overall expenditure on tourism.

## Tourism policies and programmes

The Spanish Secretariat of Tourism is working on a new national strategy. Priorities include the diversification of products, sustainability and a focus on key market segments e.g. the "cosmopolitans" with higher spending power and interest in culture, art, special experiences, gastronomy and shopping.

The Spanish tourism development model is based on sustainability, innovation and knowledge, digitalisation, specialisation and quality. Sustainability involves better returns from an enhanced, quality experience and longer stays. Sustainable tourism development also involves greater innovation in the use of data, digitalisation and "Smart" tourism destinations. Digitalisation for all subsectors of the tourism chain is key to modernisation of the sector. In this context, the Spanish Secretariat for Tourism organised, together with UNWTO, the first International Congress on Smart Destinations in February 2017 in Murcia, Spain.

SEGITTUR is leading the "Smart Destinations" project promoted by the Ministry. This project aims to improve the position of Spain as a world tourism destination. The methodology fosters innovation, sustainability and competitiveness at a local level through the development and deployment of ICT with the aim of creating differentiated and highly competitive services (Box 2.4).

## Statistical profile

Table 1. **Spain: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 372 811 | 398 423 | 462 761 | 345 599 \| | 370 397 |
| Overnight visitors (tourists) | 148 369 | 144 527 | 139 615 | 123 923 \| | 132 201 |
| Same-day visitors (excursionists) | 224 442 | 253 896 | 323 146 | 221 676 \| | 238 196 |
| Nights in all types of accommodation | 647 931 | 657 780 | 621 835 | 476 459 \| | 508 758 |
| Hotels and similar establishments | 98 985 | 97 100 | 95 568 | 84 074 \| | 91 254 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 45 341 | 42 911 | 41 577 | 27 574 \| | 32 702 |
| Private accommodation | 503 604 | 517 770 | 484 690 | 364 810 \| | 384 802 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 98 128 | 103 231 | 107 614 | 109 834 \| | 115 561 |
| Overnight visitors (tourists) | 57 464 | 60 675 | 64 995 | 68 175 \| | 75 315 |
| Same-day visitors (excursionists) | 40 664 | 42 555 | 42 619 | 41 659 \| | 40 246 |
| Top markets | | | | | |
| United Kingdom | 13 624 | 14 334 | 15 007 | 15 764 \| | 17 675 |
| France | 8 913 | 9 539 | 10 616 | 11 504 \| | 11 259 |
| Germany | 9 319 | 9 857 | 10 422 | 10 260 \| | 11 209 |
| Nordic Countries | 4 168 | 4 875 | 5 045 | 5 009 \| | 5 129 |
| Italy | 3 538 | 3 225 | 3 698 | 3 907 \| | 3 969 |
| Nights in all types of accommodation | 511 424 | 542 631 | 575 795 | 597 319 \| | 593 417 |
| Hotels and similar establishments | 251 822 | 267 359 | 279 623 | 288 472 \| | 280 646 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 29 307 | 31 141 | 34 830 | 41 004 \| | 26 547 |
| Private accommodation | 230 295 | 244 132 | 261 342 | 266 654 \| | 286 224 |
| **Outbound tourism** | | | | | |
| Total international departures | 14 916 | 13 434 | 13 952 | 15 706 \| | 16 144 |
| Overnight visitors (tourists) | 12 422 | 11 246 | 11 783 | 12 488 \| | 13 272 |
| Same-day visitors (excursionists) | 2 494 | 2 188 | 2 169 | 3 218 \| | 2 872 |
| Top destinations | | | | | |
| France | 2 421 | 1 868 | 2 124 | 1 836 \| | 2 147 |
| Portugal | 1 363 | 1 335 | 1 503 | 1 670 \| | 1 650 |
| Italy | 1 310 | 1 107 | 1 207 | 1 263 \| | 1 451 |
| United Kingdom | 900 | 995 | 993 | 1 188 \| | 1 299 |
| Germany | 657 | 638 | 688 | 891 \| | 804 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | .. | 47 164 | 49 010 | 50 893 | 54 516 p |
| International travel receipts | .. | 47 164 | 49 010 | 50 893 | 54 516 p |
| International passenger transport receipts | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | .. | 12 360 | 13 572 | 15 654 | 18 247 p |
| International travel expenditure | .. | 12 360 | 13 572 | 15 654 | 18 247 p |
| International passenger transport expenditure | .. | .. | .. | .. | .. |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641241

## Table 2. **Spain: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **669 150** | **2 077 025** | **2 083 544** | **2 203 044** | **2 322 381** | **2 447 758** |
| Accommodation services for visitors | 204 213 | 320 424 | 313 190 | 321 742 | 344 323 | 395 968 |
| Hotels and similar establishments | 15 053 | 282 136 | 276 159 | 281 373 | 303 249 | 354 717 |
| Food and beverage serving industry | 264 320 | 1 016 518 | 1 019 399 | 1 082 036 | 1 160 832 | 1 208 180 |
| Passenger transport | 63 208 | 257 890 | 257 342 | 267 550 | 264 877 | 269 001 |
| Air passenger transport | 245 | 35 808 | 39 516 | 41 501 | 39 757 | 36 373 |
| Railways passenger transport | 68 | 27 739 | 26 692 | 24 614 | 22 562 | 25 981 |
| Road passenger transport | 62 477 | 188 224 | 185 334 | 191 924 | 193 646 | 197 406 |
| Water passenger transport | 418 | 6 118 | 5 799 | 9 512 | 8 912 | 9 241 |
| Passenger transport supporting services | 23 817 | .. | .. | .. | .. | .. |
| Transport equipment rental | 7 306 | 161 740 | 170 216 | 178 068 | 182 726 | 204 261 |
| Travel agencies and other reservation services industry | 16 579 | 54 354 | 55 724 | 62 144 | 74 724 | 65 108 |
| Cultural industry | 36 441 | 93 090 | 89 369 | 96 630 | 99 411 | 97 179 |
| Sports and recreation industry | 53 266 | 173 008 | 178 305 | 194 874 | 195 490 | 208 060 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641260

## Table 3. **Spain: Internal tourism consumption**

Million EUR

| | 2013 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **59 692** | **54 544** | **114 235** |
| Tourism characteristic products | 50 335 | 38 517 | 88 852 |
| Accommodation services for visitors | .. | .. | .. |
| Food and beverage serving services | .. | .. | .. |
| Passenger transport services | .. | .. | .. |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. |
| Cultural services | .. | .. | .. |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 9 357 | 16 027 | 25 384 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641279

# Sweden

## Tourism in the economy

Tourism in Sweden has been growing steadily for the last ten years and is an important contributor to the economy and labour market. The tourism industry had a turnover of SEK 296 billion in 2016, an increase of 6.6% compared to 2015 at current prices, driven mainly by a continuing strong increase in inbound tourism. Inbound tourism generated a turnover of SEK 120 billion in 2016. The three major cities are the fastest growing areas when it comes to commercial guest nights.

With a small domestic market, Sweden is dependent on export markets and income from tourism has continued to grow in relation to Sweden's total exports. Compared to 2015, the value of tourism exports increased by 12.7% while total exports grew by 1.9%. In 2016, the Swedish tourism industry accounted for 6.2% of the total export value of Swedish goods and services, compared with 3.9% in 2000. Tourism's share of the Swedish economy remained unchanged at 2.7% of GDP in 2016.

The tourism industry in Sweden employed 170 000 persons in 2016, up 6.9% on 2015. Over the same period, total employment in Sweden increased by 1.7%.

The total number of international commercial guest nights in 2016 was 15.6 million, up 2.8% on 2015, and an increase of 22% from 2012. The main foreign markets remain Norway, Germany and Denmark. The biggest non-European market is the US, followed by China.

## Tourism governance and funding

The Swedish Agency for Economic and Regional Growth, Tillväxtverket, and VisitSweden AB are responsible for developing tourism at the national level and marketing Sweden as a tourist destination internationally. Both organisations report to the Ministry of Enterprise and Innovation.

Tillväxtverket develops, implements, and supports knowledge initiatives and activities to promote tourism industry development and entrepreneurship. It is responsible for official tourism statistics and the production and dissemination of knowledge about the development of tourism and its effects on the Swedish economy as well as collaborating with other governmental agencies with responsibilities related to tourism. Tillväxtverket is based in Stockholm but has a regional structure handling issues related to structural funds.

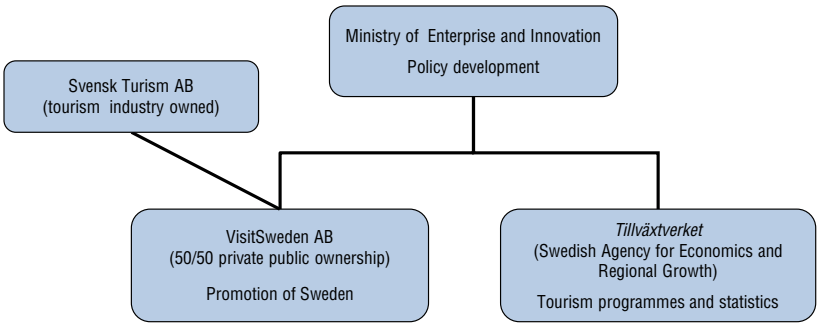
VisitSweden AB is a company jointly owned by the Government and the Swedish tourism industry, represented by Svensk Turism AB. It promotes Sweden as a tourist destination abroad and has offices in several countries. It focuses activities on emerging markets such as India and China, to promote sustainable nature and ecotourism in rural areas and to increase efforts to extend the stay of international visitors.

The Ministry for Foreign Affairs, the Ministry of Enterprise and Innovation, the Ministry of Culture, the Swedish Institute, Business Sweden and VisitSweden are members of the Council for the Promotion of Sweden Abroad.

The Swedish Association of Local Authorities and Regions (SALAR) is an umbrella organisation for local and regional authorities. In recent years, SALAR has increased its engagement in tourism through partnerships with industry organisations. Municipalities, county councils and regions are increasingly working together to support tourism. SALAR meets their interest and offers support and services, for example by creating platforms for networking, conferences etc.. In 2016, members were invited to identify tourism issues which they considered of most importance for future development of Swedish tourism.

Also in 2016, the Minister of Enterprise and Innovation established a forum bringing together public and private players in the tourism industry to identify common challenges in order to make a positive contribution to development of the tourism industry.

**Sweden: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Enterprise and Innovation, 2018.

The budget for tourism statistics and development, integrated in the budget for Tillväxtverket, totals around SEK 25 million, excluding special assignments such as the Sustainable Product Programme 2016-19 which has a government budget of SEK 40 million. The annual budget for VisitSweden is about SEK 140 and 120 million for 2016 and 2017 respectively. This sum is matched by industry for marketing campaigns. Resources for tourism projects are also allocated through regional and European Union funds.

## Tourism policies and programmes

The Swedish Government has initiated a public consultation on a new coherent national policy for tourism with a cross-sectoral perspective, proposing new structures and actions that will contribute to internationally competitive tourism, sustainable growth, profitable entrepreneurship and employment across the country. Proposals are also sought on strengthening the cross-border tourism offer.

Major challenges for Swedish tourism include skills, connectivity and transport, profitability, destination and product development, seasonality, and sustainability.

Transport is crucial and challenging because of Sweden's large size, geographical location and small population. These same variables make destination development and profitability particularly challenging in rural areas. In all Swedish regions, access to high speed internet is also an important factor for the industry.

Sweden faces large seasonal variations, with distinct and rather short winter and summer seasons, with great variations within the country. Work is ongoing in practically all Swedish regions to extend the tourism season. A positive outcome for Sweden is that the rapidly growing number of international visitors naturally tends to extend the short summer season, since they take later vacations and have different holiday dates.

In 2012, over 40 regional and local organisations applied to Tillväxtverket to take part in a four year initiative to strengthen and develop sustainable tourism destinations in Sweden. The total budget for the project was EUR 6.4 million, of which around EUR 1 million was allocated to each of five selected regions of Bohuslän, Kiruna, Stockholm Archipelago, Vimmerby and Åre. Destinations initiated activities to prolong the tourist season, improve quality in hosting, develop new and more sustainable products and services, enhance accessibility, and generally improve the destination's quality and competitiveness (Box 2.2).

The Government asked Tillväxtverket to build on the work of the Sustainable Destination Development Programme through a Sustainable Product Programme. The new programme was launched in 2016 and is due to run until 2019, with seven projects across Sweden focused on cultural and nature tourism.

Tillväxtverket and the Swedish Board of Agriculture are also supporting the work of Svenska Ekoturismföreningen (Swedish Ecotourism Society) to create a strategy for outdoor tourism, which will be presented in December 2017.

## Statistical profile

Table 1. **Sweden: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 39 916 | 40 846 | 42 654 | 44 854 | 46 203 |
| Hotels and similar establishments | 26 587 | 27 044 | 28 374 | 30 126 | 31 221 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 13 329 | 13 801 | 14 280 | 14 729 | 14 981 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 20 011 | 18 803 | 19 945 | .. | .. |
| Overnight visitors (tourists) | 12 372 | 11 139 | 10 750 | .. | .. |
| Same-day visitors (excursionists) | 7 639 | 7 664 | 9 195 | .. | .. |
| Top markets | | | | | |
| Germany | 1 578 | 1 303 | 1 285 | .. | .. |
| Finland | 1 769 | 1 523 | 1 550 | .. | .. |
| United Kingdom | 636 | 548 | 603 | .. | .. |
| Norway | 1 791 | 1 785 | 1 754 | .. | .. |
| Denmark | 2 586 | 2 225 | 1 967 | .. | .. |
| Nights in all types of accommodation | 12 775 | 12 890 | 13 748 | 15 175 | 15 594 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 15 548 | .. | .. | .. | 19 771 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION SEK** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 84 218 | 88 034 | 96 905 | 111 723 | 107 111 p |
| International travel receipts | 68 494 | 70 786 | 81 261 | 95 453 | 107 111 p |
| International passenger transport receipts | 15 724 | 17 248 | 15 643 | 16 270 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 112 261 | 119 200 | 125 986 | 139 097 | 121 003 p |
| International travel expenditure | 94 530 | 99 931 | 108 443 | 121 593 | 121 003 p |
| International passenger transport expenditure | 17 731 | 19 270 | 17 543 | 17 504 | .. |

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

StatLink http://dx.doi.org/10.1787/888933641298

## Table 2. **Sweden: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **..** | **153 600** | **151 600** | **152 000 p** | **158 000 p** | **168 900 p** |
| **Tourism industries** | **26 362** | **146 200** | **147 200** | **147 400 p** | **153 600 p** | **164 400 p** |
| Accommodation services for visitors | .. | 67 300 | 68 000 | 70 500 p | 75 600 p | 81 400 p |
| Hotels and similar establishments | 1 992 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 24 370 | .. | .. | .. | .. | .. |
| Passenger transport | .. | 20 800 | 21 200 | 18 600 p | 17 200 p | 17 900 p |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | 12 300 | 12 400 | 12 100 p | 13 200 p | 14 100 p |
| Cultural industry | .. | 16 200 | 15 000 | 16 000 p | 16 700 p | 18 700 p |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | 29 600 | 30 600 | 30 200 p | 30 900 p | 32 300 p |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **..** | **7 400** | **4 400** | **4 600 p** | **4 400 p** | **4 500 p** |

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

StatLink http://dx.doi.org/10.1787/888933641317

## Table 3. **Sweden: Internal tourism consumption**

Million SEK

| | 2016 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **..** | **..** | **..** |
| **Consumption products** | **176 405 p** | **119 598 p** | **296 003 p** |
| Tourism characteristic products | 124 852 p | 54 369 p | 179 221 p |
| Accommodation services for visitors | 49 077 p | 7 539 p | 56 616 p |
| Food and beverage serving services | 15 634 p | 22 578 p | 38 212 p |
| Passenger transport services | 29 375 p | 15 343 p | 44 718 p |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 3 825 p | 1 373 p | 5 198 p |
| Travel agencies and other reservation services industry | 17 692 p | 0 p | 17 692 p |
| Cultural services | 9 250 p | 7 536 p | 16 786 p |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 51 553 p | 65 229 p | 116 782 p |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | **..** | **..** | **..** |

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

StatLink http://dx.doi.org/10.1787/888933641336

# Switzerland

## Tourism in the economy

Tourism is an important pillar of the Swiss economy. In 2016, around 165 675 people (full-time equivalents) worked in the tourism industry, corresponding to 4.1% of total employment. Tourism contributed 2.6% to Swiss GDP in 2016.

There were a total of 10.4 million inbound overnight visitors in 2016. In the same year, international travel receipts were CHF 16.0 billion (up 1.4%), representing 3.7% of total exports.

In 2016, a total of 35.5 million nights were registered in hotels and similar establishments. Nearly 55% of total nights were taken by guests from abroad. Compared to the previous year, foreign demand fell by 1.5%, while there was a rise in domestic demand of 1.2% resulting in a slight overall decrease of 0.3%.

The most important source market remains Germany, representing 17.6% of international arrivals; however, the number of nights taken by German guests has continued a downward trend in recent years, driven in part by the strong Swiss franc. Moreover, there has been a sharp decline in the number of nights attributable to guests from China (down 18% in 2016), after several years of sustained growth. Total nights spent in hotels and similar establishment by those from the Gulf States, the Republic of Korea and the United States increased in 2016.

## Tourism governance and funding

The State Secretariat for Economic Affairs (SECO) is responsible for executing Swiss national tourism policy and for implementing the Federal Act on the Promotion of Innovation, Co-operation and Knowledge Building in Tourism (Innotour). Numerous political bodies at a national and regional level influence delivery of the policy, including various industry organisations.

The Confederation has two associations tasked with implementing various tourism-related measures:

- Switzerland Tourism (ST) carries out marketing activities relating to Swiss tourism. In February 2017, a completely revised regulation came into effect, enabling further development of Switzerland Tourism and strengthening the Confederation's supervisory role,
- The Swiss Society for Hotel Credit (SGH) supports investments in the accommodation sector and provides consultancy services at market prices.

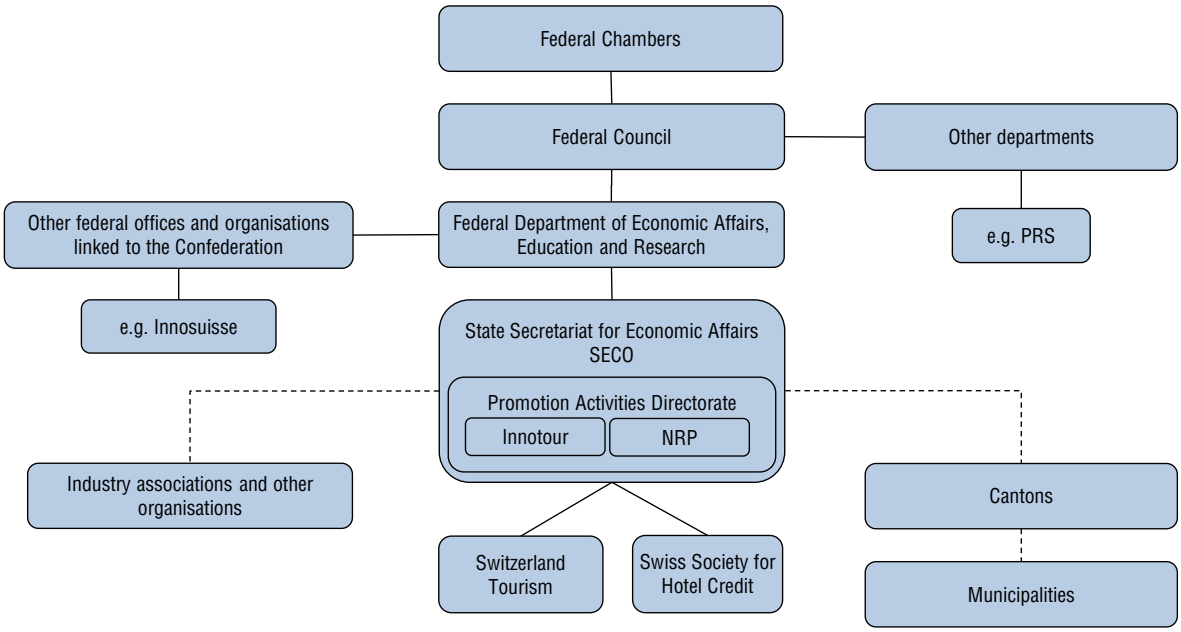
In 2016, CHF 60.6 million were available for national tourism policies. Of this, by far the largest part (CHF 52.7 million) was the contribution to Switzerland Tourism. CHF 7.5 million was available in 2016 for financing promotion of innovation, co-operation and knowledge building in tourism. This was higher than in previous years because an increase in funds of

CHF 2.5 million a year for the four years from 2016 to 2019 has been made available to Innotour as a result of the stimulus programme. Budgets available for information and documentation activities, and also contributions to international organisations such as UNWTO, were lower than in recent years, standing at approximately CHF 350 000.

The stimulus programme 2016-2019 also included CHF 200 million for the New Regional Policy (NRP).

The Swiss Society for Hotel Credit (SGH) is supported by the Confederation with an existing interest-free loan of around CHF 136 million. For the years 2012 – 2015, SGH was granted an additional loan amounting to CHF 100 million. However, the Confederation provided no additional funds for SGH in 2016. Rather, in order to strengthen SGH's financial scope, the additional loan to SGH was extended to 2019. By the end of 2016, SGH had used approximately CHF 43 million of the CHF 100 million loan.

**Switzerland: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the State Secretariat for Economic Affairs (SECO), 2018.

## Tourism policies and programmes

The *2013 Tourism Report* analysed the structural situation of Swiss tourism and the future tourism strategy of the Federal Government. Tourism policy is implemented on the basis of four-year programmes and has been guided by this report.

Swiss tourism is facing major challenges including the strong Swiss franc, increasing pressure on competitiveness, rapidly changing guest requirements and high standards in the area of digitalisation. In response to these challenges, political support for tourism has led to a package of tourism policy measures since 2013. These include optimising promotion of the hotel industry and a stimulus programme for 2016-2019.

In 2017, an interim evaluation of the stimulus programme was carried out. Optimising promotion of the hotel industry has included modernising implementation regulations, increasing the financial scope of SGH, and improving coordination between SGH and the

New Regional Policy (NRP). Implementation of the stimulus programme 2016-2019 under Innotour has been successfully initiated, with more than half of the increased funds already committed, and the quality of the projects considered impressive. Support for tourism under the New Regional Policy has started. However, demand for funds from the stimulus programme was restrained in the first year of implementation.

In 2017, Switzerland's Federal Council has adopted a new tourism strategy developed by SECO on behalf of the Federal Department of Economic Affairs, Education and Research (EAER). An advisory group has been established to guide and support the work of SECO and to ensure that the new tourism strategy has broad support. It comprises representatives from political interests, the tourism associations, the Swiss cantons, and academics, as well as selected actors and entrepreneurs from the tourism sector.

The new tourism strategy is the Federal Council's contribution to creating an internationally competitive tourism industry and transforming Switzerland into an attractive and productive tourism location. Policy is geared towards improving the framework conditions for providers in the tourism sector, seizing the opportunities of digitalisation, increasing promotion of entrepreneurship, and strengthening the attractiveness of the tourism offering and presence in the market. The four existing instruments, Innotour, ST, SGH and the NRP, are available for implementation of the tourism policy.

These are the main new aspects promoted by the Confederation's tourism strategy:

- Setting focal points: the new tourism strategy does not list all of the activities of the Confederation related to tourism. The cross-section nature of the tourism policy is particularly emphasised.
- Streamlining the use of funds: the existing funds are used in a more streamlined manner with closer co-operation with the projects, wherever useful and possible. The reconciliation of funding instruments is optimised to exploit synergies and prevent repeat actions.
- Digitalisation: the policy promotes the exploitation of the opportunities provided by digitalisation. It focuses on supporting the digital transformation of business processes and models as well as market cultivation.
- Focus on implementation: the new tourism strategy is designed with operations in mind, is flexible and contains specific implementation activities. As a result, it is possible to quickly adjust the tourism policy to meet changing requirements and conditions in the market if and when required.

The Confederation's tourism strategy consists of eight areas of activity with one or two sub-areas each. Coordination and co-operation is a key area of activity. The new tourism strategy strengthens the coordination of the Confederation's tourism policy, with the primary focus being to develop the *Tourismus Forum Schweiz* (Tourism Forum Switzerland) into a platform for dialogue and coordination. The aim is to create temporary, broadly diversified work groups comprised of representatives of the tourism industry, cantons, municipalities and Federal Administration. The topic- and project-specific co-operation within these work groups aims to identify targeted challenges and develop optional actions and approaches to solutions.

As previously mentioned, digitalisation plays a key role. One of the areas of activity therefore deals with the digital transformation of business processes and models. In 2017, SECO therefore launched an intensive digitisation campaign in the tourism industry, which boosts the required digital transformation of business processes and models in the tourism

industry. When implementing the new tourism strategy, the focus is to remain on heavily promoting digitisation projects and the transfer of knowledge. The activities focus on further developing existing data and statistics. The extrapolation and utilisation of new data (e.g. on the behaviour of guests) is also to be reviewed.

Similarly, the digital transformation of the market cultivation process is also a priority activity. Tourists' requirements change quickly and the number of marketing and diffusion channels is rising all the time, thus continuously increasing the challenges faced by marketing. The main focus is on the further development of the MySwitzerland web platform by Switzerland Tourism by 2019.

## Statistical profile

Table 1. **Switzerland: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 70 140 \| | 76 635 | 76 000 | 78 050 | 76 374 |
| Overnight visitors (tourists) | 7 417 \| | 8 648 | 7 732 | 7 830 | 7 465 |
| Same-day visitors (excursionists) | 62 723 \| | 67 987 | 68 268 | 70 220 | 68 909 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 15 690 | 15 889 | 16 026 | 16 052 | 16 245 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | 10 136 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 8 566 | 8 967 | 9 158 | 9 305 | 10 402 \| |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | 1 871 | 1 854 | 1 812 | 1 616 | 2 018 \| |
| China | 635 | 770 | 891 | 1 210 | 982 \| |
| United States | 687 | 726 | 752 | 803 | 899 \| |
| United Kingdom | 659 | 698 | 712 | 710 | 800 \| |
| France | 669 | 692 | 699 | 655 | 773 \| |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 19 076 | 19 735 | 19 907 | 19 576 | 19 288 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | 4 728 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 12 924 \| | 13 569 | 13 427 | 14 925 | 14 941 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| Germany | 3 053 \| | 2 952 | 2 639 | 2 939 | 2 980 |
| Italy | 2 091 \| | 1 951 | 2 557 | 2 808 | 2 730 |
| France | 2 042 \| | 2 247 | 2 003 | 2 244 | 1 913 |
| Austria | 949 \| | 981 | 1 019 | 1 091 | 960 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION CHF** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 18 393 | 18 871 | 19 603 | 18 880 | 18 915 p |
| International travel receipts | 15 085 | 15 568 | 16 319 | 15 793 | 16 019 p |
| International passenger transport receipts | 3 309 | 3 303 | 3 284 | 3 088 | 2 895 p |
| **Outbound tourism** | | | | | |
| Total international expenditure | 16 885 | 17 704 | 18 254 | 18 048 | 18 549 p |
| International travel expenditure | 14 256 | 14 977 | 15 444 | 15 675 | 16 271 p |
| International passenger transport expenditure | 2 629 | 2 727 | 2 810 | 2 372 | 2 278 p |

.. Not available; | Break in series; p Provisional data
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641355

## Table 2. **Switzerland: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **..** | **160 042** | **162 739** | **163 679** | **164 878** | **165 675 p** |
| **Tourism industries** | **..** | **123 042** | **125 215** | **125 918** | **126 644** | **126 994 p** |
| Accommodation services for visitors | 41 319 | 34 041 | 34 927 | 34 825 | 35 929 | 36 205 p |
| Hotels and similar establishments | 4 949 | 30 845 | 31 637 | 31 453 | 35 929 | 36 205 p |
| Food and beverage serving industry | .. | 38 136 | 38 538 | 38 656 | 38 656 | 38 623 p |
| Passenger transport | .. | 25 504 | 25 967 | 26 229 | 25 926 | 26 068 p |
| Air passenger transport | .. | 6 882 | 7 093 | 7 214 | 6 693 | 6 830 p |
| Railways passenger transport | .. | 12 262 | 12 423 | 12 375 | 12 374 | 12 364 p |
| Road passenger transport | .. | 5 480 | 5 629 | 5 676 | 5 849 | 5 844 p |
| Water passenger transport | .. | 880 | 821 | 965 | 1 010 | 1 031 p |
| Passenger transport supporting services | .. | 3 482 | 3 521 | 3 515 | 3 454 | 3 438 p |
| Transport equipment rental | .. | 438 | 486 | 503 | 527 | 528 p |
| Travel agencies and other reservation services industry | .. | 13 132 | 13 102 | 13 249 | 13 006 | 13 020 p |
| Cultural industry | .. | 2 750 | 2 859 | 2 962 | 3 003 | 2 998 p |
| Sports and recreation industry | .. | 4 350 | 4 584 | 4 738 | 4 858 | 4 843 p |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | 1 209 | 1 232 | 1 241 | 1 285 | 1 271 p |
| **Other industries** | **..** | **36 999** | **37 524** | **37 761** | **38 233** | **38 681 p** |

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

StatLink http://dx.doi.org/10.1787/888933641374

## Table 3. **Switzerland: Internal tourism consumption**

Million CHF

| | 2011 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **26 659** | **19 644** | **49 079** |
| **Consumption products** | **18 811** | **16 466** | **38 053** |
| Tourism characteristic products | 15 691 | 14 238 | 32 438 |
| Accommodation services for visitors | 2 375 | 3 091 | 7 400 |
| Food and beverage serving services | 2 689 | 2 511 | 5 199 |
| Passenger transport services | 4 897 | 3 900 | 9 074 |
| Air passenger transport services | 2 568 | 3 045 | 5 613 |
| Railways passenger transport services | 1 501 | 488 | 2 266 |
| Road passenger transport services | 751 | 328 | 1 079 |
| Water passenger transport services | 77 | 39 | 116 |
| Passenger transport supporting services | 300 | 234 | 534 |
| Transport equipment rental services | 8 | 189 | 196 |
| Travel agencies and other reservation services industry | 4 339 | 3 522 | 8 049 |
| Cultural services | 43 | 94 | 246 |
| Sports and recreation services | 686 | 573 | 1 259 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 355 | 125 | 480 |
| Other consumption products | 3 119 | 2 229 | 5 614 |
| Tourism connected products | 3 119 | 2 229 | 5 614 |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | **7 848** | **3 178** | **11 026** |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641393

# Turkey

## Tourism in the economy

Turkey has experienced a significant growth and change in tourism accompanied by the economic and political restructuring since the turn of the century. In 2016, Turkey received 31.3 million international tourists, with international receipts (exports) amounting to USD 22.1 billion. However, despite this positive long-term trend (up 210% between 2002 and 2014), figures for 2016 represent a decrease from 2014 when the figures for international arrivals and receipts were 39.8 million and USD 37.4 billion, respectively.

## Tourism governance and funding

The Ministry of Culture and Tourism is responsible for tourism in Turkey, with a number of directorates covering activities relating to marketing, investment, training and the conservation of heritage and assets. Turkey also has 81 Provincial Culture and Tourism Directorates. The Ministry of Culture and Tourism has 46 Culture and Promotion Offices in 41 different countries, which undertake promotional and marketing activities, and cultural and art events to promote Turkey as a tourism destination. Other key ministries include the Ministry of Environment and Urbanisation, the Ministry of Food, Agriculture and Livestock, the Ministry of Economy, the Ministry of Development, the Ministry of Forestry and Water Affairs, and the Ministry of Transport, Maritime and Communications. Local administrations and municipalities also have responsibilities for tourism.

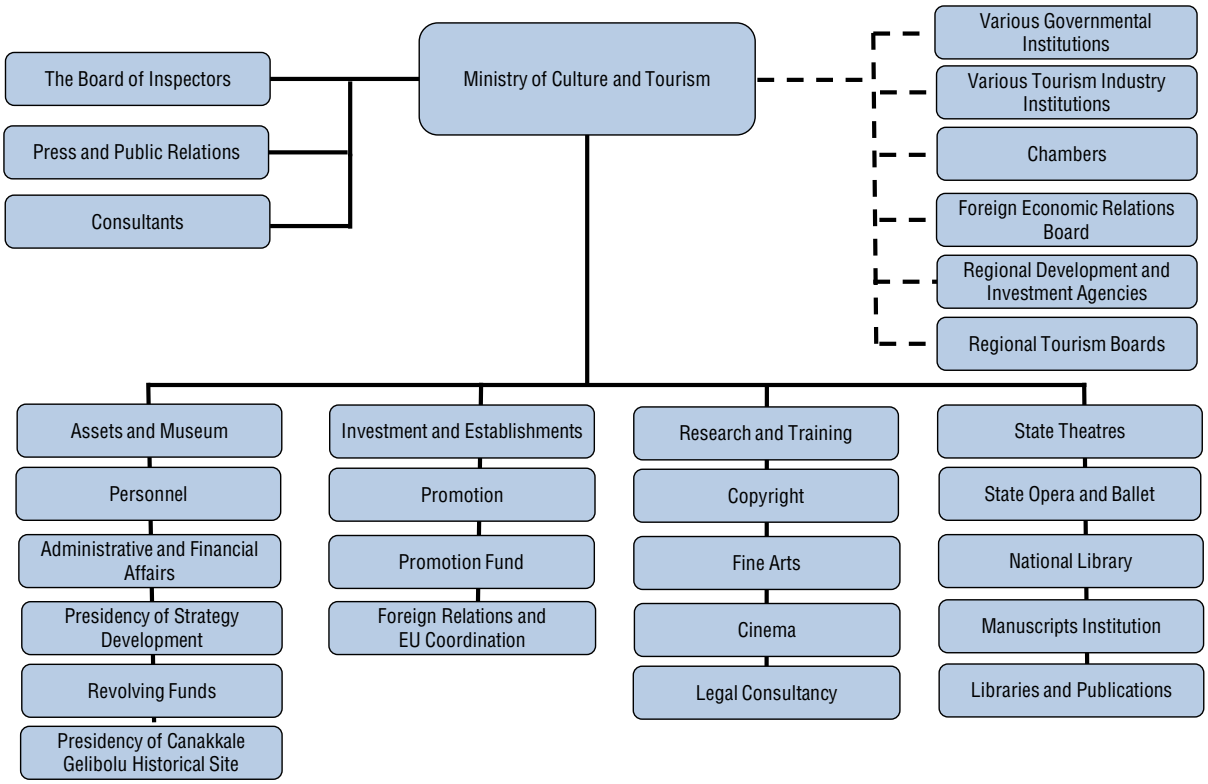
Several professional institutions and private sector associations work closely with the Ministry of Culture and Tourism on planning the future of tourism in Turkey and addressing specific issues. These include the Association of Turkish Travel Agencies, Touristic Hotels and Investors Association, Hoteliers Federation, Turkish Tourism Investors Association, the Tourist Guides' Association, and the Prime Minister's Investment Support and Development Agency. There are also many local associations throughout Turkey in the travel and tourism sector.

The overall public budget allocated to tourism sector in 2017 is TRY 493.6 million and the share of the Ministry of Culture and Tourism is TRY 138.3 million. The Ministry's budget includes TRY 20 million to support tourism investments, TRY 42.2 million for winter tourism infrastructure works, and TRY 40 million for thermal tourism infrastructure works. The Ministry also has an additional budget of TRY 28.7 million to support access to drinking water and sewerage systems in tourism intense areas.

- The Ministry of Culture and Tourism of Turkey organises a Tourism Council periodically with the participation of both central and local government representatives and private sector representatives,

- The Tourism Strategy of Turkey-2023 puts emphasis on Tourism Councils to ensure coordination across the tourism industry at national and regional levels. Tourism Councils should support efforts for further diversification and continuous quality improvement of tourism products.

**Turkey: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Culture and Tourism, 2018.

## Tourism policies and programmes

The most important challenge to fostering competitive, sustainable and inclusive tourism development in Turkey is to ensure that an accurate and positive impression of the country is conveyed to those who have not visited previously.

Other policy issues and challenges facing tourism in Turkey are:

- Addressing seasonality of demand. As a sun and sea destination, tourism flows and occupancy levels are quite peaked, limiting profitability and the contribution of tourism to the economy,
- Increasing employment, and tourism as a source for development, in the different regions of Turkey,
- Improving the sustainability of tourism products, including addressing issues of climate change and use of resources,
- Responding to global political and economic crises and their effect on tourism,
- Improving quality and skills in tourism.

A number of actions are being pursued to address these challenges, including:

- Diversifying the offer and developing more niche and special interest tourism products,
- Implementing a market-oriented approach which takes account of consumer expectations,
- Focusing on digital promotion and marketing,
- Increasing demand from traditional and emerging growth markets,
- The development of 33 National Standards and 24 Qualifications for vocational training.

The 2015-19 Strategic Plan of the Ministry of Culture and Tourism sets out Turkey's tourism objectives and goals regarding marketing and promotion, which include:

- Enhancing Turkey's competitiveness, market share and brand value in tourism on an international scale,
- Spreading and developing tourism activities all year round and across all the regions of the country by diversifying alternative tourism types, particularly health tourism, and enhancing the quality of tourism sector.

The Tourism Strategy of Turkey-2023 supports diversification by improving the infrastructure required for specialist tourism sectors and activities, aiming to increase tourism revenues in order to generate employment and increased incomes for all segments of society with a balanced use and conservation of strategic natural, cultural, historical and geographical assets. The 10th Development Plan, for 2014-18, supports activities to enhance health tourism, winter tourism, golf tourism, cultural tourism, cruise tourism, and convention tourism.

The focus of Turkey's destination marketing strategy is on the country's product diversity and on motivations to travel other than sea-sun-sand tourism, seeking to spread visits throughout the year and to the regions in a balanced way.

The Ministry also focuses on growing domestic tourism, promoting cultural and touristic values to Turkish citizens by giving support to appropriate fairs and events, and aiming to make holidays available to all segments of the community through pricing strategies such as low prices during the off season. The Ministry also works in co-operation with the Association of Turkish Travel Agencies (TURSAB), through an "early reservation campaign" offering low prices for domestic visitors making reservations four to seven months in advance.

One of the 25 Priority Transformation Programs designed to achieve the 2023 targets and objectives as part of the Tenth Development Plan, is the Health Tourism Improvement Program. The program, which is a collaboration between the Ministry of Health and the Ministry of Culture and Tourism, enhances competitiveness by raising the quality of services in the field of thermal tourism. The target is to establish capacity of 100 000 beds supplying thermal tourism services to 1.5 million foreign tourists, and a revenue target of USD 3 billion. The Ministry provides investment and planning support to selected thermal tourism centres, establishing new models for development including the integration of a thermal hotel with a care centre and park.

Since 2007, the UN Development Programme and the Ministry of Culture and Tourism have worked in partnership for local economic development. Together with Anadolu Efes, a leading entrepreneurial Turkish group, the partnership is implementing the "Future is in Tourism" project. To date, 13 destinations have been selected for this capacity building project which is designed to provide local tourism actors and NGOs with the necessary guidance, tools and resources to contribute to sustainable tourism development through partnerships with public and private institutions.

The Ministry's tourism agenda is mainly focused on competitiveness, sustainable tourism planning, keeping up with recent global tourism trends, destination based planning and marketing. Travel is constantly changing to new trends such as adventure trips, solo travel, and responsible tourism. Technology plays an important role in researching and organising the pre, during and post stages of a journey. In addition, the Ministry of Culture and Tourism attaches great importance to social and digital media as a means to promote Turkey, and also to the use of video and film.

**Use of video and film media in the promotion of Turkey**

Since 2014, a global advertisement and image campaign "Turkey: Home" has been sharing the life style, historical, cultural and natural values of the country through use of digital tools and multiple social media channels. 21 promotional films have been produced, including *Turkish Coffee, Grand Bazaar, Two Continents, Baklava, Troy, Poetry,* and *Evil Eye Bead* as well as the more usual destination specific films. The Global Image Campaign now has almost 7 million followers.

A themed advertisement film "Turquois" has been shown outdoors on digital screens and billboards, TV channels, and cinemas in target countries. An introductory film, taken to various festivals in co-operation with the International Committee of Tourism Film Festivals (CIFFT) was chosen as the best film of 2016 (*www.hometurkey.com*).

## Statistical profile

Table 1. **Turkey: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 106 226 | 112 161 | 115 088 | 115 381 | 106 501 |
| Overnight visitors (tourists) | 64 922 | 68 452 | 70 894 | 71 251 | 68 450 |
| Same-day visitors (excursionists) | 41 304 | 43 709 | 44 194 | 44 130 | 38 051 |
| Nights in all types of accommodation | 556 803 | 557 459 | 575 871 | 588 786 | 605 608 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 37 715 | 39 861 | 41 627 | 41 114 | 30 907 |
| Overnight visitors (tourists) | 35 698 | 37 795 | 39 811 | 39 478 | 30 289 |
| Same-day visitors (excursionists) | 2 017 | 2 066 | 1 816 | 1 640 | 618 |
| Top markets | | | | | |
| Germany | 5 029 | 5 041 | 5 250 | 5 581 | 3 890 |
| Georgia | 1 405 | 1 769 | 1 755 | 1 912 | 2 206 |
| United Kingdom | 2 457 | 2 509 | 2 600 | 2 512 | 1 711 |
| Bulgaria | 1 492 | 1 583 | 1 694 | 1 821 | 1 691 |
| Netherlands | 1 274 | 1 312 | 1 304 | 1 232 | 906 |
| Nights in all types of accommodation | 90 822 | 89 594 | 97 581 | 96 400 | 65 793 |
| Hotels and similar establishments | 90 762 | 89 543 | 97 315 | 96 345 | 65 657 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 60 | 51 | 266 | 55 | 136 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 5 803 | 7 526 | 7 982 | 8 751 | 7 892 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 31 566 | 36 192 | 38 766 | 35 451 | 26 695 |
| International travel receipts | 25 345 | 27 997 | 29 552 | 26 616 | 18 743 |
| International passenger transport receipts | 6 221 | 8 195 | 9 214 | 8 835 | 7 952 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 4 585 | 5 253 | 5 475 | 5 686 | 5 036 |
| International travel expenditure | 4 094 | 4 817 | 5 072 | 5 368 | 4 783 |
| International passenger transport expenditure | 491 | 436 | 403 | 318 | 253 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641412

## Table 2. **Turkey: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **400 718** | **1 173 512** | **1 230 069** | **1 286 450** | **1 329 551** | .. |
| Accommodation services for visitors | 15 345 | 237 428 | 246 807 | 263 847 | 284 400 | .. |
| Hotels and similar establishments | 11 669 | 230 401 | 240 633 | 257 519 | 276 050 | .. |
| Food and beverage serving industry | 201 273 | 532 320 | 551 110 | 575 349 | 607 190 | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | 133 | 23 054 | 25 322 | 27 844 | 31 473 | .. |
| Railways passenger transport | .. c | .. c | .. c | .. c | .. c | .. |
| Road passenger transport | 149 688 | 281 908 | 292 777 | 292 609 | 267 513 | .. |
| Water passenger transport | 2 857 | 8 498 | 9 413 | 9 744 | 10 662 | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 6 585 | 11 785 | 14 178 | 20 385 | 25 478 | .. |
| Travel agencies and other reservation services industry | 7 220 | 39 504 | 45 897 | 44 506 | 49 075 | .. |
| Cultural industry | 4 750 | 8 769 | 11 969 | 12 593 | 13 400 | .. |
| Sports and recreation industry | 12 867 | 30 246 | 32 596 | 39 573 | 40 360 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641431

# United Kingdom

## Tourism in the economy

Tourism is a major part of the United Kingdom economy. The Office for National Statistics (ONS) Tourism Satellite Account shows that tourism directly contributed an estimated GBP 62.4 billion in gross value added (GVA) in 2015. Tourism is growing at a faster rate than the overall UK economy, with an increase of 3.3% between 2014 and 2015 compared to 2.2% overall.

Tourism makes a substantial contribution to employment. In 2015, 1.6 million UK jobs were directly attributable to tourism. When considering jobs in tourism-related industries, this figure rises to approximately 3 million, or one in ten of all jobs.

In 2016, the number of international visits grew by 4% to a record 37.6 million from 2015, while the value of spending increased by 2% to GBP 22.5 billion. The top ten markets accounted for almost two in three visits (64%) and for over half of all spending (55%). The top five markets by volume were France, the United States, Germany, Ireland, and Spain. Visitors from the United States spent GBP 1.8 billion more than the next most valuable market by value, Germany, followed by France, Australia and Ireland.

London receives by far the highest proportion of inbound visits, nights and spending in the United Kingdom. For example, in 2016, London received 19.1 million overnight visits, representing total spending of GBP 11.9 billion. In the same year, other parts of United Kingdom accounted for 16 million overnight visits and associated visitor spend of GBP 7.8 billion. Of this figure, Scotland welcomed 2.7 million visits and received GBP 1.9 billion in spending, with the equivalent figures for Wales being 1.1 million visits and GBP 444 million. Northern Ireland received 2.6 million external visitors, including those from elsewhere in the United Kingdom.

The overall volume of domestic trips taken in Great Britain in 2015 increased by 9% to 124.4 million, while the number of bednights increased by 8% to 377.1 million. Expenditure on overnight trips also rose, increasing by 9% to GBP 24.8 billion. Of the total number of domestic overnight trips, 102.7 million were taken in England, along with 299.6 million bednights and expenditure of GBP 19.6 billion. In Scotland, there were 12 million trips, 41.3 million bednights and expenditure of GBP 3.3 billion, while for Wales, there were around 10.4 million trips, resulting in 36.2 million bednights and spending of GBP 2.0 billion; figures that represent a ten year high for Wales.

## Tourism governance and funding

The Department for Digital, Culture, Media and Sport (DCMS) is the sponsoring government body for tourism in the United Kingdom. Tourism is a devolved competence in Scotland, Wales, Northern Ireland and London. DCMS retains responsibility for tourism in England and overseas promotion of Great Britain as a destination.

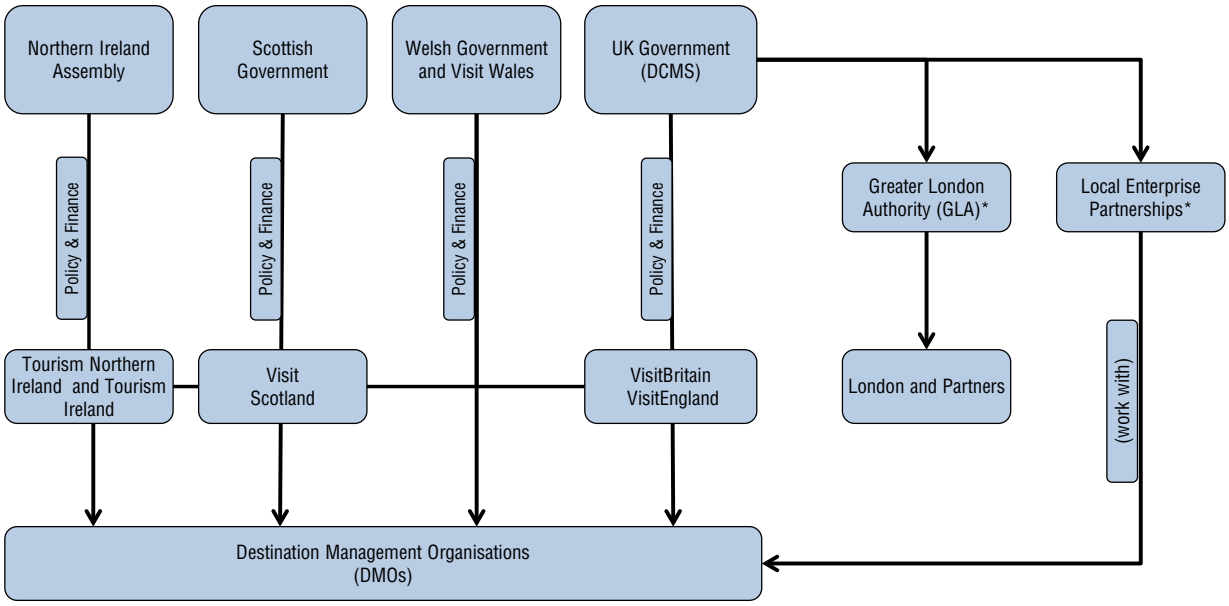
VisitBritain and VisitEngland are trading names of the British Tourist Authority (BTA), the UK Government public body responsible for tourism. Following the 2015 Spending Review, the Government clarified the distinct activities that BTA would undertake as VisitBritain and VisitEngland, each with a separate allocation of ring-fenced budget. As collaboration is critical to the success of VisitBritain and VisitEngland, operations have been brought together under the BTA Chief Executive.

VisitBritain is responsible for promoting Britain worldwide and developing its visitor economy. With core funding through DCMS and additional funding through the cross-government GREAT campaign, VisitBritain works with a range of private and public partners to grow the value of inbound tourism. VisitBritain has an annual target to increase international visitor spend in England, Wales, London and Scotland, attributed to its activity, by 1.5% above the level recorded by the International Passenger Survey (IPS). It also has a statutory function to advise Government on matters affecting tourism and to provide research and insight services.

VisitEngland is an advisory body which works to grow the value and quality of tourism in England.

VisitScotland is a public body responsible to the Scottish Government. Its core purpose is to maximise the economic benefit of tourism to Scotland. It has responsibility for marketing Scotland in the United Kingdom and internationally, encouraging the highest quality standards within the industry, providing visitor information, and implementing an events strategy to support tourism and raise the country's international profile. Scotland's enterprise agencies provide business support and investment to encourage growth in the tourism sector.

**United Kingdom: Organisational chart of tourism bodies**




* Separate funding relationships apply.

*Source:* OECD, adapted from the Department for Culture, Media and Sport (DCMS), 2018.

Visit Wales sits within the portfolio of the Welsh Department for Economy and Infrastructure. It is responsible for formulating tourism policy, and encouraging investment

in, and improving the quality of, the visitor experience in Wales. Visit Wales is also responsible for marketing Wales in the United Kingdom and internationally.

In Northern Ireland, the Department for the Economy is responsible for tourism strategy and policy and has oversight of two tourism organisations: Tourism Northern Ireland, in charge of product development and marketing to visitors from the island of Ireland, and Tourism Ireland, which markets the island of Ireland in Great Britain and overseas. In addition, Invest NI administers accommodation grants and provides business support and advice to tourism businesses.

DCMS funds BTA through a grant-in-aid funding settlement. For the spending period 2016-2020, BTA will receive approximately GBP 26.5 million per annum, of which GBP 19.5 million is for VisitBritain and GBP 7 million for VisitEngland. In addition, BTA receives approximately GBP 23 million per annum from the GREAT Campaign to promote Britain abroad. Tourism funding in Scotland, Wales and Northern Ireland is determined by the devolved government.

Additional public funding was also made available in 2015-16 for a South West Tourism Growth Fund of GBP 5 million, and a Northern Tourism Growth Fund of GBP 10 million (extended to 2016-17) to support inbound tourism to these areas, largely through marketing.

## Tourism policies and programmes

Published in 2016, the Tourism Action Plan, outlines the UK government's five tourism priorities:

- The tourism landscape: strengthening coordination and collaboration,
- Skills: boosting apprenticeships and attracting more people to careers in tourism,
- Common sense regulation: examining the scope for deregulation,
- Transport: making it easier for visitors to explore by rail, bus and coach,
- A GREAT Welcome: driving continuous improvements in the UK visa service.

The overall aim of VisitBritain is to grow international tourism and its benefits across Britain, with an emphasis on getting visitors to explore beyond London. This feeds through into its marketing campaigns, including the GREAT campaign, which it undertakes with private sector businesses.

The GREAT Britain campaign draws on key triggers for travel to Britain, namely culture, heritage, and countryside, alongside shopping, food, sport, adventure and music. The campaign aims to:

- Build awareness of Britain's attractiveness as a tourism destination among those who have not yet visited Britain,
- Encourage prior visitors to return,
- Provide, in partnership with the private sector, opportunities and incentives to visit Britain now.

VisitBritain also has a priority to contribute to a stronger and improved business visits and events sector. It continues to work on improving accessibility for all and providing tourism business support.

A key focus for VisitEngland for 2016 to 2020 is the Discover England Fund. VisitEngland has been provided with GBP 40 million over three years to build and grow outstanding English tourism product to drive international visits across the country.

VisitScotland launched a new marketing campaign, The Spirit of Scotland, in 2016. This global campaign promotes and celebrates the unique tourism assets of Scotland, the experience visitors' enjoy and the tangible spirit they describe when they are in the country. The Spirit of Scotland campaign uses the power of social media, new digital platforms and technology, such as virtual reality apps, to attract visitors from around the world.

Working closely with the tourism industry, VisitScotland and the Scottish Government have devised and developed a series of themed years to keep the spotlight on Scotland as a leading tourism destination. These include: Year of History, Heritage and Archaeology 2017; Year of Young People 2018; and a celebration of Scotland's Coast and Water in 2020.

Building on successful delivery of the Commonwealth Games, the 2014 Ryder Cup, and Homecoming Scotland 2014, VisitScotland continues to secure, develop and support a portfolio of major events. For example, in 2018 Scotland will host the inaugural European Championships, which brings together the existing championships of seven of Europe's leading sports into one multi-sport event, and The Solheim Cup in 2019.

The Visit Wales 2013-2020 strategy is focused on three main international markets (Ireland, Germany and United States/Canada). Its emphasis is on improving the tourism offer through supporting luxury high-end hotels, delivering iconic all weather attractions and enhancing the visitor experience at heritage attractions, museums and cultural venues to sustain their long term viability. It also seeks to build potential in business and events, an area in which Wales has historically underperformed.

In partnership with National Parks, local authorities, the National Trust Wales and Natural Resources Wales, Visit Wales is working to develop the offer around mountains, inland waters, countryside, coast, and gardens.

In terms of wider policy issues, Visit Wales is focused on skills for employment based on demand to fulfil a shortage in the sector and a need to increase the attraction of tourism as a career prospect.

Northern Ireland will see the production of an updated tourism strategy to 2025, following one of the key recommendations of the independent review of tourism structures published in 2014. The review had four key themes: setting the strategic direction for tourism; building relationships within the sector; closer alignment with Invest NI; and cultural change within Tourism Northern Ireland to develop a more customer focused approach. Events have continued to play an important role in tourism promotion.

## Statistical profile

Table 1. **United Kingdom: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 1 836 019 | 1 710 910 | 1 699 240 | 1 649 426 | .. |
| Overnight visitors (tourists) | 126 019 | 122 910 | 114 240 | 124 426 | .. |
| Same-day visitors (excursionists) | 1 710 000 | 1 588 000 | 1 585 000 | 1 525 000 | .. |
| Nights in all types of accommodation | 388 240 | 373 610 | 349 550 | 377 101 | .. |
| Hotels and similar establishments | 113 514 | 107 450 | 103 990 | 107 300 | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 123 941 | 113 570 | 106 220 | 112 900 | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 31 084 | 32 692 | 34 377 | 36 115 | 37 609 |
| Overnight visitors (tourists) | 29 282 | 31 064 | 32 613 | 34 436 | 35 814 |
| Same-day visitors (excursionists) | 1 802 | 1 629 | 1 764 | 1 679 | 1 796 |
| Top markets | | | | | |
| France | 3 787 | 3 974 | 4 114 | 4 171 | 4 064 |
| United States | 2 840 | 2 778 | 2 976 | 3 266 | 3 455 |
| Germany | 2 967 | 3 048 | 3 220 | 3 249 | 3 341 |
| Ireland | 2 453 | 2 350 | 2 486 | 2 632 | 2 897 |
| Spain | 1 716 | 1 746 | 1 986 | 2 197 | 2 397 |
| Nights in all types of accommodation | 230 149 | 245 412 | 264 367 | 272 941 | 278 057 |
| Hotels and similar establishments | 65 388 | 77 553 | 78 428 | 73 414 | 73 926 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 40 225 | 56 643 | 51 858 | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 56 538 | 57 792 | 60 082 | 65 720 | 70 815 |
| Overnight visitors (tourists) | 54 604 | 56 088 | 58 364 | 64 165 | 69 375 |
| Same-day visitors (excursionists) | 1 934 | 1 704 | 1 718 | 1 555 | 1 439 |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION GBP** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 29 865 | 34 025 | 35 803 | 39 704 | 40 925 p |
| International travel receipts | 23 617 | 26 708 | 28 341 | 29 758 | 29 210 p |
| International passenger transport receipts | 6 248 | 7 317 | 7 462 | 9 946 | 11 715 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 45 299 | 47 021 | 47 304 | 51 985 | 57 671 p |
| International travel expenditure | 36 115 | 37 391 | 38 428 | 41 415 | 46 976 p |
| International passenger transport expenditure | 9 184 | 9 630 | 8 876 | 10 570 | 10 695 |

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

StatLink http://dx.doi.org/10.1787/888933641469

## Table 2. **United Kingdom: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2014 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **1 531 850** | **1 603 896** | **1 432 019** | .. | .. |
| **Tourism industries** | **205 995** | **1 171 750** | **1 183 925** | **1 012 842** | .. | .. |
| Accommodation services for visitors | 15 513 | 298 340 | 341 926 | 275 423 | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 116 469 | 433 590 | 442 316 | 349 348 | .. | .. |
| Passenger transport | 10 968 | 171 220 | 146 176 | 125 901 | .. | .. |
| Air passenger transport | 515 | 54 250 | 50 651 | 41 186 | .. | .. |
| Railways passenger transport | 62 | 25 550 | 24 112 | 27 976 | .. | .. |
| Road passenger transport | 9 665 | 89 570 | 69 213 | 54 450 | .. | .. |
| Water passenger transport | 726 | 1 850 | 2 200 | 2 290 | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 3 512 | 1 500 | 1 526 | 916 | .. | .. |
| Travel agencies and other reservation services industry | 7 257 | 106 000 | 95 968 | 86 713 | .. | .. |
| Cultural industry | 29 742 | 72 600 | 78 617 | 45 948 | .. | .. |
| Sports and recreation industry | 18 901 | 88 100 | 76 648 | 128 322 | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | 3 633 | 400 | 748 | 270 | .. | .. |
| **Other industries** | .. | **360 100** | **419 971** | **419 177** | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641488

## Table 3. **United Kingdom: Internal tourism consumption**

Million GBP

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **105 113** | **25 506** | **136 182** |
| Tourism characteristic products | 71 740 | 14 879 | 86 618 |
| Accommodation services for visitors | 9 073 | 5 626 | 14 698 |
| Food and beverage serving services | 26 553 | 3 824 | 30 377 |
| Passenger transport services | 23 932 | 4 667 | 28 599 |
| Air passenger transport services | 17 231 | 3 284 | 20 515 |
| Railways passenger transport services | 3 933 | 425 | 4 359 |
| Road passenger transport services | 2 071 | 527 | 2 599 |
| Water passenger transport services | 697 | 430 | 1 127 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 470 | 158 | 628 |
| Travel agencies and other reservation services industry | 2 822 | 110 | 2 932 |
| Cultural services | 3 855 | 224 | 4 079 |
| Sports and recreation services | 4 867 | 168 | 5 035 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 168 | 103 | 271 |
| Other consumption products | 33 373 | 10 627 | 49 563 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641507

# United States

## Tourism in the economy

Travel and tourism is a major contributor to the economy of the United States, accounting for 2.7% of GDP. Travel and tourism-related exports accounted for 33% of all United States services exports and 11% of total exports in 2016.

According to the U.S. Travel and Tourism Satellite Accounts, the industry produced USD 1.5 trillion in total economic output in 2016 (USD 894 billion of direct tourism output plus USD 646 billion of indirect tourism output by ancillary industries). The travel and tourism industry is one of the United States' largest employers, supporting more than 7.6 million jobs in 2016, of which 1.2 million were supported by travel and tourism-related exports.

The United States welcomed a record 75.9 million international visitors in 2016. The largest source markets are Canada and Mexico, followed by the United Kingdom, Japan and China. International visitors collectively spent USD 245 billion on travel to, and tourism-related activities within, the United States in 2016. In order of contribution (spending in USD), the top international market for travel and tourism-related exports was China, followed by the other four countries identified above.

## Tourism governance and funding

Travel and tourism in the United States is highly decentralised. Public authorities manage travel and tourism at the national, regional, state, and local levels. These include the federal government, state governments, and destination marketing organisations (DMOs).

The National Travel and Tourism Office (NTTO), within the International Trade Administration (ITA) of the United States' Department of Commerce, serves as the central point of contact within the federal government and represents the United States in inter-governmental fora, including the OECD and the Asia-Pacific Economic Co-operation. NTTO is the source of official tourism statistics, and works to enhance the competitive position of the United States with respect to travel and tourism. Additionally, NTTO works closely with ITA's U.S. Commercial Service at U.S. missions in more than 70 overseas markets to promote travel and tourism exports.

The Corporation for Travel Promotion (CTP), formed in 2010 and operating as Brand USA, is a non-profit corporation that promotes travel to the United States and works with the United States government to communicate the entry process for international visitors. Brand USA's Board of Directors is appointed by the Secretary of Commerce, and the NTTO is the official government liaison to Brand USA.

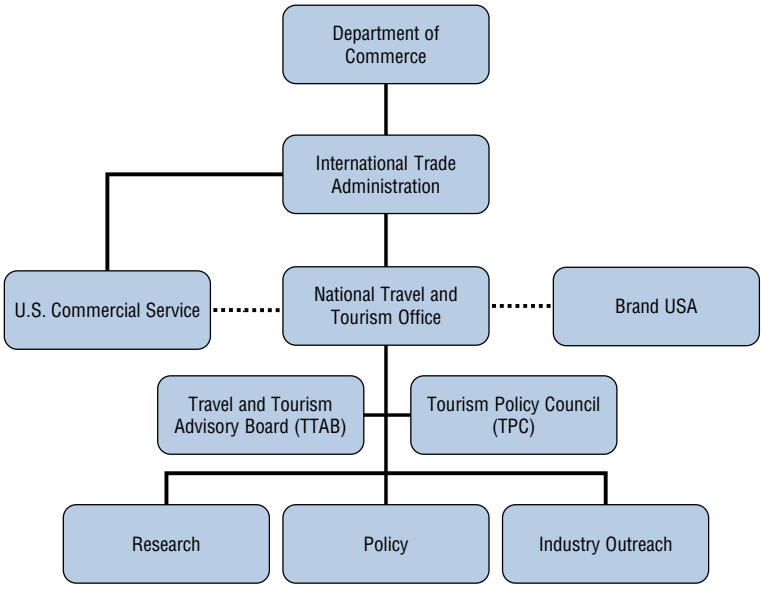
The federal government does not regulate travel and tourism as a distinct industry, although some sectors, such as transport, are regulated at the federal level. The Department

of Commerce serves as a facilitator between the private sector and other federal agencies for policy coordination with respect to travel and tourism issues. States and local governments may regulate the conduct of travel and tourism business within their jurisdictions.

The process of policy deliberation at the Department of Commerce includes:

- The U.S. Travel and Tourism Advisory Board (TTAB) – consisting of up to 32 private-sector representatives from companies and organisations in the travel and tourism industry, who are appointed to provide policy input to the Secretary of Commerce.
- The Tourism Policy Council (TPC) – an inter-agency council 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 coordinate national policies and programmes of federal agencies that have a significant effect on international travel and tourism, recreation, and national heritage resources. The TPC reviews and considers TTAB recommendations and provides additional insight from the public sector perspective on issues affecting travel and tourism nationally.

**United States: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the United States Department of Commerce, 2018.

NTTO is allocated resources from a congressional appropriation to the Department of Commerce. In addition, NTTO sells research reports and data to generate additional operating revenues, while inter-agency agreements also generate funds. NTTO's operational budget for FY2016 was approximately USD 5.6 million from all sources.

TTAB participation is funded by the private sector members and TPC participation is funded by the relevant agencies.

Brand USA is supported by a portion of the fees charged for the Electronic System for Travel Authorisation (ESTA), paid by international travellers coming to the United States from countries participating in the visa waiver programme. Up to USD 100 million is made available each year to Brand USA to match qualified private sector contributions.

## Tourism policies and programmes

The United States continues to implement its 2012 National Travel and Tourism Strategy. The Strategy set the goal to increase American jobs by attracting 100 million international visitors annually, who are estimated to spend USD 250 billion, by the end of 2021. The Strategy also encourages Americans to travel within the United States and its territories and see all that the country has to offer. At the half-way point of its implementation, the United States has nearly reached the spending goal and is working with the private sector to evaluate a new target. To meet these goals, and to ensure that the United States is creating conditions for growth, the United States is focused on promotion, travel facilitation, the visitor experience, a whole-of-government approach, and research.

Several actions have been taken towards increasing the United States' share of long-haul travel, including destination marketing efforts; improvements in visa processes; the development of public-private partnerships aimed at improving the arrivals experience; and the expanded use of trusted traveller programs (which have continued to break records in terms of levels of enrolment), kiosks, and other technological enhancements in arrival processes at ports of entry.

To meet growing customer demand, the Department of Homeland Security is engaging with public and private sector partners on an array of initiatives, such as enhancing the queuing area of primary entry, improved signage that is easily understood by international travellers, wait-time monitoring and reporting.

### Enhancing safety and security of travel to the United States

To ensure the safety and security of travellers and the nation, the United States is requiring new security measures to be applied to all commercial inbound flights. These measures will be phased in over time and include enhanced screening of electronic devices, more thorough passenger vetting, and new measures designed to mitigate the potential threat of insider attacks.

The United States is also aiming to encourage airlines and airports to adopt more sophisticated screening approaches, including better use of explosive detection canines and advanced checkpoint screening technology. In the meantime, the United States will work closely with international partners to put in place wider counter-terrorism improvements, including better information sharing, expanded exchanges of terrorist watch lists, and more advanced security checks of travellers around the world.

While the United States is specifically focused on improving the security of U.S.-bound flights, the hope is that other nations will follow suit to raise security standards so that all countries are protected from current and emerging threats.

The United States is piloting a biometric exit system utilising existing airport and airline infrastructure; leveraging existing stakeholder systems and processes; and using existing traveller data and IT infrastructure. The system aims to provide a more seamless travel experience, enhance security for inbound and outbound travel, improve business processes, and enable stronger collaboration between government and the private sector.

Other policy priorities for the United States include a focus on emerging markets, such as China and India; natural disaster recovery measures to assist affected businesses; and measuring results, such as the visitor arrival experience.

## Statistical profile

Table 1. **United States: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 171 320 | 177 662 | 177 953 | 176 556 | 174 723 |
| Overnight visitors (tourists) | 66 657 | 69 995 | 75 022 | 77 465 | 75 868 |
| Same-day visitors (excursionists) | 104 663 | 107 667 | 102 932 | 99 091 | 98 854 |
| Top markets | | | | | |
| Canada | 22 697 | 23 407 | 23 014 | 20 699 | 19 289 |
| Mexico | 14 199 | 14 547 | 17 070 | 18 374 | 18 991 |
| United Kingdom | 3 763 | 3 835 | 4 149 | 4 901 | 4 574 |
| Japan | 3 698 | 3 730 | 3 620 | 3 758 | 3 577 |
| China | 1 474 | 1 807 | 2 190 | 2 591 | 2 972 |
| Nights in all types of accommodation | 429 085 | 470 907 | 516 109 | 570 547 | 565 421 |
| Hotels and similar establishments | 217 824 | 243 643 | 257 409 | 287 341 | 300 441 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 19 303 | 18 435 | 27 755 | 36 902 | 25 801 |
| Private accommodation | 191 958 | 208 830 | 230 945 | 246 304 | 239 179 |
| **Outbound tourism** | | | | | |
| Total international departures | 165 360 | 169 011 | 171 117 | 173 282 | 179 081 |
| Overnight visitors (tourists) | 60 697 | 61 344 | 68 185 | 74 191 | 80 226 |
| Same-day visitors (excursionists) | 104 663 | 107 667 | 102 932 | 99 091 | 98 854 |
| Top destinations | | | | | |
| Mexico | 20 308 | 20 851 | 25 882 | 28 733 | 31 194 |
| Canada | 11 887 | 11 478 | 11 523 | 12 669 | 13 895 |
| United Kingdom | 2 537 | 2 640 | 2 832 | 2 885 | .. |
| Dominican Republic | 2 252 | 1 973 | 2 709 | 2 787 | .. |
| France | 2 024 | 2 002 | 2 124 | 2 361 | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 200 996 | 218 497 | 235 989 | 247 394 | 244 710 |
| International travel receipts | 161 632 | 177 484 | 191 918 | 205 418 | 205 940 |
| International passenger transport receipts | 39 364 | 41 013 | 44 071 | 41 976 | 38 770 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 129 903 | 130 149 | 140 558 | 150 217 | 160 816 |
| International travel expenditure | 100 338 | 98 120 | 105 668 | 114 723 | 123 618 |
| International passenger transport expenditure | 29 565 | 32 029 | 34 890 | 35 494 | 37 198 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641526

## Table 2. **United States: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **819 706** | **5 175 690** | **5 063 640** | **5 174 210** | **5 252 750** | **5 346 040** |
| **Tourism industries** | **794 557** | **4 974 740** | **4 846 050** | **4 952 980** | **5 029 010** | **5 121 390** |
| Accommodation services for visitors | 59 349 | 1 327 880 | 1 337 590 | 1 373 750 | 1 395 640 | 1 406 330 |
| Hotels and similar establishments | 54 515 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 613 041 | 1 659 700 | 1 481 310 | 1 529 550 | 1 548 220 | 1 580 310 |
| Passenger transport | .. | 1 030 380 | 1 044 610 | 1 063 000 | 1 099 460 | 1 140 040 |
| Air passenger transport | 5 802 | 439 680 | 433 840 | 439 680 | 453 570 | 468 280 |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | 364 | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 9 647 | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 21 912 | .. | .. | .. | .. | .. |
| Cultural industry | 6 356 | .. | .. | .. | .. | .. |
| Sports and recreation industry | 78 450 | 527 300 | 522 400 | 514 740 | 502 770 | 506 570 |
| Retail trade of country-specific tourism characteristic goods | .. | 429 480 | 460 140 | 471 940 | 482 920 | 488 140 |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **25 149** | **200 960** | **209 540** | **213 430** | **216 360** | **217 060** |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641545

## Table 3. **United States: Internal tourism consumption**

Million USD

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **..** | **..** | **..** |
| **Consumption products** | **737 046** | **198 418** | **935 464** |
| Tourism characteristic products | 561 774 | 148 196 | 709 970 |
| Accommodation services for visitors | 131 794 | 44 730 | 176 524 |
| Food and beverage serving services | 86 888 | 31 934 | 118 822 |
| Passenger transport services | 172 829 | 46 208 | 219 037 |
| Air passenger transport services | 141 782 | 44 758 | 186 540 |
| Railways passenger transport services | 2 120 | 87 | 2 207 |
| Road passenger transport services | 15 555 | 677 | 16 232 |
| Water passenger transport services | 13 372 | 686 | 14 058 |
| Passenger transport supporting services | 15 519 | 832 | 16 351 |
| Transport equipment rental services | 35 860 | 287 | 36 147 |
| Travel agencies and other reservation services industry | 47 165 | 1 295 | 48 460 |
| Cultural services | 15 136 | 1 874 | 17 010 |
| Sports and recreation services | 56 583 | 21 036 | 77 619 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 175 272 | 50 222 | 225 494 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | **..** | **..** | **..** |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641564

PART III

# Partner country profiles

# Brazil

## Tourism in the economy

Tourism in Brazil accounts directly for 3.7% of GDP, rising to 9.6% if indirect effects are also included. The sector supported in excess of 2 million jobs in 2016 (down 1.7% from 2015), accounting for 2.4% of total employment.

In 2016, international tourist arrivals reached a record of 6.6 million, representing an increase of 4.3% on the previous year, and generating total revenue of USD 6 billion (up 3.7%). Argentina, was by far the largest source market with 2.3 million visitors (34.9% of the total), followed by the United States (8.7%), Paraguay (4.8%), Chile (4.7%) and Uruguay (4.3%). The five primary source markets demonstrated varying levels growth from 2015, apart from the United States, which experienced a very slight contraction of approximately 1%.

With over 206 million trips in 2015, the domestic market has high potential for growth. 90% of Brazilians will choose domestic destinations for their next vacation, including carnival and summer breaks. The main destinations are the Northeast, followed by the Southeast and South regions.

## Tourism governance and funding

Since 2003 the Ministry of Tourism (MTur) has overseen a process of decentralisation towards a shared management structure for tourism built upon a network of engagement and activity with public, private and third sector actors, throughout the country.

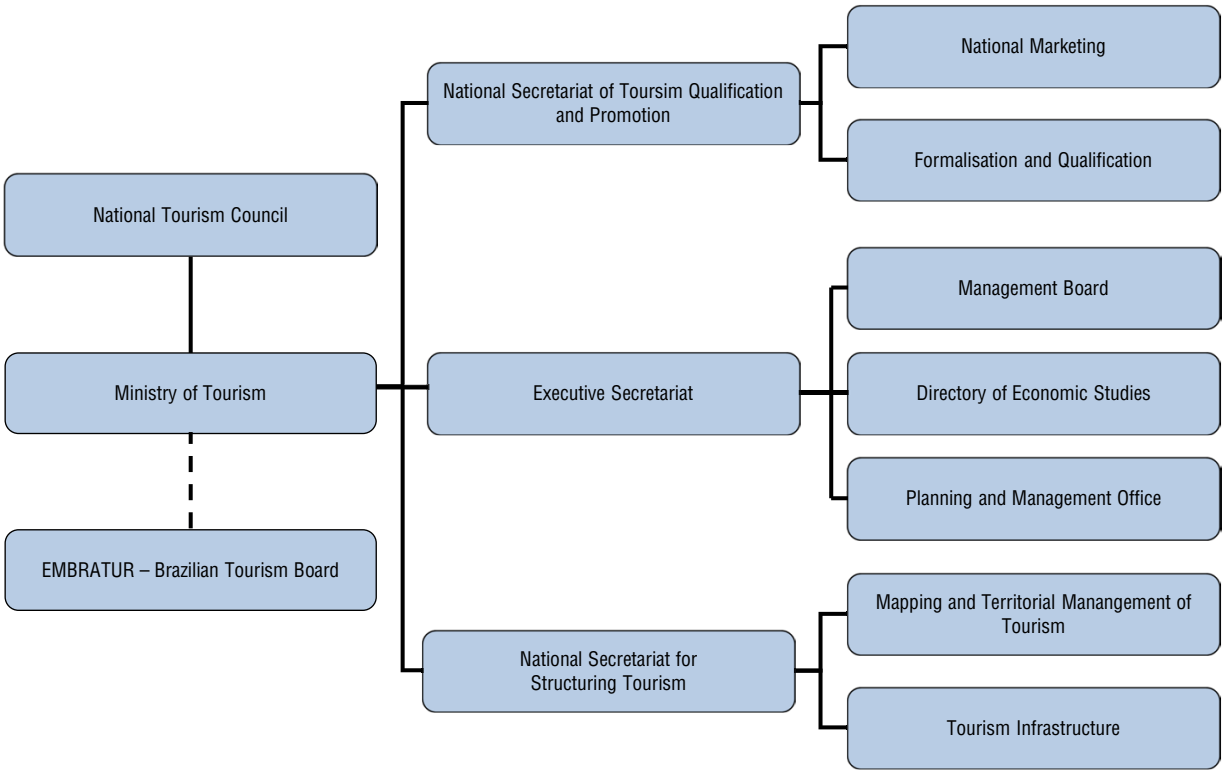
This model consists of a national strategic core including:

- The Ministry of Tourism,
- The National Council of Tourism (CNT), which is responsible for strategic direction and bringing together the various actors,
- The National Forum of State Secretaries and Directors of Tourism (FORNATUR), and
- A decentralised management network composed of Regional Governance Bodies.

The State Tourism Boards and Councils, created in the 27 Federation Units, are legally independent management bodies, promoting efficient communication in the different tourist regions of the country. They also serve as important instruments to support activities that benefit tourism, providing continuity over time.

Reflecting the high priority given to tourism by the Federal Government, the 2017 general budget for tourism in Brazil was BRL 672 million (down 9.7% on 2016). In additional to the Federal Government, funding is received from other sources, including national and international aircraft boarding fees.

**Brazil: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

The National Tourism Plan 2013-16 continues to be a reference point for public sector tourism policy. Its focus is on the development of tourism that is economically sustainable, environmentally balanced and socially inclusive.

Despite efforts to promote sustainable growth in the tourism sector, Brazil is still far from achieving its goals of social equity and respect for the environment. One of the biggest challenges is to raise awareness in the private sector about the importance of sustainable development as a way to protect the environment, improve the economy and provide accessibility for all.

In April 2017 the Ministry of Tourism launched "Brazil + Tourism", a package of measures to strengthen the industry in Brazil. This initiative aims to:

- Bring technical solutions to historical bottlenecks,
- Increase the number of domestic and foreign tourists,
- Improve domestic destinations,
- Provide regional development, and
- Generate employment and income.

The primary strategic initiatives to boost tourism in Brazil are:

- Issuing Electronic Visas. The MTur has proposed to the Ministry of Foreign Relations that the use of electronic visas be applied to certain strategic countries, thereby making the process, which is accessible online, much easier, quicker and less bureaucratic.

- Expanding air connectivity. Amendment of the Brazilian Aeronautical Code will raise the limit on foreign investment in the capital of Brazilian airlines to 100%. The objective is to increase competitiveness and the number of flights and tourists travelling within the country, in addition to extending the regional air network to facilitate the spread of national and international visitors.
- Modernising the Brazilian Tourist Promotion Agency, EMBRATUR. Changes will enable the Agency to: act more competitively in the international tourism marketplace; receive private resources for the development of projects of mutual interest, with reduced bureaucracy; modernise its management; and maintain a structure of offices and personnel abroad.
- Modernising the General Tourism Law (LGT). 118 proposals for changes in General Tourism Law have been submitted to the National Congress. The goal is to adapt the Brazilian tourism legislation to the current dynamics of tourist activity, reducing bureaucracy and improving integration with the private sector.
- Achieving better use of certain areas of the Union. The Ministry of Tourism will strengthen tourism management, regulation and concessions in locations with tourism development potential.
- Updating the Brazilian Tourism Map. A process, undertaken every two years, to improve the organisation in the municipalities and regions and their orientation to tourism, linked to the receipt of federal resources. In the last update in 2016, the number of municipalities was rationalised to 2 175 in 291 tourist regions (down from 3 345 in 2013).
- Strengthening State Tourism Agencies. This involves the transfer of BRL 5.4 million for State Tourism bodies, allocated to reflect the restructure of tourist regions of the Brazilian Tourism Map. The measure will allocate resources to integrated development plans for sustainable tourism and marketing, amongst other activities.
- Intensifying surveillance of tourist transport on Brazil's highways, through technical co-operation with the National Agency of Terrestrial Transportation (ANTT).
- Strengthening professional qualifications. Programs at different levels have been established to address the need to improve the availability of skilled labour and quality of service. For example, as part of a package of measures called "Brazil + Tourism" to boost the development of tourism in the country, an important element was a programme to provide practical skills training for young people and adults to improve the quality of service for tourists (Box 1.21).

## Statistical profile

Table 1. **Brazil: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 5 677 | 5 813 | 6 430 | 6 306 | 6 578 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Argentina | 1 672 | 1 711 | 1 744 | 2 080 | 2 295 |
| United States | 586 | 593 | 657 | 576 | 570 |
| Paraguay | 246 | 269 | 294 | 302 | 317 |
| Chile | 251 | 268 | 337 | 306 | 312 |
| Uruguay | 254 | 263 | 224 | 267 | 284 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 8 497 | 8 864 | 9 617 | 9 711 | 8 485 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| United States | 1 791 | 2 060 | 2 264 | 2 219 | 1 394 |
| Argentina | 1 217 | 973 | 1 082 | 963 | 763 |
| Portugal | 479 | 504 | 562 | 533 | 510 |
| Spain | 410 | 392 | 441 | 534 | 501 |
| France | 501 | 521 | 481 | 506 | 499 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 6 623 | 6 784 | 7 404 | 6 254 | 6 024 e |
| International travel receipts | 6 378 | 6 474 | 6 843 | 5 844 | 6 024 e |
| International passenger transport receipts | 245 | 310 | 562 | 410 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 26 007 | 29 287 | 29 998 | 20 356 | 14 497 e |
| International travel expenditure | 22 039 | 25 028 | 25 567 | 17 357 | 14 497 e |
| International passenger transport expenditure | 3 969 | 4 258 | 4 431 | 2 999 | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641583

## Table 2. **Brazil: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed[1] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **254 566 p** | **2 059 715** | **1 938 890** | **2 046 469** | **2 079 450** | **2 043 162 p** |
| Accommodation services for visitors | 29 616 p | 301 927 | 320 265 | 341 700 | 346 472 | 334 357 p |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 183 428 p | 1 118 993 | 1 009 078 | 1 083 971 | 1 124 364 | 1 124 837 p |
| Passenger transport | 14 539 p | 468 856 | 442 174 | 447 369 | 433 893 | 413 623 p |
| Air passenger transport | 672 p | 61 780 | 59 637 | 61 702 | 58 824 | 52 177 p |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | 13 308 p | 400 621 | 375 510 | 378 875 | 368 876 | 355 358 p |
| Water passenger transport | 559 p | 6 455 | 7 027 | 6 792 | 6 193 | 6 088 p |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 5 448 p | 32 973 | 34 791 | 40 734 | 44 515 | 42 851 p |
| Travel agencies and other reservation services industry | 12 077 p | 102 008 | 98 012 | 96 871 | 92 745 | 89 195 p |
| Cultural industry | 9 458 p | 34 958 | 34 570 | 35 824 | 37 461 | 38 299 p |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641602

# Bulgaria

## Tourism in the economy

Tourism in Bulgaria is a priority sector as it contributes to sustainable development, protection of nature, prosperity of local communities, and economic growth.

In 2016 tourism directly contributed 3.4% of GDP and generated 3.2% of total employment. The total impact of tourism (including indirect and induced) was estimated to represent 12.8% of GDP and 11.9% of employment (WTTC).

In 2016, Bulgaria received 8.3 million inbound overnight visitors, which represents an annual increase of 16.2% over 2015. There was a growth of 19.9% in the number of holiday visits 5.1 million. Business visits totalled 1.4 million, an increase of 19.4% compared to 2015. International arrivals spent a total of 16.2 million nights in all means of accommodation, up nearly 21% on the previous year. European Union countries continue to be the most important source markets for inbound tourism, accounting for nearly two-thirds of total nights (61%). The top three inbound markets are Romania (1.1 million), Greece (1.1 million) and Germany (827 000), which combined, account for over a third of total nights (36%).

## Tourism governance and funding

The Council of Ministers is responsible for formulating national tourism policy in Bulgaria. The Ministry of Tourism (the "Ministry") implements this policy and coordinates the relevant activities of other ministries and institutions. The Ministry is also responsible for regulation, product development, marketing, research and information, management of external funding for projects and assistance to regional management organisations.

The National Tourism Council is a government consultative body under the authority of the Ministry with representatives from tourism-related ministries and national, regional and local tourism associations, transport operators and consumer bodies.

At subnational level, regional authorities develop and implement tourism strategies and programs in line with the national tourism and regional development strategies. The Tourism Act also makes provision for local authorities to adopt tourism development programmes. The involvement of local communities is ensured by extending the scope of the municipal programs to tourism development. The local mayor is responsible for establishing an Advisory Council on Tourism and a Municipal Expert Commission to categorise tourism facilities and supporting initiatives in line with national tourism policies.

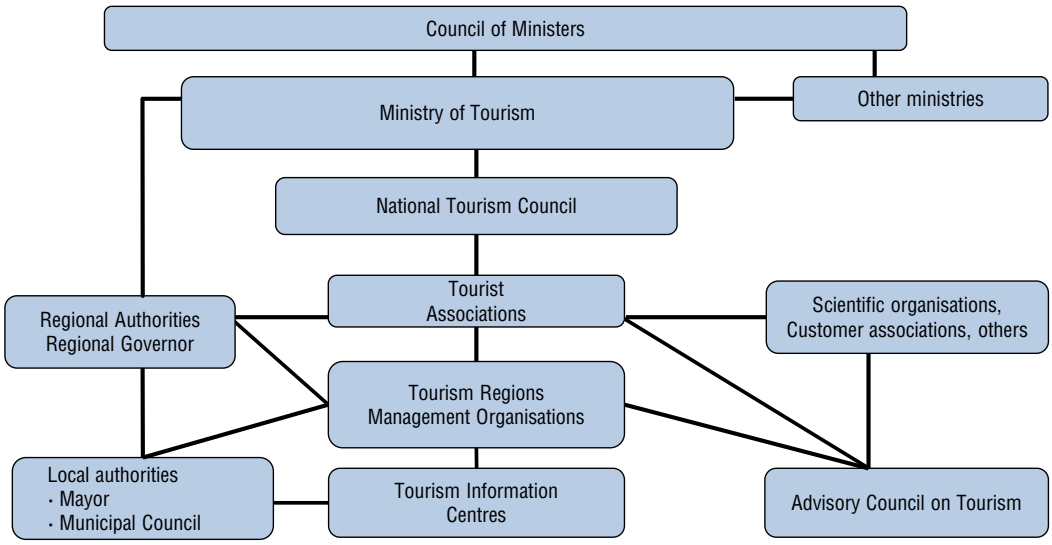
Under the new legislative framework, nine intermediary organisations will be introduced as Destination Management Organisations. These are legal bodies, the members of which include tourism associations, regional and municipal administrations, institutes, museums, scientific bodies and tourism schools. They are responsible for

regional tourism product development and the marketing of the nine established tourist regions in Bulgaria.

The Ministry works closely with the private sector and different stakeholders. At national, regional and local level the tourism associations listed in the National Tourism Register participate in relevant tourism organisations and are represented in the National Tourism Council, thus taking an active role in tourism planning and management. They take part in the development of strategies and programmes at national, regional and municipal level, support the process of improving professional skills in the sector, carry out consulting and marketing activities, support the improvement of tourism products and services, and work for the protection of consumer interests.

In 2016 the budget of the Ministry of Tourism was BGN 17 million, of which BGN 10.8 million was allocated for marketing purposes. The Ministry of Tourism administers revenues from the national government and the European Union. Financial support is also provided through the Operational programmes 2014-2020.

**Bulgaria: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

Bulgaria supports a consistent tourism policy based on partnerships between government and local authorities, NGOs, business and civil society.

The most important challenges for the Bulgarian tourism sector, addressed in the new long-term strategy for sustainable development, are:

- Overcoming seasonal and spatial concentration,
- Adapting the national tourism product to climate change,
- Protecting the environment; supporting the implementation of energy efficiency measures, waste management and protection of biodiversity and the landscape,
- Developing carrying capacity indicators for vulnerable natural areas and popular tourist sites,
- Regulating the construction in seaside and mountain resorts.

The strategic goal is to strengthen the competitiveness and efficiency of the tourism sector in Bulgaria through the optimal use of natural and human resources, in line with market requirements and consumer expectations for sustainable tourism development. It involves:

- Developing integrated and distinctive tourism products for different categories of tourists based on the natural priorities of Bulgaria,
- Promoting quality services and protecting the rights and safety of consumers,
- Ensuring effective coordination between institutions and integrating tourism into related sectoral policies,
- Making Bulgaria a recognised leader in the area of tourism development in the EU and building a positive attitude towards the country,
- Raising the level of awareness for Bulgaria as a summer and winter tourism destination, capitalising upon the ancient culture, the rich historical and architectural heritage, the mineral resources, the beautiful and preserved nature, and the security and tranquillity it offers visitors,
- Effective national marketing aimed at positioning and promoting Bulgaria as a year-round tourist destination with sectoral organisations and tour operators working on key markets through targeted messages.

The Ministry is seeking to stimulate the tourism sector by drafting new provisions for tourist activities, by facilitating administrative procedures, by assisting the activities of regional, local and branch tourism organisations. The Ministry also assists SMEs by providing institutional support and funding for Destination Management Organisations outlined in the Tourism Act, including:

- Activities aimed at capacity building for enterprises to access national and international markets,
- The establishment of a unified system for tourist information at national level as a platform for networking tourism business, tourism organisations and institutions,
- Support for the introduction of ICT,
- Conducting market studies, analyses and forecasts,
- Developing product, marketing and investment concepts, strategies, plans, etc.,
- Organising business forums both in Bulgaria and abroad and supporting participation in events and exhibitions at the regional, national and international.

### Integrating tourism information and data in Bulgaria

The Ministry of Tourism is currently developing an Integrated Tourist Information System in the form of an electronic database containing information on:

- Registered tour operators and travel agents,
- Categorised places of accommodation, catering and entertainment facilities,
- Destination Management Organisations and Tourist Associations,
- Tourist information centres,
- Tour guides, mountain guides and ski instructors,
- Certified balneotherapy, spa, wellness and thalassotherapy centres,
- Tourist attractions and festivals,
- Statistical data compatible with Eurostat and the World Tourism Organization.

The Ministry aims to have an online platform which will gather large volumes of data from all levels and different institutions, to allow the tracking of daily and weekly arrivals, along with a range of indicators and supplementary data at regional level. It is a single gateway for communication between the relevant authorities of central and local authorities, a "one stop shop" for daily and periodic information submitted by the participants in the National Tourism Register. This platform will also ensure innovative and secure data transfer between institutions which will lead to better monitoring and benchmarking, and also to better decision-making process at all levels.

## Statistical profile

Table 1. **Bulgaria: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 2 862 | 3 027 | 3 154 | 3 415 | 3 809 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 6 801 | 7 247 | 7 621 | 8 046 | 9 035 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 8 867 | 9 192 | 9 409 | 9 317 | 10 604 |
| Overnight visitors (tourists) | 6 541 | 6 897 | 7 311 | 7 099 | 8 252 |
| Same-day visitors (excursionists) | 2 326 | 2 294 | 2 098 | 2 218 | 2 352 |
| Top markets | | | | | |
| Romania | 932 | 941 | 947 | 987 | 1 097 |
| Greece | 929 | 935 | 1 032 | 973 | 1 067 |
| Germany | 650 | 683 | 714 | 623 | 827 |
| Russian Federation | 598 | 682 | 656 | 485 | 580 |
| Turkey | 294 | 382 | 438 | 519 | 565 |
| Nights in all types of accommodation | 13 451 | 14 370 | 14 078 | 13 352 | 16 151 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 3 758 | 3 930 | 4 158 | 4 632 | 5 392 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| Turkey | 1 091 | 1 061 | 1 107 | 1 242 | 1 219 |
| Greece | 790 | 829 | 867 | 1 043 | 1 201 |
| Romania | 318 | 308 | 322 | 333 | 423 |
| Serbia | 302 | 300 | 316 | 315 | 405 |
| Former Yugoslav Republic of Macedonia | 362 | 316 | 327 | 316 | 360 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 4 043 | 4 419 | 4 494 | 3 574 | 3 653 e |
| International travel receipts | 3 519 | 3 837 | 3 908 | 3 146 | 3 653 e |
| International passenger transport receipts | 524 | 583 | 587 | 428 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 1 101 | 1 345 | 1 454 | 1 345 | 1 361 e |
| International travel expenditure | 927 | 1 115 | 1 199 | 1 116 | 1 361 e |
| International passenger transport expenditure | 174 | 230 | 256 | 230 | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641640

## Table 2. **Bulgaria: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | .. | .. | .. | .. | .. |
| Accommodation services for visitors | 3 331 | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 2 158 | 39 230 | 41 331 | .. | .. | .. |
| Food and beverage serving industry | .. | 101 530 | 101 266 | .. | .. | .. |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | .. | .. | .. | .. | .. |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641659

## Table 3. **Bulgaria: Internal tourism consumption**

Million BGN

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **1 177 p** | **6 626 p** | **7 803 p** |
| Tourism characteristic products | 1 051 p | 4 706 p | 5 757 p |
| Accommodation services for visitors | 287 p | 1 448 p | 1 735 p |
| Food and beverage serving services | 318 p | 1 997 p | 2 315 p |
| Passenger transport services | 312 p | 643 p | 956 p |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 24 p | .. p | 24 p |
| Cultural services | 97 p | 545 p | 642 p |
| Sports and recreation services | 12 p | 73 p | 85 p |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 126 p | 1 920 p | 2 046 p |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641678

# Colombia

## Tourism in the economy

During 2016, Colombia received 5.1 million foreign tourists, meeting the goal set by the national government. The main countries of origin of inbound visitors are the United States, Venezuela and Ecuador, with the main destinations visited (2015-2017) being Bogota, Bolivar, and Antioquia.

Tourism has become the primary services export in Colombia and the second overall, behind oil, generating direct and indirect jobs and income in foreign currency, and promoting regional development and economic growth. Tourism represents 2.8% of GDP in Colombia and created around 375 000 new jobs between 2010 and 2016. There are now 1.8 million people employed in the sector. In 2016, tourism grew by 0.3% compared to 2015 (*Presidencia de la República*, 2017). Between 2010 and 2016, foreign investment in hotels and restaurants was around USD 9 billion.

## Tourism governance and funding

The Ministry of Trade, Industry and Tourism supports the management of tourism in the regions and helps to improve the competitiveness and sustainability of tourism in Colombia. The mission of the Vice-Ministry of Tourism is to work with regions and providers to position Colombia as a sustainable tourism destination known for its diverse and multicultural offer. Its functions are to:

- Agree, implement and evaluate tourism policy and related plans and programmes, in conjunction with relevant public and private sector entities, and thereby improve the competitiveness and sustainability of tourism products and destinations and promote domestic and inbound tourism,
- Adjudicate on complaints related to tourism services and other offences covered by tourism legislation,
- Coordinate the National Register of Tourism and certification related to the provision of tourism services,
- Create and ensure the implementation of the Tourism Sector Plan.

The Vice-Ministry works with other entities related to tourism. In 2013, Decree 1837 established the Superior Tourism Council as the coordinating body between state authorities, under the direction of the Ministry. This Council brings together relevant ministries and seeks to administer tourism programmes and projects that implement the tourism policy formulated by the Ministry.

Under the General Tourism Law (1996), regional and local authorities are responsible for developing tourism activities in their territories, within the context of national tourism

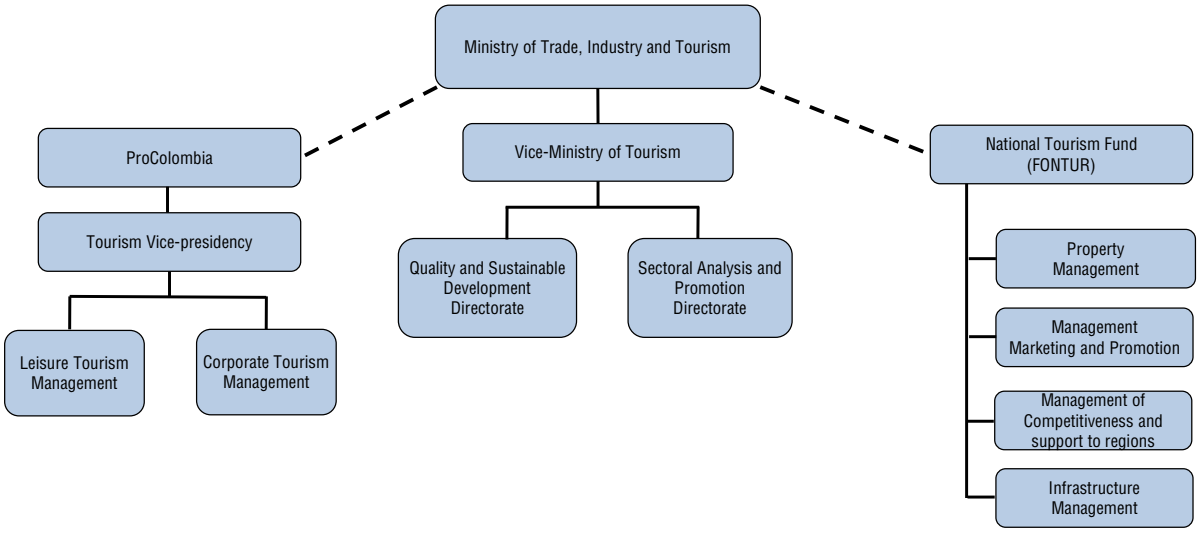
policy. The Ministry coordinates tourism planning with the regional and local authorities through Competitiveness Agreements, which identify the priorities for joint work over a three-year period.

The Vice Ministry of Tourism through the National Tourism Fund (FONTUR) is responsible for the collection, management and execution of resources for tourism infrastructure, promotion and tourism competitiveness.

Funding for tourism development comes from a number of sources, including:

- Fiscal resources assigned by the Government from the General Budget to the Ministry of Trade, Industry and Tourism for tourism infrastructure, promotion and competitiveness,
- Obligatory contributions from tourism service providers for the promotion and competitiveness of national tourism destinations,
- Tourism taxes from international visitors entering Colombia by air. The tax rate is currently USD 15 per visitor, with proceeds used to increase competitiveness and for promotion,
- Resources from the management of tourism properties by the State,
- Income from the exploitation of tourism-related brands owned by the Ministry,
- Penalties imposed on tourism service providers for legal infractions.

**Colombia: Organisational chart of tourism bodies**




*Source:* OECD, adapted from Ministry of Trade, Industry and Tourism, 2018.

## Tourism policies and programmes

The National Government has been working on many approaches to strengthen tourism competitiveness. The priority issues for tourism in Colombia are quality, infrastructure, human resources, education, promotion, connectivity, tourism culture, entrepreneurship and coordination with other national entities and local authorities.

The National Development Plan 2014-18 recognises tourism as a priority sector for the national economy and contains tourism actions to support economic goals. The National Tourism Plan 2014-18, *Tourism for Peace Building*, reflects the aspirations incorporated in the National Development Plan and sets the goal of positioning Colombia as a sustainable

tourist destination, renowned for its diverse and multicultural offer displayed in highly competitive products and services that empower the regions in the pursuit of peace. The vision is that by 2018, the tourism sector will generate 300 000 new jobs and USD 6 billion in foreign currency.

The National Tourism Plan proposes four major strategies: competitiveness in regional development, connectivity, promotion, and improved governance. The Plan also includes three horizontal strands: responsible and sustainable tourism, tourism culture, and Peace Tourism. Other cross-cutting strategies relate to standards and security, infrastructure development and investment, human resources, financing and institutional strengthening. Specific actions focus on:

- Strengthening world-class destinations: Cartagena, the islands of San Andrés, Providencia and Santa Catalina, Santa Marta and the Coffee Cultural Landscape,
- Promoting high value tourism products: health and wellness, nature and adventure and Meetings, Incentives, Conventions and Exhibitions (MICE),
- Promoting new post-conflict destinations.

In addition, there are promotional campaigns and the development of tourism services for those with disabilities.

The Vice Ministry of Tourism is developing two important initiatives. The Tourist Corridors Strategy was launched in 2016 and comprises the promotion of 12 "corridors" or regions with similar tourism themes or offers. This strategy seeks to reduce seasonality and increase competitiveness. These corridors are classified into 3 types depending on the quality, connectivity and tourism plans of the destination:

- Phase One – includes less developed corridors (Los Llanos and La Orinoquia),
- Phase Two – includes those ready for domestic tourism (Golfo of Morrosquillo and Sabana, the Pacific, Northeast, Central and South Corridors and Antioquia-Choco),
- Phase Three – includes those that are ready for international tourism (the Sea Flower Corridor, Caribe Corridor and the PCC Corridor).

The second initiative focuses on tourism development in areas of former conflict, in line with the National Strategy of Tourism, Peace and Coexistence. The main objectives of the Strategy are to use tourism to rebuild the social fabric and culture of the territories, develop value chains and improve the quality of life of host communities through responsible and sustainable practices (Box 1.23)

Another key area of focus in Colombia is the development of quality tourism, which is promoted through the application of technical standards and the implementation of a sustainability standard. For this purpose, Colombia developed a virtual platform that certifies providers in quality tourism.

Sustainability tourism also focuses on destinations. Today, eight regions – Puerto Nariño-Amazonas, City Center of Cartagena, Parque Arví, Guadalajara de Buga, Jardín, Ciénaga, Mompox and Villa de Leyva – have received certificates as sustainable destinations generating good practices around the country that might be replicable in other regions.

The policy objective is to improve quality in the provision of tourism services and to create a culture of excellence in tourism service providers and destinations. Colombia's strategic vision is to be known as a distinct, competitive and sustainable destination.

## Statistical profile

Table 1. **Colombia: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 16 104 | 18 924 | 20 103 | 22 238 | 23 179 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 3 492 | 3 748 | 4 193 | 4 447 | 5 092 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| United States | 329 | 344 | 377 | 445 | 499 |
| Venezuela | 230 | 239 | 273 | 305 | 352 |
| Brazil | 83 | 90 | 125 | 138 | 182 |
| Ecuador | 107 | 114 | 127 | 152 | 167 |
| Argentina | 10 | 121 | 118 | 126 | 135 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 3 169 | 3 605 | 3 911 | 3 862 | 3 795 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| United States | 979 | 1 121 | 1 235 | 1 256 | 1 291 |
| Panama | 347 | 342 | 416 | 407 | 409 |
| Spain | 187 | 190 | 196 | 221 | 319 |
| Ecuador | 321 | 320 | 348 | 320 | 286 |
| Venezuela | 475 | 607 | 523 | 372 | 110 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 4 364 | 4 758 | 4 887 | 5 236 | 5 688 |
| International travel receipts | 3 460 | 3 611 | 3 825 | 4 245 | 4 694 |
| International passenger transport receipts | 903 | 1 148 | 1 062 | 991 | 994 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 4 362 | 4 485 | 5 175 | 4 825 | 4 738 |
| International travel expenditure | 3 626 | 3 941 | 4 683 | 4 322 | 4 209 |
| International passenger transport expenditure | 737 | 544 | 492 | 502 | 529 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641697

## Table 2. **Colombia: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **22 000** | **1 682 606** | **1 726 442** | **1 783 161** | **1 817 999** | **1 823 931** |
| Accommodation services for visitors | .. | 93 753 | 93 743 | 101 863 | 113 025 | 112 168 |
| Hotels and similar establishments | 12 342 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 1 027 | 614 602 | 619 260 | 633 533 | 628 298 | 642 411 |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | 361 | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | 603 189 | 616 353 | 657 991 | 676 283 | 667 868 |
| Transport equipment rental | 162 | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 5 861 | 22 924 | 31 249 | 24 094 | 26 296 | 30 325 |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | 2 247 | 348 136 | 365 837 | 365 680 | 374 097 | 371 159 |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641716

## Table 3. **Colombia: Internal tourism consumption**

Million COP

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **10 332** | **11 173** | **21 505** |
| Tourism characteristic products | 8 894 | 10 750 | 19 644 |
| Accommodation services for visitors | 1 800 | 2 416 | 4 216 |
| Food and beverage serving services | 2 709 | 2 975 | 5 684 |
| Passenger transport services | .. | .. | .. |
| Air passenger transport services | 1 455 | 2 041 | 3 496 |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | 1 245 | 1 272 | 2 517 |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 29 | .. | 29 |
| Travel agencies and other reservation services industry | 116 | 87 | 203 |
| Cultural services | 404 | 438 | 842 |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | 1 136 | 1 521 | 2 657 |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 1 438 | 423 | 1 861 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641735

# Costa Rica

## Tourism in the economy

Tourism makes a significant contribution to the Costa Rican economy. In 2016, there were 3.1 million inbound arrivals, of which 2.9 million were overnight visitors. Foreign exchange due to tourism as a proportion of the country's GDP, stood at 6.4%, while tourism accounted for 46% of the services exports and around 37% of total exports.

The tourism sector is expected to grow at an average of 6% over the period 2017-2021. Over the same period, the International Monetary Fund estimates that the Costa Rican economy as a whole will grow at an average of 3.9% per year.

By far the largest source market for overnight visitors in 2016 was the United States (42.2%), followed by central America (24.8%), Europe (14.9%), and Canada (6.4%). The wide range of activities available has had a positive impact on the average length of stay, which is expected to remain between 11 and 13 nights. In 2016 there were 35.4 million nights spent in all means of accommodation, a rise of nearly 60% since 2010.

In 2016, the tourism sector generated 149 000 direct jobs, representing 7.2% of total employment. When considering direct and indirect jobs, this figure is estimated to reach 450 000, or 28% of total employment.

## Tourism governance and funding

The Costa Rican Tourism Board (*Instituto Costarricense de Turismo* – ICT) is responsible for tourism policy in Costa Rica and is mandated by law to promote Costa Rica as a tourism destination, to foster the construction of tourist infrastructure and to monitor the quality of the visitor experience.

A coordination body for the tourism sector, chaired by the Minister of Tourism, brings together a wide range of institutions. These include the Costa Rican Tourism Board; the Ministry of Economy, Industry and Commerce; the Ministry of Health, the Ministry of Transport; Ministry of Environment and Energy; Ministry of Culture, Interior Ministry; Costa Rican Institute of Ports of the Pacific; Board of the Atlantic Port Administration; National Institute of Learning; National Institute of Housing and Urbanism, National Institute of Aqueducts and Sewers; National Institute of Electricity; National Geographic Institute; and the National Institute of Rural Development.

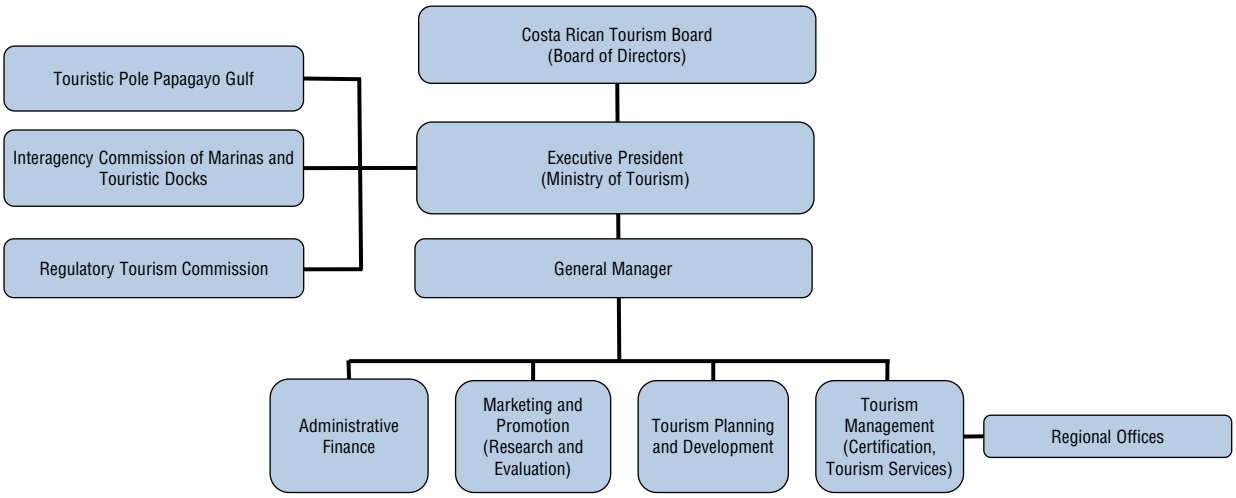
There are no institutions at the regional or local level with direct responsibilities for tourism. However, ICT maintains close co-operation with local government, notably through a specific mandate regarding management of the cantons.

The ICT budget for 2016 was approximately USD 69 million, including the cost of construction of a new Convention Centre. Tax revenues provide 97.6% of the funding, while

the remaining 2.4% comes from interest on investments, concessions and property rentals, and other minor non-tax income. Tax revenues come from two sources:

- A flat rate entry tax of USD 15, which must be paid by any person who enters the country with a ticket purchased abroad. This contributes 55.5% of the total budget (Law No. 8694),
- A 5% tax on tickets sold in Costa Rica for any kind of international travel (Law No. 1917) and a 5% tax on tickets where the route originates in Costa Rica (Law No. 8694), contributing 25% and 17.1% to the total budget respectively.

**Costa Rica: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

A number of issues and challenges are shaping tourism priorities in Costa Rica, including the need to:

- Strengthen and develop new programs to promote differentiation, required to secure competitive advantage,
- Foster participation of more companies and services with the aim of enhancing the authenticity of the tourist experience,
- Innovate and add new products targeting high demand market segments,
- Improve the overall safety of tourists,
- Prevent tourist saturation,
- Improve the quality of services offered,
- Invest in infrastructure and equipment,
- Increase investment in marketing,
- Develop a regulatory policy framework for the sector,
- Help small-business owners to develop more efficient commercial management strategies.

Tourism policy, in line with the overall development path of Costa Rica and the Sustainable Development Goals, is built around three axes: sustainability, innovation and inclusion. These axes underpin the Tourism Development Plan prepared by ICT in 2017, *Plan de Desarrollo turístico de Costa Rica 2017-2021*.

In pursuit of sustainability, the Plan seeks to:

- Guarantee efficient use of environmental resources,
- Preserve the socio-cultural authenticity of host communities, cultural heritage and traditional values and promote a fair co-existence between tourism companies and host communities,
- Guarantee a high level of satisfaction among tourists based on authentic experiences, while raising awareness on the issue of sustainability.

In pursuit of innovation, the Plan seeks to:

- Guarantee long-term viable economic operations, with a fair distribution of benefits among the stakeholders,
- Support and strengthen SMEs,
- Promote establishment of companies throughout the national territory.

In pursuit of inclusion, the Plan seeks to:

- Ensure that communities benefit from the positive social and environmental benefits arising from the tourist industry,
- Invest in human capital development and the professionalization of the sector,
- Foster inclusion, equal opportunities, partnerships and entrepreneurships at the local level.

The primary objective is that the tourism sector in Costa Rica continues to be the main driver of the economy, promoting a model that is sustainable, innovative and inclusive. To achieve this objective, the Tourism Development Plan 2017-2021 aims to:

- Promote even distribution of demand throughout the territory, maintaining an average length of stay between 11 and 13 nights,
- Achieve 6% growth in international arrivals, which translates into 3.9 million arrivals by 2021,
- Position Costa Rica as a differentiated sustainable tourist destination, in segments of high perceived value and niches with high potential,
- Improve the competitiveness and organizational capacity of SMEs.

Launched in 2016, a new Social Progress Index (SPI) is being used as a tool to monitor tourism's contribution to sustainable development. The SPI allows Costa Rica to measure the well-being of people in tourist destinations, serving as an indicator to better promote and establish public-private partnerships, and to foster social progress and inclusive and sustainable economic growth (Box 1.22).

## Statistical profile

Table 1. **Costa Rica: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 2 542 | 2 641 | 2 760 | 2 660 | 3 118 |
| Overnight visitors (tourists) | 2 343 | 2 428 | 2 527 | 2 660 | 2 925 |
| Same-day visitors (excursionists) | 199 | 213 | 233 | .. | 193 |
| Top markets | | | | | |
| United States | 921 | 929 | 997 | 1 077 | 1 233 |
| Central America | 721 | 736 | 717 | 709 | 725 |
| Europe | 285 | 301 | 370 | 393 | 435 |
| Canada | 152 | 160 | 173 | 176 | 188 |
| South America | 136 | 164 | 138 | 156 | 181 |
| Nights in all types of accommodation | 27 181 e | 28 164 e | 31 333 e | 30 061 e | 35 394 e |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 773 | 790 | 798 | 919 | 1 036 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 2 773 | 3 171 | 3 137 | 3 388 | 3 879 |
| International travel receipts | 2 529 | 2 928 | 2 996 | 3 267 | 3 879 |
| International passenger transport receipts | 244 | 243 | 141 | 122 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 647 | 649 | 657 | 903 | 809 |
| International travel expenditure | 422 | 425 | 450 | 690 | 809 |
| International passenger transport expenditure | 225 | 224 | 207 | 213 | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641754

## Table 2. **Costa Rica: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **..** | **130 438** | **150 552** | **147 925** | **153 168** | **149 301** |
| **Tourism industries** | **3 402 e** | **106 747** | **124 794** | **121 528** | **125 835** | **122 658** |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 2 516 e | 79 774 | 89 339 | 87 420 | 90 518 | 87 810 |
| Food and beverage serving industry | 418 e | .. | .. | .. | .. | .. |
| Passenger transport | .. | 11 492 | 10 499 | 12 141 | 12 571 | 10 319 |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | 28 e | .. | .. | .. | .. | .. |
| Passenger transport supporting services | 26 e | .. | .. | .. | .. | .. |
| Transport equipment rental | 27 e | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 365 e | .. | .. | .. | .. | .. |
| Cultural industry | .. | 15 481 | 24 956 | 21 967 | 22 746 | 24 529 |
| Sports and recreation industry | 22 e | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **..** | **23 691** | **25 758** | **26 397** | **27 333** | **26 643** |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641773

# Croatia

## Tourism in the economy

In 2016, tourism's share of Croatian GDP was 18.9% (indirect impact included) and tourism revenue amounted to EUR 8.6 million, up 4.4% on 2015. Aggregate growth in GDP was 2.9% in 2016, up from 1.6% in 2015, with trade, transport and tourism services contributing most significantly to this increase. Similarly, the growth in tourism services exports was a key factor in the overall growth in the export of services of 6.7% in 2016.

International tourists were responsible for 92.5% of tourist nights, up 9.6% on 2015, while domestic tourist nights increased by 2.0%. The increase in the total number of international arrivals primarily reflects growth in European markets, especially Germany, Austria and Slovenia. The US and China are the largest non-European markets. Commercial accommodation was responsible for 52.2% of overnights, and grew by 9% compared with 2015.

Growth in demand for the pre- and post-season period is higher than for the two months of the high season, although the latter still accounts for over 60% of annual tourist overnights.

Growth of 6-8% in tourist arrivals and overnights is expected in 2017, with no change in the relative contribution of leading source markets. In 2018, growth in both arrivals and overnights is expected to exceed the projected average growth for Europe (3.4%), and for the Mediterranean zone (4.9%).

## Tourism governance and funding

The national body responsible for tourism is the Ministry of Tourism, which is in charge of drafting strategies, policies and measures at national level and drawing up proposals for legislation to regulate the tourism and hospitality industry, determining the role and activities of the Croatian National Tourism Board, and tourism tax issues.

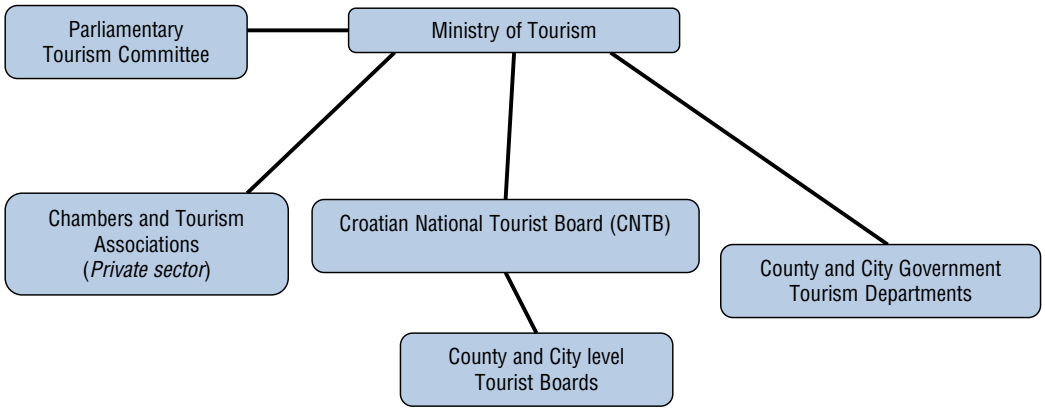
There are four Directorates within the Ministry: International Co-operation, Development and Competitiveness of Tourism, the Tourist Board System and Destination Management, and Legal Affairs. The Ministry regularly co-operates with hotel, travel agent and other industry associations as well as with non-governmental organisations and trade unions.

Tourism promotion is the responsibility of the Croatian National Tourism Board (CNTB). The Minister of Tourism is, *ex officio*, its President, while the Executive Director manages the CNTB's daily operations and activities.

At the regional level, most county administrative offices have a department responsible for tourism and handle the classification of, and issuing of permits for, private accommodation operators.

In 2016, the overall State Budget was approximately HRK 142 billion, of which HRK 172 million was allocated to the Ministry of Tourism. The total budget of the Croatian National Tourist Board from all sources was HRK 259 million, a decrease of 2% on 2015.

**Croatia: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

The main aim of the Croatian Tourism Development Strategy is to increase the attractiveness and competitiveness of tourism by 2020. Key challenges identified by the Ministry of Tourism in their strategic plans for 2016-2018 include:

- Improving tourism quality and product content, by developing new and improved products and services through innovation, specialisation and sustainability,
- Asserting Croatia's place in international tourism markets through use of effective promotion, with the goal of strengthening the Croatian tourism brand, raising off-peak turnover and average spend, and strengthening support for the tourism industry.

The following are examples of actions to address these challenges:

- Adapting Ministry activity in support of the Strategy,
- Re-aligning the CNTB's Operational Marketing Plan,
- Establishing an inter-ministerial Council,
- Securing EU funding for tourism sector development,
- Implementing the necessary legal changes,
- Privatising remaining state-owned tourism properties,
- Developing new products for new tourism segments,
- Ensuring favourable conditions for tourism investment,
- Offering incentives for "greenfield" investments.

Since 2013, diversification of the tourism offer has been pursued through developing actions plans and national programmes for specific sectors of the tourism industry, some with a dedicated steering committee to oversee implementation. Examples include support for organisation of cultural, gastronomic and sport events, tourist attractions, thematic parks, cycling routes, beach management and improvements to family accommodation.

In 2016, CNTB gave financial support to tourist boards in less developed areas on the mainland for practical actions to develop and improve the destination offer, education of new or specialising service providers, and development, renovation and improvement of public tourism infrastructure.

The Ministry of Tourism co-financed vocational courses with a focus on tourism priorities, including strengthening competitiveness, new types of promotion and improving destination management.

The Croatian National Tourist Board has launched a project designed to increase Croatia's competitiveness in the pre- and post-season (PPS) period. A "PPS destination" label will extend the tourist season by rewarding destinations which develop an attractive and competitive offer with added value in the PPS period.

The Ministry of Tourism has given financial support to SME development through an increase in the quality and diversification of the tourism offer, and to sustainable growth through the use of new technologies and social inclusiveness, the development of special interest tourism, and greater international recognition. Grants have been aimed at small businesses, rural homesteads and private renters. A grant allocation for construction of new swimming pools is designed to support the competitiveness of the tourism sector.

A Tourism Development Fund, derived from concessions and sale of land, supports local and regional entities, including national or nature parks, in developing public infrastructure and resource conservation. In 2016, a call for proposals led to finance for beaches, visitor and interpretation centres, and public infrastructure for cycle tourism.

Another call for proposals from the Ministry of Tourism has been designed to respond to the social needs of vulnerable groups with the aim of improving access to employment in the tourism and hospitality sector which will be financed by European Social Fund.

In order to support the sustainable development of tourism, the Croatian Sustainable Tourism Observatory (CROSTO) has been established, in co-operation with the World Tourism Organization, applying the European Tourism Indicator System (ETIS) developed by the European Commission to monitor and measure tourism sustainability in Croatia. The project was launched in 2017, with first results available by the end of the calendar year.

In 2016, the Croatian National Tourist Board (CNTB) established eVisitor, a national online information system/platform for tourism. eVisitor provides a central platform for tourism data management. A comprehensive database of over 160 000 accommodation providers enables online check-in and check-out by all providers, as well as tourist offices (national/regional/local) across Croatia. Today, eVisitor is used by all tourist boards (over 300), all registered accommodation providers, and the Croatian National Tourist Board and its representative offices in 16 countries abroad. In addition, it is utilised by the Ministry of Tourism, the Ministry of Administration, and the Ministry of the Interior, Customs Administration and Inspection Services, the Central Bureau of Statistics, and other stakeholders involved in shaping, improving, and monitoring the tourism sector (Box 1.14).

## Statistical profile

Table 1. **Croatia: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 15 088 | 15 843 | 16 515 | 12 195 | 8 803 \| |
| Overnight visitors (tourists) | 6 056 | 6 225 | 5 411 | 4 040 | 2 926 \| |
| Same-day visitors (excursionists) | 9 032 | 9 618 | 11 104 | 8 155 | 5 877 \| |
| Nights in all types of accommodation | 28 760 | 29 767 | 28 040 | 24 214 | 18 137 \| |
| Hotels and similar establishments | 3 134 | 3 592 | 3 624 | 2 605 | 1 888 \| |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 1 473 | 1 691 | 818 | 1 030 | 442 \| |
| Private accommodation | 24 153 | 24 484 | 23 598 | 20 579 | 15 807 \| |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 10 369 | 10 948 | 11 623 | 12 683 | 13 809 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | 1 853 | 1 932 | 1 989 | 2 124 | 2 277 |
| Slovenia | 1 054 | 1 067 | 1 102 | 1 192 | 1 299 |
| Austria | 946 | 969 | 1 019 | 1 120 | 1 238 |
| Italy | 1 051 | 1 017 | 1 061 | 1 111 | 1 120 |
| Czech Republic | 647 | 652 | 661 | 696 | 689 |
| Nights in all types of accommodation | 57 522 | 59 680 | 61 324 | 65 863 | 72 193 |
| Hotels and similar establishments | 18 879 | 18 892 | 18 892 | 19 851 | 20 872 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 18 271 | 19 602 | 19 657 | 20 631 | 51 224 \| |
| Private accommodation | 20 229 | 21 052 | 22 649 | 25 256 | .. \| |
| **Outbound tourism** | | | | | |
| Total international departures | 4 326 | 5 444 | 4 638 | 4 355 | 2 581 |
| Overnight visitors (tourists) | 2 680 | 2 927 | 2 763 | 2 578 | 1 614 |
| Same-day visitors (excursionists) | 1 646 | 2 517 | 1 875 | 1 777 | 967 |
| Top destinations | | | | | |
| Bosnia and Herzegovina | 643 | 627 | 523 | 404 | 283 |
| Germany | 291 | 333 | 308 | 261 | 278 |
| Italy | 271 | 289 | 257 | 452 | 203 |
| Austria | 277 | 248 | 304 | 258 | 169 |
| Slovenia | 268 | 200 | 314 | 183 | 144 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 9 020 | 9 721 | 10 020 | 8 981 | 9 593 e |
| International travel receipts | 8 790 | 9 518 | 9 804 | 8 797 | 9 593 e |
| International passenger transport receipts | 230 | 203 | 216 | 184 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 964 | 922 | 861 | 771 | 945 e |
| International travel expenditure | 928 | 902 | 842 | 756 | 945 e |
| International passenger transport expenditure | 36 | 20 | 19 | 15 | .. |

.. Not available; | Break in series; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641811

## Table 2. **Croatia: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed[2] | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **21 429** | **54 937** | **55 928** | **61 494** | **60 849** | **68 121 \|** |
| Accommodation services for visitors | 2 624 | 31 036 | 30 868 | 31 206 | 31 469 | 34 656 \| |
| Hotels and similar establishments | 856 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 17 166 | 18 506 | 19 839 | 24 473 | 23 925 | 28 011 \| |
| Passenger transport | .. | .. | .. | .. | .. | .. |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 1 639 | 5 395 | 5 221 | 5 815 | 5 455 | 5 454 \| |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available; | Break in series
1. Data refer to number of enterprises.
2. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641830

## Table 3. **Croatia: Internal tourism consumption**

Million EUR

| | 2011 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **1 674** | **6 555** | **8 582** |
| Tourism characteristic products | 809 | 3 984 | 5 145 |
| Accommodation services for visitors | 200 | 1 788 | 2 341 |
| Food and beverage serving services | 302 | 1 555 | 1 857 |
| Passenger transport services | 141 | 295 | 436 |
| Air passenger transport services | 12 | 234 | 246 |
| Railways passenger transport services | 32 | 7 | 39 |
| Road passenger transport services | 69 | 14 | 83 |
| Water passenger transport services | 28 | 39 | 67 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 67 | 74 | 140 |
| Cultural services | 99 | 273 | 372 |
| Sports and recreation services | .. | .. | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 865 | 2 571 | 3 436 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641849

# Egypt

## Tourism in the economy

The tourism industry, involving around 70 sub-sectors, has always been an important economic activity in Egypt. Travel receipts constituted the sixth largest source of foreign currency with international tourists generating a total of USD 2.6 billion in revenue. Tourism contributed (directly and indirectly) 11.3% of Egypt's GDP in 2015/2016. It accounts for 23% of total services exports.

International tourist arrivals to Egypt reached 5.4 million visitors in 2016 (32.7 million tourist nights). About 12% of inbound tourists are from Germany, 19% from other Western European countries, 15% from Eastern European countries and 36% from Arab countries.

According to Egypt's Tourism Satellite Account (TSA) for 2014, the labour force working in tourism stood at 1.8 million individuals, representing 6.3% of the total labour force and 7.2% of total employment in Egypt. Around 74% of employees in tourism are full-time with 26% working on a temporary basis or part-time.

## Tourism governance and funding

The Ministry of Tourism is responsible for tourism policy and for establishing a coherent legal and regulatory framework for tourism development. Two tourism authorities fall under the Ministry:

- The Tourism Development Authority works primarily on setting and implementing regulations for tourism projects and investments, by assisting with the provision of land and facilitating access to loans for developing infrastructure projects,
- The Egyptian Tourism Authority (ETA) is responsible for promoting inbound and domestic tourism. It manages the development and diversification of the tourism product, both regionally and internationally.

The Egyptian Tourism Federation (ETF) is composed of five tourism industry business associations – the Hotels Association, the Travel Agents' Association, the Chamber of Tourist Establishments, the Chamber of Tourist Commodities and the Chamber of Diving and Water Sports. It works closely with the Ministry of Tourism in areas related to tourism planning, and in managing the Tourism Workforce Skills Development Project. By law, the ETF's views are considered before any new legislative measures are taken.

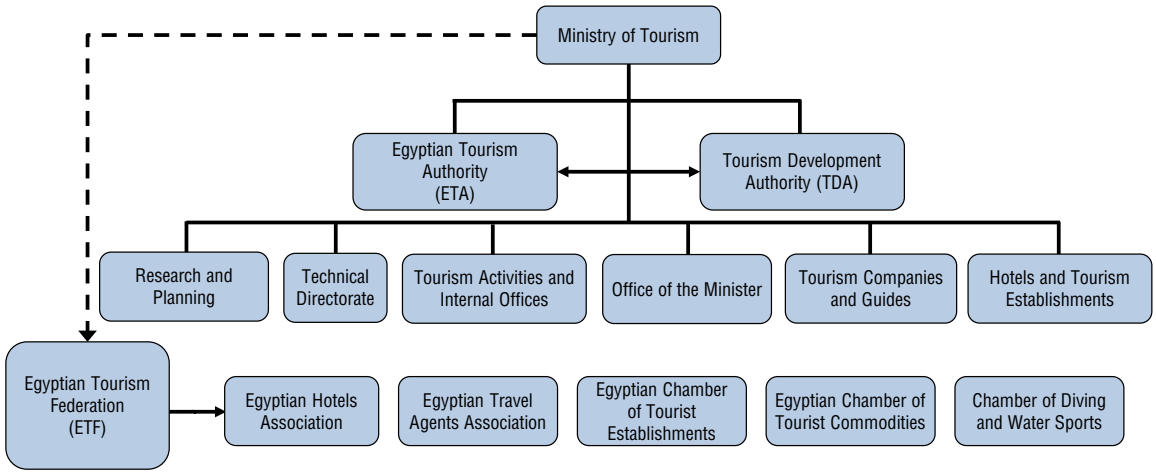
The Ministry recognises the need to support coordination with other ministries and institutions for effective tourism policy and is working to improve co-operation among all relevant stakeholders. To assist in this process, the Ministry has adopted a concept of decentralisation in tourism to ease communication between the government and the private sector, implemented effective structures for the management and development of tourism activity, adapted laws and regulations to attract investment, maintained the

stability of private sector participation (represented by the ETF and its five chambers) by strengthening relations with tourism clusters such as investor associations and tourism committees in the chambers of commerce, and sought to provide regular, accurate and transparent data.

The Supreme Council for Tourism helps to fast track progress by removing barriers. It involves eleven ministries and the ETF, and is chaired by the President.

The general budget for tourism promotion is around USD 67 million which is directed towards external activities including: launching a new branding campaign over the next three years for global marketing, setting up interactive advertising in touristic sites, enhancing public relations and optimising search engines. These activities are managed by the ETA and financed by the Tourism Fund Unit at the Ministry. The Accountability State Authority (ASA), an external government agency, monitors and evaluates the fund expenditure to ensure a transparent process.

**Egypt: Organisational chart of tourism bodies**




*Source:* OECD, adapted from Ministry of Tourism, 2018.

## Tourism policies and programmes

Egypt's national strategy considers tourism as an important national industry and seeks to create a suitable environment to support tourism. Tourism faces many challenges and new policies have to be set to enhance a competitive, sustainable and inclusive tourism industry. Such challenges include:

- Infrastructure: restrictions on charter airlines, the railways etc.,
- Workforce: qualification gaps, the need for "on the job" training, technology skills and certified instructors, technical education and vocational training, and quality of service,
- Complex legislative and licensing frameworks: the new Tourism Law is yet to be implemented,
- Safety and security: hygiene, traffic safety, emergency systems, hotel standards, public security and tourism awareness,
- Marketing and promotion: branding and public relations,
- Sustainability issues: energy efficiency, the use of solar and renewable energy sources, water consumption, biodiversity, solid/liquid waste and carbon emissions.

The sustainable tourism strategy is currently being revised with new targets for 2030. The priorities are to increase value, to achieve high and sustainable economic growth, alleviate poverty, address income disparities, create productive jobs and increase gender equality. The strategic targets are to:

- Attract 20 million international arrivals,
- Raise the average tourist expenditure per night by 50%,
- Increase Egypt's share of world tourism to 1.5%,
- Double Egypt's share of Arab tourism,
- Raise tourism revenues to USD 20 billion,
- Attract USD 10 billion of new foreign direct investment in tourism.

The strategy seeks to address the challenges and achieve its targets through landmark reforms and investments. Initiatives include:

- Institutional change: Establishing the Tourism Development Authority and Ministry of Tourism as a one-stop-shop for licenses and permits, developing an intranet system linking hotels, chambers and the Ministry, and establishing an advisory committee of experts headed by the minister.
- Connectivity: Providing a new entry regime for many source markets with an E-visa system and support for the private sector when establishing new routes or enhancing frequency for travel.
- Marketing and promotion: Presenting products and services in strategic markets using innovative and smart techniques including, a new marketing website with 14 languages, an online campaign in traditional markets and China and India, better management of social media, working with bloggers, a new cultural tourism commercial, and promotion of the new VAT refund system. These activities will support traditional promotion and marketing tools.
- Investment: Developing and diversifying tourism products and services, responding to customer needs and trends, building high quality visitor experiences, developing a strong sense of place and style for Egypt and for the five internal destinations.
- Sustainability: Establishing eco-principles and a "green" tourism unit, heritage preservation, a "Green Star Hotel" programme monitoring the transformation of hotels to environmentally friendly management and efforts to enhance environmental awareness in the sector.
- Workforce: Promoting a National Skill Standards Project, a culinary training centre, enhanced capacities in tourism establishments, and an accreditation and certification system.

Egypt will apply the principles of social inclusion in its approach to tourism. It will target the citizens and communities of Egypt as primary beneficiaries by providing opportunities for employment and income generation, by positively contributing to government programs, by supporting quality of life and environmental excellence and by developing communities and society. Investments should cover skill development and training to enhance human resource development and capacity building across the sector.

## Statistical profile

Table 1. **Egypt: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 16 725 | 19 549 | 20 053 | 20 548 | .. |
| Overnight visitors (tourists) | 7 456 | 8 713 | 8 928 | 9 148 | .. |
| Same-day visitors (excursionists) | 9 269 | 10 836 | 11 125 | 11 400 | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 11 500 | 9 500 | 9 900 | 9 328 | 5 399 |
| Overnight visitors (tourists) | 11 164 | 9 209 | 9 650 | 8 984 | 5 168 |
| Same-day visitors (excursionists) | 336 | 291 | 250 | 189 | 141 |
| Top markets | | | | | |
| Germany | 1 165 | 885 | 877 | 1 011 | 654 |
| United Kingdom | 1 012 | 955 | 906 | 869 | 231 |
| Italy | 719 | 504 | 400 | 333 | 131 |
| France | 318 | 192 | 145 | 137 | 101 |
| Russian Federation | 2 518 | 2 394 | 3 139 | 2 390 | 54 |
| Nights in all types of accommodation | 137 800 | 94 410 | 97 256 | 84 128 | 32 712 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 1 857 | 1 854 | 2 181 | 2 134 | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 10 823 | 6 747 | 7 978 | 6 897 | 2 645 e |
| International travel receipts | 9 940 | 6 047 | 7 208 | 6 065 | 2 645 e |
| International passenger transport receipts | 883 | 700 | 771 | 832 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 3 037 | 3 260 | 3 485 | 3 636 | 4 110 e |
| International travel expenditure | 2 618 | 3 014 | 3 140 | 3 442 | 4 110 e |
| International passenger transport expenditure | 419 | 247 | 346 | 194 | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641868

## Table 2. **Egypt: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | **1 706 700** | **1 698 800** | **1 752 000** | **1 992 665** | .. |
| Accommodation services for visitors | 1 239 | 166 900 | 156 900 | 156 100 | 188 740 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 1 300 | 366 000 | 382 400 | 408 600 | 488 240 | .. |
| Passenger transport | .. | 1 026 500 | 1 020 500 | 1 068 000 | 1 175 486 | .. |
| Air passenger transport | .. | 34 500 | 28 600 | 24 000 | 23 710 | .. |
| Railways passenger transport | .. | 63 500 | 60 100 | 66 000 | 55 970 | .. |
| Road passenger transport | .. | 914 000 | 927 600 | 968 000 | 1 078 428 | .. |
| Water passenger transport | .. | 14 500 | 4 200 | 10 000 | 17 378 | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | 2 300 | 2 200 | 1 000 | 4 151 | .. |
| Travel agencies and other reservation services industry | 18 525 | 70 100 | 58 200 | 48 000 | 63 167 | .. |
| Cultural industry | .. | 14 400 | 13 500 | 12 700 | 18 251 | .. |
| Sports and recreation industry | .. | 31 200 | 34 500 | 26 000 | 31 290 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | 12 500 | 12 700 | 13 000 | 22 897 | .. |
| Other country-specific tourism industries | .. | 16 800 | 17 900 | 18 600 | 481 | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641887

## Table 3. **Egypt: Internal tourism consumption**

Million EGP

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **22 096** | **98 112** | **138 737** |
| **Consumption products** | **22 096** | **95 075** | **135 700** |
| Tourism characteristic products | 14 295 | 80 171 | 112 995 |
| Accommodation services for visitors | 2 177 | 12 791 | 29 567 |
| Food and beverage serving services | 3 807 | 26 399 | 30 578 |
| Passenger transport services | 6 575 | 17 388 | 27 167 |
| Air passenger transport services | 4 426 | 9 808 | 14 864 |
| Railways passenger transport services | 296 | 89 | 391 |
| Road passenger transport services | 1 839 | 6 233 | 8 736 |
| Water passenger transport services | 14 | 1 258 | 3 176 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | 297 | 297 |
| Travel agencies and other reservation services industry | 1 006 | 5 770 | 6 776 |
| Cultural services | 103 | 3 808 | 4 170 |
| Sports and recreation services | 532 | 7 398 | 8 026 |
| Country-specific tourism characteristic goods | 96 | 5 097 | 5 193 |
| Country-specific tourism characteristic services | .. | 1 224 | 1 224 |
| Other consumption products | 7 801 | 14 904 | 22 705 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | **3 037** | **3 037** |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641906

# Lithuania

## Tourism in the economy

In 2016 the total contribution (direct and indirect) of travel and tourism in Lithuania amounted to 5.3% of national GDP (WTTC). It has also been estimated that tourism supports 47 000 jobs in the country. In 2016 receipts from foreign tourists and travellers amounted to EUR 1.3 billion, an increase of 5.4% on 2015.

The tourism market in Lithuania is differentiated between regular visitors from neighbouring countries (Latvia, Estonia, Poland, Belarus and Russia) and those from further afield, including the other EU countries and more distant markets. The latter are attracted by the country's culture and historical heritage, while the former come for activities such as wellness treatments, shopping, and visiting friends and relatives.

Domestic tourism has been growing in Lithuania and is seen as an important source of revenue for destinations and as a way for addressing seasonality.

In 2016, 387 hotels with 13 539 rooms were recorded in Lithuania, with an average occupancy rate of 51.7%, representing an increase from 49.8% in 2015. There is a particular demand for more hotel rooms in the capital, Vilnius.

## Tourism governance and funding

The main organisation for tourism policy in Lithuania is the Ministry of Economy (the "Ministry"), whose Tourism Policy Division is responsible for: tourism policy making, tourism planning, international co-operation, and planning EU support. Sitting under the Ministry, the Lithuanian State Department of Tourism is responsible for: implementation of the tourism policy, targeted tourism marketing, tourism market supervision, and implementation of EU projects.

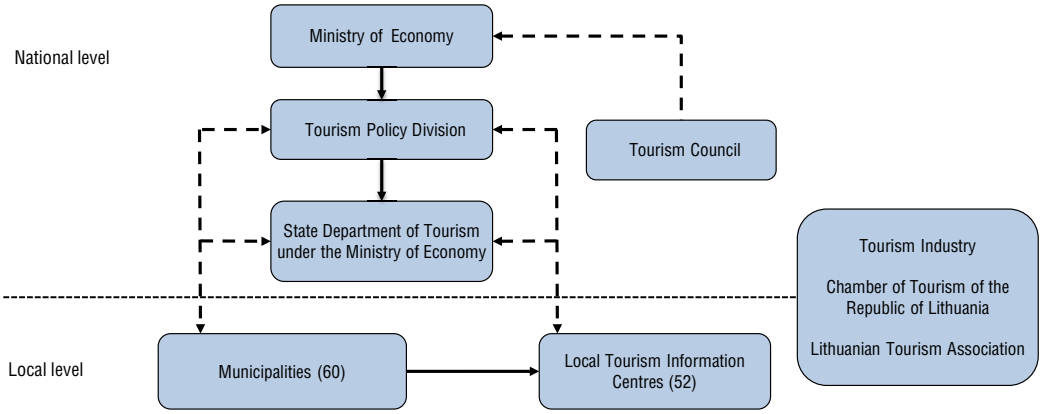
The Tourism Council is an advisory body chaired by the Ministry, and has members from related ministries and tourism business associations.

There are three main tourism business organisations in Lithuania:

- The Lithuanian Chamber of Tourism. This represents nine tourism business associations, covering hotels and restaurants, countryside tourism, health resorts, national tourism business, camps, castles and manors, private healthcare establishments, spas, and golf,
- The Lithuanian Tourism Association, representing tour operators and agencies,
- The Lithuanian Medical Tourism Association, representing medical establishments.

The general state budget for tourism was EUR 7 million in 2016 and EUR 7.3 million in 2017.

**Lithuania: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Economy, 2018.

## Tourism policies and programmes

The main challenges facing tourism in Lithuania are seasonality, accessibility and connectivity, the supply of tourism services and quality products, consumer protection, and the digitalisation of tourism. Additional challenges identified as of high importance include preserving cultural and natural heritage, improving education and skills, improving socio-economic data, and increasing competitiveness against other destinations.

The National Tourism Development Programme for 2014-2020 sets out the main tourism development objectives, goals and priorities in Lithuania for the period to 2020 and is based on sustainable tourism principles. The overall aim is to increase the competitiveness of the tourism sector.

The Programme emphasises that to maintain tourist flows it is necessary to develop competitive tourism products, expand tourism infrastructure, promote the export of tourism services to foreign countries, take effective marketing and communication measures and increase awareness about Lithuania. The Programme also aims to improve the quality of services in Lithuania as a tourism destination, as well as reduce seasonality.

The main measures in Lithuania aimed at tackling the key high-priority challenges are to:

- Develop public and private infrastructure in the priority areas of tourism development,
- Create and develop attractive tourism routes,
- Improve the country's accessibility,
- Increase the qualifications of employees of the tourism sector and improve their entrepreneurial skills,
- Strengthen consumer protection in the tourism sector and supervision of travel services' providers with the view of better enforcement of the relevant EU and national legislation,
- Stimulate the certification and the accreditation of tourism services providers,
- Stimulate the creation and the implementation of e-marketing projects,
- Implement integrated marketing activities in the priority tourism markets,
- Develop the marking and information system for tourist sites,
- Co-operate with neighbouring countries to implement joint international marketing projects,

- Stimulate the creation of tourism clusters in order to initiate the implementation of joint public and private tourism marketing projects,
- Increase the supply of cultural events and attractions out of tourist season.

Four priority tourism types have been identified in the Programme: cultural tourism, business tourism, health tourism and green (eco) tourism. The Programme also covers the priority regions for tourism development (Vilnius, the coastal area, the Nemunas Lowland, the Southern Dzūkija, the Eastern Aukštaitija and the Žemaitija Highlands), which offer the most attractive tourism destinations in the municipal territories. In these areas, there are plans to promote and develop public and private infrastructure for the priority tourism products identified. Also, maps are drawn for the European Union structural support to be invested in tourism destinations.

At the end of 2015 the Lithuanian Strategy for Tourism Marketing for 2016-2020 was approved by the Decree of the Minister of Economy. Marketing measures provided in the Strategy are focused on raising awareness of Lithuania as a tourist destination in the priority markets, development of competitive tourism products, and establishment of effective communication channels. This can be achieved by rational use of Lithuanian natural and cultural resources, promotion of national traditions and events, and presentation of tourism services in domestic and international markets.

Health tourism has large growth potential in Lithuania. A feasibility study had previously examined the experience of foreign countries in promoting health tourism, analysed the international competitive environment, and evaluated the current situation in the field of health tourism in Lithuania.

A particular aim is to position Lithuania as an attractive country for ecotourism. To achieve this, it is important to ensure better promotion of Lithuania as an ecotourism destination in priority source markets and strengthen the skills of the labour force inside the sector. According to the data provided by the Association of the Rural Tourism of Lithuania, only 20% of clients of the homesteads are foreign guests.

With the aim to achieve Sustainable Tourism Development Goals and identify the most effective ways to increase the competitiveness of the tourism sector, the Ministry of Economy recently initiated a survey on “Sustainable tourism development in Lithuania”. The results were used to prepare guidelines for sustainable tourism development, which will be targeted to the Ministry and the Lithuanian State Department of Tourism, municipalities, tourism information centres, as well as the tourism business sector.

## Statistical profile

Table 1. **Lithuania: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 13 855 | 13 575 | 11 248 | 14 148 | 14 224 |
| Overnight visitors (tourists) | 2 516 | 2 589 | 2 649 | 2 663 | 2 554 |
| Same-day visitors (excursionists) | 11 339 | 10 986 | 11 245 | 11 484 | 11 670 |
| Nights in all types of accommodation | 6 836 | 7 069 | 7 000 | 7 175 | 6 910 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 4 978 | 5 264 | 5 217 | 5 049 | 5 322 |
| Overnight visitors (tourists) | 1 900 | 2 012 | 2 063 | 2 071 | 2 296 |
| Same-day visitors (excursionists) | 3 079 | 3 252 | 3 155 | 2 977 | 3 026 |
| Top markets | | | | | |
| Belarus | 374 | 408 | 425 | 366 | 395 |
| Latvia | 190 | 199 | 229 | 254 | 274 |
| Russian Federation | 328 | 369 | 326 | 212 | 217 |
| Germany | 162 | 166 | 174 | 189 | 203 |
| Poland | 191 | 183 | 162 | 175 | 197 |
| Nights in all types of accommodation | 8 347 | 8 923 | 9 051 | 9 142 | 9 962 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 4 108 | 4 228 | 4 291 | 3 981 | 4 143 |
| Overnight visitors (tourists) | 1 708 | 1 764 | 1 788 | 1 860 | 1 953 |
| Same-day visitors (excursionists) | 2 401 | 2 464 | 2 503 | 2 121 | 2 191 |
| Top destinations | | | | | |
| Latvia | 214 | 229 | 232 | 221 | 226 |
| United Kingdom | 210 | 229 | 205 | 213 | 211 |
| Belarus | 166 | 164 | 177 | 154 | 156 |
| Poland | 154 | 149 | 140 | 149 | 150 |
| Germany | 112 | 121 | 117 | 106 | 110 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 1 091 | 1 132 | 1 116 | 1 161 | 1 070 p |
| International travel receipts | 1 029 | 1 035 | 1 042 | 1 041 | 1 070 p |
| International passenger transport receipts | 62 | 97 | 74 | 120 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 824 | 938 | 938 | 1 020 | 881 p |
| International travel expenditure | 721 | 805 | 796 | 857 | 881 p |
| International passenger transport expenditure | 103 | 133 | 142 | 163 | .. |

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

StatLink http://dx.doi.org/10.1787/888933641925

## Table 2. **Lithuania: Enterprises and employment in tourism**

| | Number of establishments[2] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **6 109** | **40 885** | **41 700** | **45 935** | **46 276** | .. |
| Accommodation services for visitors[1] | 2 025 | 10 985 | 11 300 | 11 816 | 12 354 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 3 735 | 12 500 | 12 600 | 13 062 | 13 640 | .. |
| Passenger transport | .. | 8 200 | 7 800 | 9 028 | 9 348 | .. |
| Air passenger transport | .. | 400 | .. | 516 | 609 | .. |
| Railways passenger transport | .. | 400 | 400 | 444 | 415 | .. |
| Road passenger transport | .. | 7 200 | 7 200 | 7 893 | 8 140 | .. |
| Water passenger transport | .. | 200 | 200 | 175 | 184 | .. |
| Passenger transport supporting services | .. | 400 | 400 | 508 | 614 | .. |
| Transport equipment rental | .. | 500 | 600 | 457 | 379 | .. |
| Travel agencies and other reservation services industry | 349 | 2 800 | 3 000 | 3 117 | 3 286 | .. |
| Cultural industry | .. | 3 300 \| | 3 700 | 4 386 | 3 769 | .. |
| Sports and recreation industry | .. | 2 200 | 2 300 | 3 561 | 2 886 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available; | Break in series
1. Data for accommodation service for visitors refer to number of establishments.
2. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641944

## Table 3. **Lithuania: Internal tourism consumption**

Million EUR

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **827** | **1 173** | **2 000** |
| Tourism characteristic products | 491 | 497 | 988 |
| Accommodation services for visitors | 84 | 137 | 222 |
| Food and beverage serving services | 52 | 163 | 215 |
| Passenger transport services | 202 | 83 | 286 |
| Air passenger transport services | 125 | 57 | 182 |
| Railways passenger transport services | 12 | 7 | 18 |
| Road passenger transport services | 51 | 10 | 60 |
| Water passenger transport services | 15 | 10 | 26 |
| Passenger transport supporting services | 37 | 24 | 60 |
| Transport equipment rental services | 23 | 12 | 35 |
| Travel agencies and other reservation services industry | 77 | 19 | 96 |
| Cultural services | 13 | 38 | 51 |
| Sports and recreation services | 4 | 20 | 24 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 335 | 676 | 1 012 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641963

# Malta

## Tourism in the economy

Tourism is a very important contributor to Malta's economy. Current inflows consist of 2 million tourists, rising consistently from 1.4 million arrivals in 2010, and 630 000 cruise passengers against a resident population of around 430 000. There has been above average growth in the low season.

In 2016, total expenditure by inbound tourists was estimated at EUR 1.7 billion. Tourism is estimated to generate 25 000 jobs directly accounting for 14% of total employment.

The top three inbound markets are the United Kingdom, Italy, and Germany which together account for 52.5% of arrivals. British and Italian arrivals have grown consistently in the past six years, while the German market has fluctuated.

The domestic market in Malta is relatively small and is only partially measured. It consists mainly of tourism flows between the main island of Malta and the second island of Gozo, although there is a small but growing tendency for residents of the main island to spend overnights in local hotels.

## Tourism governance and funding

Tourism is directly represented in the Cabinet of Ministers through a dedicated Minister for Tourism who is also responsible for aviation policy. The Ministry has political responsibility for various agencies and companies, including the Malta Tourism Authority (MTA), the Institute for Tourism Studies (ITS), Air Malta, Malta Air Traffic Services, the National Aerospace Centre, the Mediterranean Conference Centre, and the Malta Film Commission.

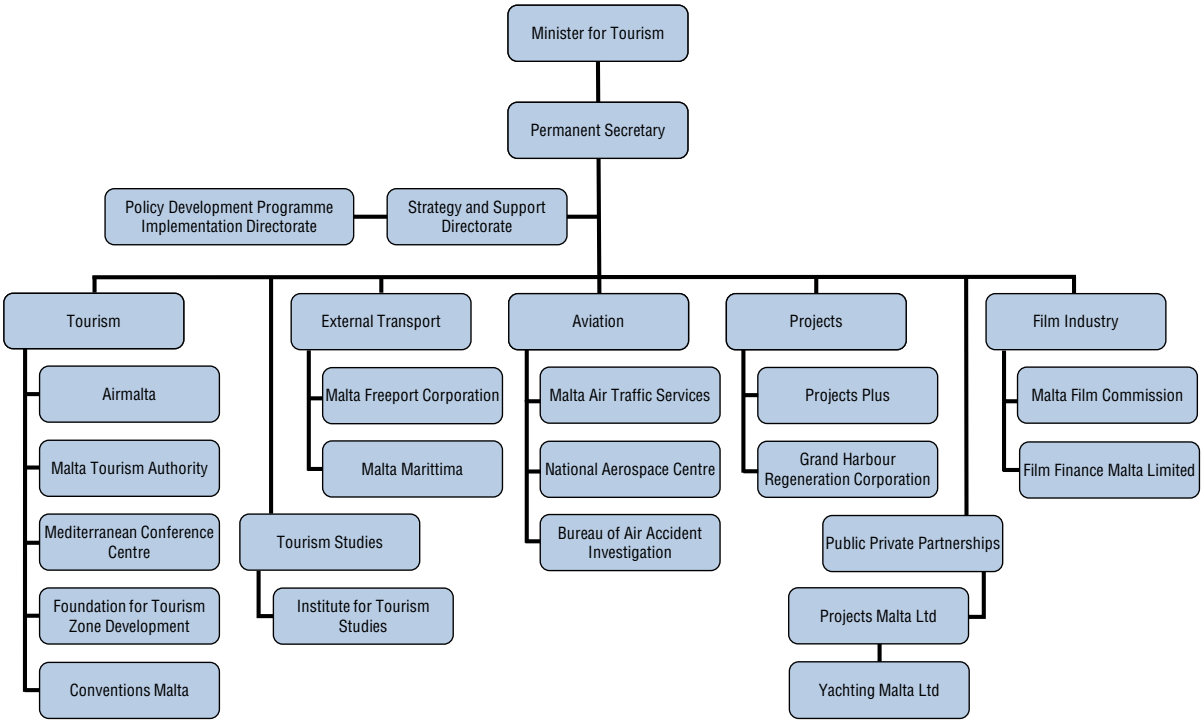
In the new legislature, the Ministry for Tourism (the "Ministry") has been given responsibility for entities such as the Grand Harbour Regeneration Corporation (GHRC), Projects Malta and Projects Plus, which implement projects aimed at improving the local tourism product including through private public partnerships. Projects underway include the Valletta Entrance and Ditch Project by GHRC, and the Transport Links project by Projects Malta and Projects Plus. This contributes to the aim of improving overall coordination and implementation of national projects relevant to the tourism sector.

Cabinet meetings ensure that tourism is constantly on the national agenda, while the direct representation of industry stakeholders on the boards of organisations such as MTA and ITS ensure direct coordination with the private sector.

Given the small size of the country, there are no regional authorities. However, the country is sub-divided into over 60 local councils with whom there is strong coordination, particularly in the fields of zone management and product-related interventions. A Foundation for Tourism Zone Development was recently established by the Ministry to enable more effective coordination between national bodies, local authorities and private operators.

The budget for tourism administration is allocated by the central government. The government provided a total budget of EUR 49 million in 2016 and EUR 69 million in 2017, for the entities under the Ministry for Tourism.

**Malta: Organisational chart of the tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

The Ministry has published a revised National Tourism Policy for the period 2015-2020, which gives strong and clear directions to the sector, on the basis of which specific strategic plans are formulated.

The Ministry also finalised a film policy which was launched in January 2016. This articulates a vision up to 2020, with the aim of maximising the potential of both Malta's film servicing industry as well as the promising local film sector. This policy will serve to transform Malta into a unique film destination.

Three fundamental principles guide the National Tourism Policy, namely:

- Managing visitor numbers,
- Raising the level of quality across the entire tourism value chain,
- Reducing seasonality.

These three principles will form the basis of the continued and successful sustainable development of tourism over the forthcoming years.

Issues and challenges include: the risk of economic instability in source markets; political instability in the region particularly due to proximity to North Africa; a heavy dependence on air travel to sustain tourism inflows; the small size of the domestic market; the peripheral nature of the destination in relation to its source markets; and the challenge

of maintaining peak volumes at current levels whilst channelling growth into off-peak months.

In response to these challenges, priority objectives include:

- Improved airline connectivity,
- Continued market diversification to attract new geographic source markets and year-round motivational segments so as to further ease seasonal skews in tourism inflows
- The upgrade of the product and service offer to allow for the delivery of a quality experience to all visitors
- Optimising the relationship between volume growth and value growth to strengthen economic returns.

The achievement of these objectives requires a national effort since some of the responsibilities sit directly within the Ministry and the Malta Tourism Authority, while others, especially those related to infrastructure and staff training, fall within the greater remit of other Ministries. Air Malta as the national carrier also remains pivotal.

National development policies aim to integrate fully the requirements of sustainable development and they feed into sectoral sustainable development strategies covering different sectors which directly or indirectly influence the harmonious growth of the tourism sector.

Given the small size of its domestic tourism market, Malta's tourism industry almost exclusively depends on foreign inflows for its sustained wellbeing and profitability, which in turn relies on air transport. The Malta Tourism Authority has recognised the strong relationship between growth of inbound tourism and the number of routes and seat capacity. In response, Malta has embarked on a strategy to increase the number of direct airline routes, which have risen from around 45 in 2006 to over 92 in 2016 (Box 1.16).

Over the years Malta has accumulated a vast body of regulations to govern tourism service providers, including hotels and similar accommodation, catering establishments, travel agents and tourist guides. A major exercise has recently been undertaken with the dual objective of:

- Revisiting the extensive regulatory framework with a view to simplify, remove overlaps, and reduce the number of relevant legal notices to a more manageable and reasonable quantity.
- Changing the spirit of the law to ensure that the regulatory framework is better equipped to react and adapt to a rapidly changing tourism industry, rather than acting as a deterrent.

Following a period of extensive consultation, the next step involves a Parliamentary Debate to discuss and eventually approve the proposed changes to the Malta Travel and Tourism Services Act (CAP409).

## Statistical profile

Table 1. **Malta: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 205 | 190 | 200 \| | 220 | 241 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 598 | 468 | 510 \| | 584 | 630 |
| Hotels and similar establishments | 284 | 93 e | 109 \| | 127 | 109 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 173 | 180 | 12 \| | 15 | 12 |
| Private accommodation | 142 | 196 | 389 \| | 442 | 510 |
| **Inbound tourism** | | | | | |
| Total international arrivals | 1 960 | 1 962 | 2 115 | 2 313 | 2 534 |
| Overnight visitors (tourists) | 1 443 | 1 582 | 1 690 | 1 783 | 1 966 |
| Same-day visitors (excursionists) | 516 | 380 | 425 | 530 | 568 |
| Top markets | | | | | |
| United Kingdom | 441 | 455 | 488 | 526 | 560 |
| Italy | 202 | 234 | 263 | 283 | 315 |
| Germany | 138 | 147 | 143 | 142 | 157 |
| France | 108 | 117 | 126 | 128 | 145 |
| Spain | 60 | 53 | 42 | 47 | 55 |
| Nights in all types of accommodation | 11 860 | 12 890 | 13 522 | 14 152 | 14 961 |
| Hotels and similar establishments | 7 039 | 7 605 | 8 363 | 8 290 | 8 287 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 1 010 | 1 022 | 504 | 511 | 600 |
| Private accommodation | 3 810 | 4 263 | 4 655 | 5 350 | 6 075 |
| **Outbound tourism** | | | | | |
| Total international departures | 368 | 404 | 430 | 474 | 549 |
| Overnight visitors (tourists) | 331 | 363 | 391 | 428 | 497 |
| Same-day visitors (excursionists) | 37 | 41 | 39 | 46 | 53 |
| Top destinations | | | | | |
| Italy | 98 | 109 | 123 | 137 | 166 |
| United Kingdom | 78 | 89 | 92 | 89 | 96 |
| Germany | 19 | 19 | 22 | 24 | 32 |
| Spain | 19 | 20 | 18 | 19 | 23 |
| France | 17 | 17 | 22 | 21 | 17 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 1 471 | 1 649 | 1 521 | 1 664 | 1 437 e |
| International travel receipts | 1 271 | 1 403 | 1 521 | 1 369 | 1 437 e |
| International passenger transport receipts | 200 | 246 | .. | 295 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 340 | 384 | 397 | 359 | 398 e |
| International travel expenditure | 340 | 384 | 397 | 359 | 398 e |
| International passenger transport expenditure | .. | .. | .. | .. | .. |

.. Not available; | Break in series; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641982

## Table 2. **Malta: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **5 605** | **22 243** | **23 604** | **22 822** | **25 368** | **25 013** |
| Accommodation services for visitors | 225 | 7 322 | 7 577 | 6 198 | 5 856 | 5 594 |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 2 351 | 4 638 | 4 958 | 5 530 | 6 684 | 6 561 |
| Passenger transport | 784 | 4 145 | 3 986 | 3 534 | 4 179 | 3 800 |
| Air passenger transport | 17 | 1 090 | 1 096 | 1 161 | 1 563 | 1 486 |
| Railways passenger transport | 0 | .. | .. | .. | .. | .. |
| Road passenger transport | 684 | 2 200 | 2 201 | 1 745 | 1 878 | 1 674 |
| Water passenger transport | 83 | 854 | 689 e | 628 e | 738 e | 640 e |
| Passenger transport supporting services | 224 | 1 771 | 1 985 | 2 210 | 2 144 | 3 119 |
| Transport equipment rental | 151 | 379 e | 327 e | 325 e | 447 e | 501 e |
| Travel agencies and other reservation services industry | 543 | 575 e | 739 | 1 044 | 1 287 | 953 |
| Cultural industry | 966 | 3 413 | 4 032 | 3 981 | 4 771 | 4 485 |
| Sports and recreation industry | 361 | 678 e | 799 | 907 | 1 081 | 814 |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available; e Estimated value
1. Data refer to number of enterprises.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642001

## Table 3. **Malta: Internal tourism consumption**

Million EUR

| | 2010 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **112** | **1 033** | **1 150** |
| Tourism characteristic products | 99 | 859 | 963 |
| Accommodation services for visitors | 7 | 232 | 243 |
| Food and beverage serving services | 17 | 258 | 275 |
| Passenger transport services | 31 | 256 | 287 |
| Air passenger transport services | 29 | 231 | 260 |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | 2 | 25 | 26 |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 0 | 19 | 19 |
| Travel agencies and other reservation services industry | 44 | 36 | 80 |
| Cultural services | 0 | 13 | 13 |
| Sports and recreation services | 0 | 23 | 23 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 13 | 174 | 187 |
| Tourism connected products | 4 | 104 | 108 |
| Non-tourism related consumption products | 9 | 70 | 79 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642020

# Morocco

## Tourism in the economy

Tourism makes a significant contribution to Morocco's economy and is considered a strategic sector for driving the country's economic and social development. In 2016 it was estimated that tourism accounted for 6.6% of GDP and 515 000 direct jobs, corresponding to 5% of total jobs. The sector generated MAD 77.3 billion in foreign currency income, of which travel receipts accounted for MAD 64.2 billion.

Since 2010 the number of inbound tourist arrivals has increased, on average, by 2% per year to reach 10.3 million in 2016. France is significantly the largest source market, followed by Spain, the United Kingdom and Germany. There was a decline in arrivals from the main markets in 2016, however, there has been an upturn in the first half of 2017. In addition, there has been a particularly rapid growth in arrivals from China in the last two years, although starting from a low base.

Domestic tourism has witnessed recent growth, with overnight stays in classified hotels increasing by 8% in the first half of 2017 compared with the similar period in 2016.

## Tourism governance and funding

The Ministry of Tourism, Air Transport, Handicraft and Social Economy (the "Ministry") is responsible for drafting and implementing the government's policy for tourism. It contains several different entities and directorates, with responsibilities for strategy, regulation, development, quality, resources and training.

The external work of the central administration is relayed to the sub-national level through seven regional and eighteen provincial representative bodies. They are mainly tasked with:

- Supervising the framework and quality of tourist activities,
- Monitoring the development of the tourism product at the regional and the local level.

The delegations are responsible for ensuring the harmonious and integrated development of regional and provincial tourism, in collaboration with the local authorities, communities, and tourism professionals.

The following bodies are under the supervision of the Ministry:

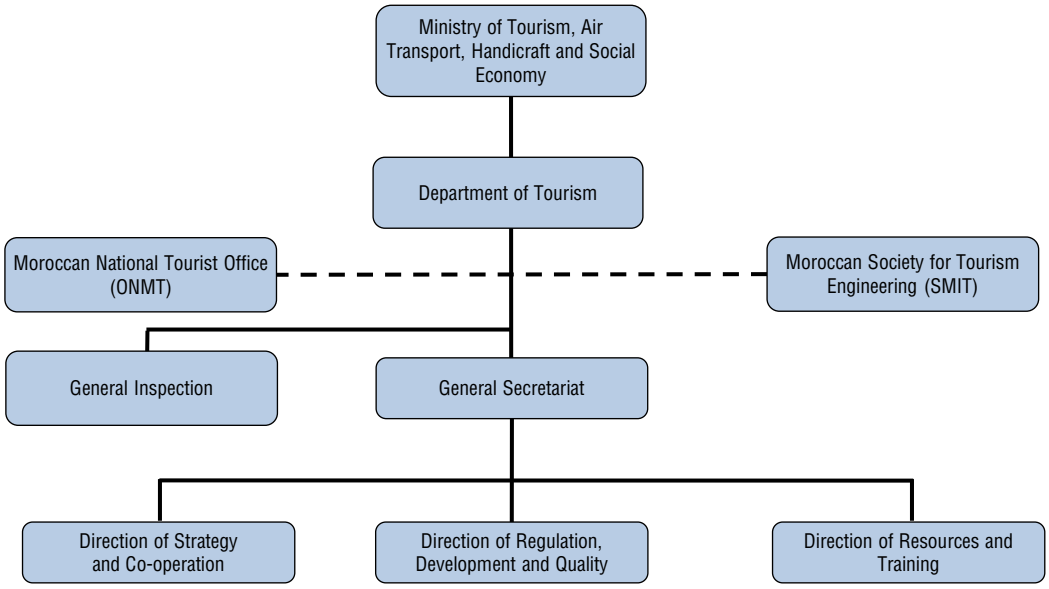
- The Moroccan Society for Tourism Engineering, which aims to promote investments through the implementation of the development strategy for tourism, by tracking the main tourism projects,
- The Moroccan National Tourist Office, which is in charge of promoting, marketing and growing the destination and air travel.

The Ministry maintains regular contact with different stakeholders within a clear and efficient institutional framework. Several bodies preside over links to the private sector:

- Several Committees co-chaired by the Ministry and the National Tourism Confederation focus on private sector engagement with the Vision 2020 Strategy, identification of key issues, and convening relevant parties to respond to issues as they arise. These Committees cover the following issues: governance, competitiveness, air travel, output and investment, human capital, and sustainability.
- The Tourism Observatory, which is a public-private initiative set up in 2005 to support the development of the tourism industry. Its main roles are information provision, and monitoring of the development strategy for tourism.

The Ministry's budget comes from the central budget and totalled MAD 619 million in 2017. The budget remains relatively stable compared to 2016. It is divided between the various entities under the Ministry's responsibility: 21.5% for the central administration, 9.9% for training schools, 48.5% for the Moroccan National Tourist Office, and 20.2% for the Moroccan Society for Tourism Engineering.

**Morocco: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Department of Tourism, 2018.

## Tourism policies and programmes

The national tourism policy was formulated in 2010, with an undertaking to maintain tourism's role as one of the drivers of Morocco's economic, social and cultural development. The aim is to make Morocco one of the world's top 20 tourist destinations by 2020 and establish the country's sustainable development credentials in the Mediterranean basin.

When it first came to implementing the Vision 2020 strategy, the Ministry had to contend with an economic and tourism environment beset by significant turmoil, namely the geo-political situation in some countries.

The Ministry of Tourism, Air Transport, Handicraft and Social Economy, in collaboration with all public and private stakeholders, is stepping up its efforts to inject further impetus

into the sector. To this end, there are plans to strengthen Morocco's presence in traditional markets and to expand into new, high growth, markets. One objective is to improve Morocco's visibility as a tourist destination, through promotional campaigns, partnerships with tour operators, and hosting of major events.

The digital revolution is also reshaping the rules for promotion and distribution. In particular the growth of online peer review and booking platforms are undermining traditional intermediaries and shrinking the margins for hoteliers in Morocco. As a result, digital development is considered a priority to enhance the sector and several actions are planned to this end, in particular the referencing and leveraging of available accommodation, as well as optimisation of the travel experience.

Actions are being taken to deliver tourism development based on the following core values:

- Authenticity: for many decades, authenticity has been the foundation upon which Moroccan tourism development and brand positioning has been built. This position, which differentiates it from its direct competitors, now gives it a genuine competitive edge. Vision 2020 cultivates this historic choice through a proactive approach to the preservation, conservation and enhancement of the Kingdom's cultural and natural heritage.
- Diversity: Morocco's undisputed comparative advantage is its diversity in terms of territories and landscapes, natural resources and ecosystems, cultures and influences (African and European). Vision 2020 promotes diversity through an ambitious spatial planning policy.
- Quality: while the development of new capacity remains a strategic goal, Vision 2020 aims to significantly improve the competitiveness of all links in the tourism chain, and in particular deepen the service culture and develop a compelling entertainment offer.
- Sustainability: in accordance with the general sustainability guidelines adopted for the country, Vision 2020 puts sustainable development at the heart of its ambitions.

Also, the Kingdom of Morocco is attached to the values of openness, moderation, tolerance and dialog for mutual understanding between all the cultures and the civilizations of the world.

Under the tourism development strategy, the Ministry has put in place several tools to ensure long-term monitoring, in particular:

- A statistical monitoring system of tourism activity in order to provide an accurate range of indicators designed to meet the needs of actors in the tourism value chain. To this end, a monthly survey is carried out of a representative selection of tourists (international overnight visitors and Moroccans living abroad) in order to identify trends and better tailor the tourism offer to the requirements of an increasingly demanding clientele.
- A strategic monitoring system, designed to anticipate changes in both the tourism environment and supply and demand trends in world tourism, provide public and private sector stakeholders with better visibility, and give tourism professionals a decision-making tool to improve the management of their activities.

## Statistical profile

Table 1. **Morocco: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 2 265 | 2 399 | 2 403 | 2 645 | 2 929 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | 188 859 | 192 606 | 195 778 | .. | .. |
| Hotels and similar establishments | 4 937 | 5 183 | 5 307 | 5 899 | 6 551 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 49 464 | 50 948 | 52 222 | .. | .. |
| Private accommodation | 134 458 | 136 474 | 138 249 | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 9 375 | 10 046 | 10 283 | 10 177 | 10 332 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| France | 1 770 | 1 782 | 1 798 | 1 564 | 1 450 |
| Spain | 731 | 683 | 684 | 627 | 616 |
| United Kingdom | 357 | 403 | 477 | 504 | 459 |
| Germany | 199 | 238 | 255 | 286 | 260 |
| Belgium | 255 | 273 | 267 | 244 | 239 |
| Nights in all types of accommodation | .. | 121 575 | 120 822 | 110 597 | 112 407 |
| Hotels and similar establishments | 12 549 | 13 931 | 14 326 | 12 525 | 12 703 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | 11 642 | 11 423 | 9 153 | 9 514 |
| Private accommodation | .. | 96 002 | 95 073 | 88 919 | 90 190 |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 2 316 | 2 195 | 1 849 | 1 910 | 1 864 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 8 491 | 8 202 | 8 748 | 7 764 | 7 922 |
| International travel receipts | 6 697 | 6 851 | 7 060 | 6 260 | 6 556 |
| International passenger transport receipts | 1 794 | 1 350 | 1 687 | 1 505 | 1 365 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 2 095 | 2 002 | 2 218 | 2 155 | 2 309 |
| International travel expenditure | 1 253 | 1 318 | 1 401 | 1 402 | 1 457 |
| International passenger transport expenditure | 842 | 684 | 817 | 753 | 852 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642039

## Table 2. **Morocco: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | **..** | **480 000 e** | **500 000 e** | **505 000 e** | **507 000 e** | **515 000 e** |
| **Tourism industries** | **5 001** | **..** | **391 800 e** | **391 800 e** | **393 300 e** | **399 300 e** |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 3 690 | .. | 125 000 e | 128 000 e | 128 500 e | 130 500 e |
| Food and beverage serving industry | .. | .. | 81 000 e | 82 000 e | 82 300 e | 83 600 e |
| Passenger transport | .. | .. | 32 000 e | 34 000 e | 34 100 e | 34 600 e |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 1 311 | .. | 22 000 e | 22 300 e | 22 400 e | 22 700 e |
| Cultural industry | .. | .. | 9 800 e | 10 000 e | 10 000 e | 10 100 e |
| Sports and recreation industry | .. | .. | 2 000 e | 2 500 e | 2 500 e | 2 500 e |
| Retail trade of country-specific tourism characteristic goods | .. | .. | 120 000 e | 113 000 e | 113 500 e | 115 300 e |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | **..** | **..** | **108 200 e** | **113 200 e** | **113 700 e** | **115 700 e** |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642058

## Table 3. **Morocco: Internal tourism consumption**

Million MAD

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | **..** | **..** | **..** |
| **Consumption products** | **32 000** | **73 508** | **105 508** |
| Tourism characteristic products | 21 648 | 53 666 | 75 315 |
| Accommodation services for visitors | 6 196 | 11 962 | 18 158 |
| Food and beverage serving services | 5 318 | 10 088 | 15 406 |
| Passenger transport services | 4 868 | 14 212 | 19 080 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 122 | .. | 122 |
| Travel agencies and other reservation services industry | 43 | 1 100 | 1 143 |
| Cultural services | 106 | 1 017 | 1 123 |
| Sports and recreation services | 2 416 | 8 032 | 10 449 |
| Country-specific tourism characteristic goods | 2 580 | 7 256 | 9 836 |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 10 352 | 19 841 | 30 193 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | 10 352 | 19 841 | 30 193 |
| **Non-consumption products** | **..** | **..** | **..** |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642077

# Peru

## Tourism in the economy

Tourism is one of the main economic activities in Peru. It is recognised as an engine for economic, social and environmental development. It is the third most important source of foreign exchange earnings, after mining and agriculture, and it represents the principal source of services exports.

Tourism Gross Domestic Product represents 3.9% of Peru's GDP, increasing to 6.9% if domestic tourism is included. In 2016, tourism supported more than 1.3 million jobs, directly and indirectly.

International arrivals in Peru have seen significant and steady growth in the ten year period to 2016, when the figure reached 3.7 million.

The highest proportion of arrivals comes from Chile, which accounts for over 25% of international visitors. The second most significant market source is the United States, followed by Ecuador. Japan is an important generator of visits from Asia.

Domestic tourism in Peru generated over 42 million trips between cities and departments in 2016. The average length of stay of domestic holiday trips is 5 nights, generating an average spend of USD 466 per person.

## Tourism governance and funding

The Ministry of Foreign Trade and Tourism (MINCETUR) is the lead authority for the sector and it defines, directs, executes, coordinates and supervises the country's foreign trade and tourism policy, in line with the general State policy.

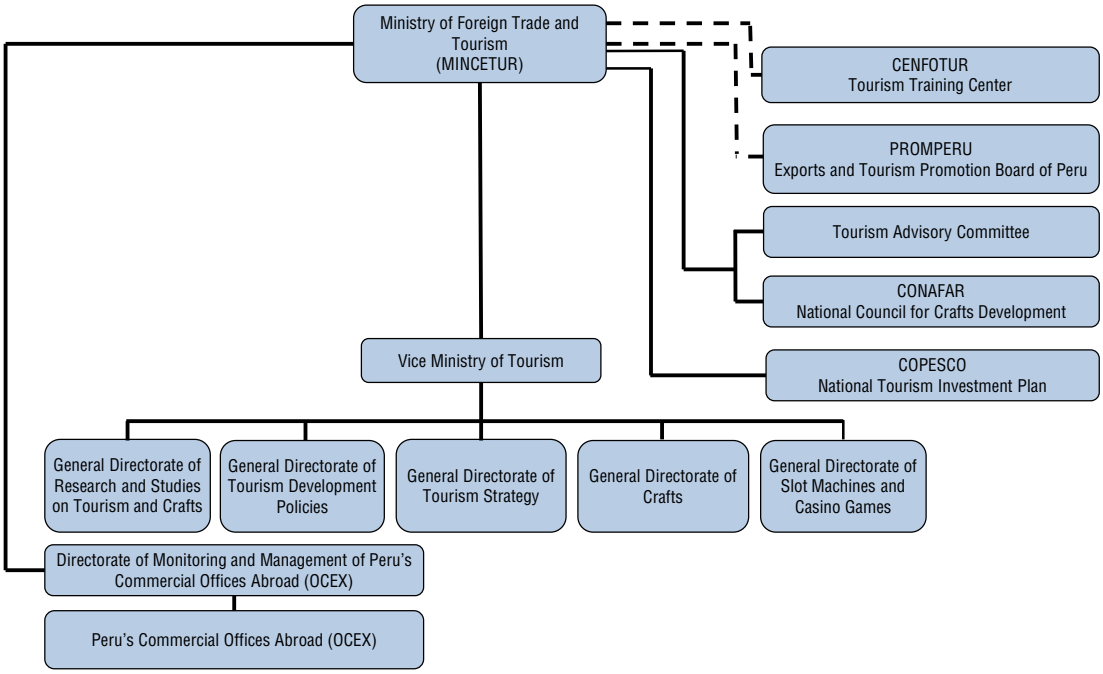
The Ministry of Foreign Trade and Tourism has two Vice Ministries, one of them is the Vice Ministry of Tourism which has five directorates. One of these is the Directorate of Tourism Development Policies, which is the responsible body for policy implementation, including supervising compliance and formulating actions concerning the quality of tourism services, environmental management in the sector, travel facilitation, tourist protection and promoting tourism awareness in the country. The other directorates cover strategy, research, crafts and casinos/gaming.

Moreover, there are two specialist advisory bodies comprising six to twelve members, namely: The Tourism Advisory Committee and the National Council for Handicraft Development (CONAFAR).

In all sectors of Peru, including tourism, the General Government establishes coordination mechanisms with regional governments, local governments and other entities, as required or appropriate to the nature of each policy.

The public sector budget of the tourism sector for 2017 was PEN 332.9 million, distributed as follows: PEN 85.2 million for the Vice Ministry of Tourism of MINCETUR; PEN 24.2 million for the Tourism Training Centre (CENFOTUR); PEN 134.8 million for the Peru Exports and Tourism Promotion Board (PROMPERU), and PEN 88.7 million for the COPESCO National Plan, MINCETUR's executing unit in charge of investment tourism projects of national interest.

**Peru: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Foreign Trade and Tourism, 2018.

## Tourism policies and programmes

Tourism in Peru is facing a range of challenges, which in part, stem from a growing middle class in emerging markets and changing attitudes towards travel. This requires improved infrastructure and travel facilitation, while also ensuring the safety of tourists.

A specific challenge is the need to develop occupational standards for workers in the tourism sector, in order to improve competitiveness and boost job creation and economic impact. Other issues include the mitigation of negative impacts on the environment and local communities.

The main policy instrument is the National Strategic Plan of Tourism of Peru (PENTUR). There are also a National Plan for Tourism Quality, a National Strategic Craft Plan, and a National Artisan Register (RNA). The RNA is a tool to identify artisans, handicraft companies or artisan associations. It enables the mapping of artisans in a defined geographic space, named "Craft Conglomerates", such as San Blas (Cusco), Quinua (Ayacucho), Lurín (Lima), and their incorporation into tourist circuits.

The National Strategic Plan of Tourism has four pillars covering:

- The competitiveness and sustainability of tourism supply,
- Tourist market diversification,

- Travel facilitation,
- Sector strengthening, tourism awareness and vocational training.

The main objectives of the tourism policy are to:

- Incorporate continuous improvement in its processes, as a requirement for competitiveness: improving the quality of services and products and increasing tourist awareness, in harmony with the environment,
- Strengthen ties with the regional and local economy: increasing potential for social and cultural benefit from tourism, improving the local environment, and making local destinations ideal places to live, work and enjoy,
- Promote the development of sustainable tourism projects and activities that contribute to the development of communities,
- Promote and implement measures that contribute to the control and prevention of environmental pollution and biodiversity conservation.

The Peruvian Government, through the Ministry of Foreign Trade and Tourism has launched an inclusive development Programme called *Turismo Emprende* that promotes the creation, development and consolidation of private tourism-related enterprises through activities that include aspects of conservation, sustainable resource use and economic development. This programme has an annual fund of USD 763 000 for the next four years. The main objective is to provide grants for the development of tourism ventures at the national level. The Programme finances the improvement and expansion of established businesses as well the creation of new enterprises, in the hotel, restaurant and travel sectors. For new businesses, the programme can fund up to 100% of project costs.

The Exports and Tourism Promotion Board of Peru (PROMPERU) constantly monitors the evolution of visitor demand in order to adjust tourism promotion strategies. Sustainable tourism growth policies and initiatives have been oriented to social sustainability and inclusive development. The latter include community based rural tourism, social tourism, and an initiative called *Al Turista, Lo Nuestro* which promotes the direct incorporation of local products (agricultural, livestock, fishery, handicrafts, etc.) in the provision of tourism services. It aims to promote tourist supplies that incorporate quality regional services and products purchased directly from local entrepreneurs into the tourism value chain (Box 1.9).

## Statistical profile

Table 1. **Peru: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 99 600 | 102 300 | 104 950 | 108 100 | .. |
| Overnight visitors (tourists) | 34 900 | 36 400 | 38 000 | 39 800 | 41 600 |
| Same-day visitors (excursionists) | 64 700 | 65 900 | 66 950 | 68 300 | .. |
| Nights in all types of accommodation | 209 400 | 218 400 | 228 000 | 238 800 | 249 600 |
| Hotels and similar establishments | 44 138 | 48 431 | 51 186 | 52 395 | 56 236 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 3 642 | 4 010 | 4 062 | 4 381 | 4 718 |
| Overnight visitors (tourists) | 2 846 | 3 164 | 3 215 | 3 456 | 3 744 |
| Same-day visitors (excursionists) | 796 | 847 | 847 | 925 | 974 |
| Top markets | | | | | |
| Chile | 807 | 886 | 904 | 985 | 1 056 |
| United States | 447 | 487 | 514 | 545 | 586 |
| Ecuador | 176 | 208 | 224 | 256 | 318 |
| Colombia | 134 | 135 | 152 | 165 | 190 |
| Argentina | 159 | 155 | 156 | 171 | 175 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 2 569 | 2 656 | 2 733 | 2 914 | 3 095 |
| Overnight visitors (tourists) | 2 296 | 2 364 | 2 442 | 2 595 | 2 751 |
| Same-day visitors (excursionists) | 273 | 292 | 292 | 319 | 343 |
| Top destinations | | | | | |
| Chile | 1 059 | 1 089 | 1 091 | 1 181 | 1 288 |
| United States | 198 | 223 | 259 | 289 | 305 |
| Bolivia | 341 | 318 | 315 | 290 | 270 |
| Ecuador | 137 | 147 | 161 | 154 | 136 |
| Colombia | 62 | 70 | 93 | 120 | 123 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 3 073 | 3 925 | 3 908 | 4 151 | 3 512 e |
| International travel receipts | 2 443 | 3 009 | 3 077 | 3 320 | 3 512 e |
| International passenger transport receipts | 631 | 916 | 830 | 831 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 1 900 | 2 114 | 2 119 | 2 351 | 1 838 e |
| International travel expenditure | 1 439 | 1 601 | 1 590 | 1 691 | 1 838 e |
| International passenger transport expenditure | 461 | 513 | 529 | 660 | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642096

## Table 2. **Peru: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed[1] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | **521 668** | **526 439** | **530 241** | **542 054** | .. |
| **Tourism industries** | .. | **474 121** | **484 481** | **486 935** | **499 758** | .. |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 21 370 | 56 578 | 57 599 | 57 636 | 58 997 | .. |
| Food and beverage serving industry | 170 545 | 182 357 | 189 021 | 190 119 | 192 813 | .. |
| Passenger transport | .. | 104 390 | 107 127 | 108 086 | 112 975 | .. |
| Air passenger transport | .. | 4 422 | 4 638 | 4 703 | 4 917 | .. |
| Railways passenger transport | .. | 430 | 450 | 474 | 497 | .. |
| Road passenger transport | .. | 99 102 | 101 590 | 102 449 | 107 084 | .. |
| Water passenger transport | .. | 436 | 449 | 460 | 477 | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | 493 | 514 | 535 | 557 | .. |
| Travel agencies and other reservation services industry | 10 985 | 29 855 | 30 719 | 30 835 | 32 624 | .. |
| Cultural industry | .. | 25 818 | 26 064 | 26 253 | 27 379 | .. |
| Sports and recreation industry | .. | 20 167 | 20 739 | 20 773 | 21 325 | .. |
| Retail trade of country-specific tourism characteristic goods | .. | 8 871 | 9 126 | 9 141 | 9 478 | .. |
| Other country-specific tourism industries | .. | 45 592 | 43 572 | 43 557 | 43 610 | .. |
| **Other industries** | .. | **47 547** | **41 958** | **43 306** | **42 296** | .. |

.. Not available
1. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642115

## Table 3. **Peru: Internal tourism consumption**

Million PEN

| | 2011 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **20 294** | **7 750** | **30 209** |
| Tourism characteristic products | 17 472 | 7 502 | 25 840 |
| Accommodation services for visitors | 1 954 | 1 923 | 4 628 |
| Food and beverage serving services | 4 666 | 1 444 | 6 110 |
| Passenger transport services | 7 558 | 2 602 | 10 160 |
| Air passenger transport services | 1 978 | 1 928 | 3 906 |
| Railways passenger transport services | 136 | 58 | 194 |
| Road passenger transport services | 5 352 | 617 | 5 969 |
| Water passenger transport services | 92 | 0 | 92 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 119 | 11 | 130 |
| Travel agencies and other reservation services industry | 615 | 336 | 951 |
| Cultural services | 554 | 321 | 990 |
| Sports and recreation services | 1 106 | 145 | 1 251 |
| Country-specific tourism characteristic goods | 584 | 542 | 1 127 |
| Country-specific tourism characteristic services | 314 | 178 | 492 |
| Other consumption products | 2 822 | 248 | 4 369 |
| Tourism connected products | 681 | 39 | 1 082 |
| Non-tourism related consumption products | 2 141 | 209 | 3 287 |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642134

# Philippines

## Tourism in the economy

The tourism industry in the Philippines, which contributes 8.6% of GDP, has become a powerful engine for socio-economic development both at the national and local level. In 2016 total tourism revenue amounted to PHP 2.42 trillion, of which domestic and inbound tourism accounted for PHP 2.1 trillion (87%) and PHP 313 billion (13%), respectively. Tourism now represents a significant element of household budget, with domestic travel accounting for 19.8% of household final consumption.

Inbound receipts of USD 5.1 billion account for 8% of total export earnings, making tourism among the top industries generating foreign exchange in 2016. The rise in inbound revenue is attributed to the continuous growth of inbound visitors which in 2016 reached 6 million. The top sources of arrivals are Korea (24.7%), the United States (14.6%) and China (11.3%). These countries are expected to keep their rank as top tourist arrivals for 2017 and 2018. Domestic travellers, which totalled 79 million in 2016, are also expected to grow in line with the economy.

The tourism industry provided employment to 5.2 million Filipinos in 2016 (forecast to be 5.8 million by 2018). The transportation and accommodation sector accounted for the bulk of this employment at 37% and 34%, respectively. Employment in retail, entertainment, recreation, and travel agency and tour operation, continues to increase.

## Tourism governance and funding

The Department of Tourism is the primary planning, programming, coordinating, implementing and regulatory government agency for tourism. It is responsible for the development and promotion of the tourism industry, domestically and internationally, in coordination with attached agencies and other government institutions. Dedicated units within the Department are charged with the following responsibilities:

- Tourism development – includes offices for product development, tourism development planning, research, and industry and manpower development,
- Tourism regulation, coordination, and resource generation – includes offices for tourism standards and regulations, tourism coordination, tourism resource generation, and all the regional and international offices,
- Special concerns and administration – includes the office for special concerns, the legislative liaison unit, and services for financial management, administrative affairs, legal affairs and internal audit.

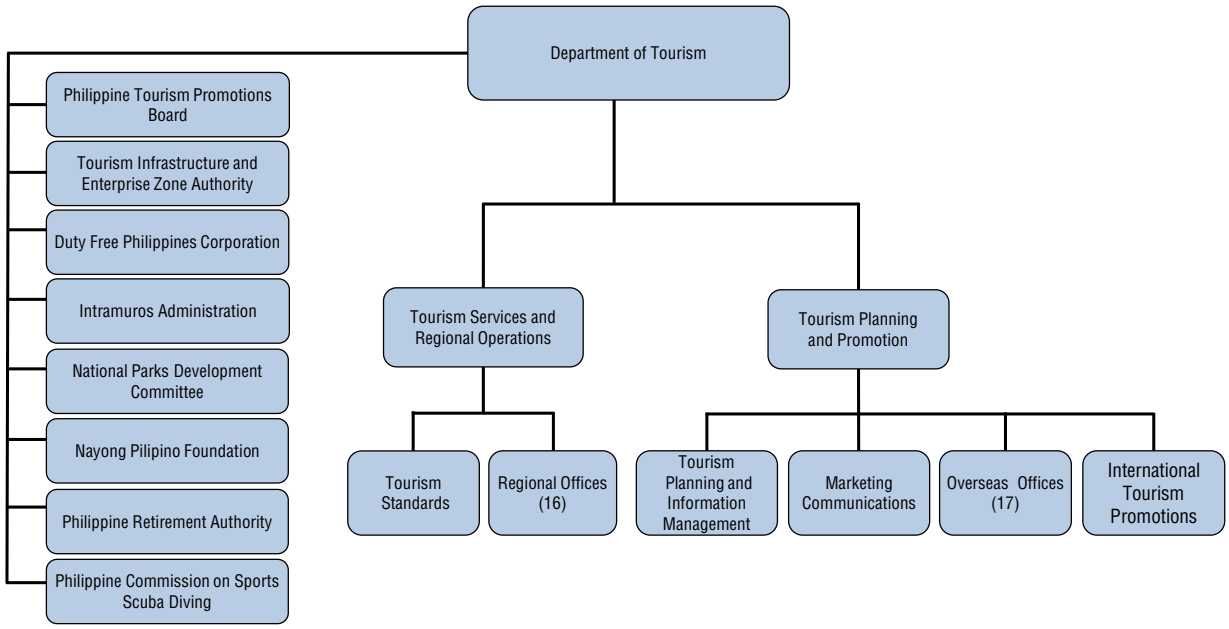
A number of agencies and corporations are under the supervision of the Department for programme and policy coordination, while continuing to operate under their respective charters. These include the Philippine Tourism Promotions Board, the Tourism Infrastructure

and Enterprise Zone Authority, the Duty Free Philippines Corporation, the Intramuros Administration, the National Parks Development Committee, the *Nayong Pilipino Foundation*, the Philippine Retirement Authority and the Philippine Commission on Sports Scuba Diving.

The Department of Tourism operates a network of regional offices around the country, which implement rules and regulations on the accreditation of tourism enterprises, coordinate with local government on tourism development, promotion and marketing, collect data, provide training and information, and assist tourists and tourism enterprises. The Department also operates offices in foreign countries to promote the Philippines as a tourism destination.

The Department of Tourism funding for tourism development comes from the Annual General Appropriations Act, which is approved by the Legislative body. Funding for tourism promotion is sourced from the corporate funds of the Tourism Promotions Board, while infrastructure development is sourced from the corporate funds of the Tourism Infrastructure and Enterprise Zone Authority.

**Philippines: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Department of Tourism, 2018.

## Tourism policies and programmes

The vast natural and cultural assets of the Philippine are the strength of its tourism industry. During the period of 2011-2016, the country adopted a sustainable tourism development framework to address the various issues and concerns of the industry as well as the needs of its diverse stakeholders. While there are continued problems in addressing infrastructure deficiencies, improving the business climate (particularly reducing the cost of doing business), and promoting social equity, the *National Tourism Development Plan (NTDP) 2016-2022* has identified two strategic directions that represent its two main objectives: i) Improving competitiveness and enhancing growth; ii) Pursuing sustainability and inclusive growth.

These strategic directions are closely interrelated and the successful implementation of the action programs is dependent upon each other. The NTDP is aligned with the overarching vision of the current administration called *Ambisyon Natin 2040* which has a goal to develop a foundation for inclusive growth, a high trust society and a globally competitive knowledge economy. The NTDP is likewise in support of the Philippine Development Plan and the Zero to 10-Point socio-economic agenda of the President.

The two strategic directions in the NTDP have led to the identification of major programs for the tourism sector, with guiding principles to shape projects towards the achievement of the Plan's objectives. The Plan's policy programs are as follows:

- Developing transport infrastructure – as the Philippines is an archipelago that is primarily dependent on air and sea connectivity to bring in tourists, it is important to make sure that airports and seaports are prepared to meet the requirements of both foreign and domestic tourists. A multi-modal transport infrastructure will ensure seamless travel within the country, which is crucial in the drive to disperse tourist traffic to emerging destinations.
- Pursuing travel facilitation – which will necessitate the relaxing of entry requirements and streamlining of processes, especially for high growth markets.
- Attracting tourism investments and improving the business environment as more accommodation facilities are envisioned in major and secondary destinations.
- Developing products – the country has identified nine products that will cater to both foreign and local tourists: nature, culture, sun and beach, leisure and entertainment, MICE, medical and wellness, cruising, diving, and education.
- Expanding marketing programs that can deliver increased visitors and revenue. The mix should ensure that any decrease in certain markets can be offset by growth in others. There is also a push to increase branding awareness and conversion.
- Advancing human resources – various mechanisms and programs have been identified to upgrade the skills and competencies of the tourism workforce to deliver a high quality service.
- Improving quality standards – programs that promote initiatives to embrace quality standards will be implemented by the industry.

For the second strategic direction on sustainability and inclusive growth, various programs to achieve the vision of the tourism sector are set out, such as:

- Micro-Small-Medium Enterprises – programmes directed to address inclusivity and sustainability issues for developing MSMEs are included in the NTDP which is anchored on the President's rural development program.
- Gender and equality – the tourism industry is committed to implement gender and women empowerment policies and programs for the industry.
- Cultural offering – programmes to expand the country's cultural offering will continue, with an emphasis on the conservation and restoration of historic and heritage sites.
- Environment – implementation of the National Ecotourism Strategy and Action Plan will continue with programmes on adapting green technologies that will be key to preserving the environment, and developing climate change resilience.
- Tourism risks and crises – formulating measures to prepare for and respond to tourism risks and crises.

## Statistical profile

Table 1. **Philippines: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 4 273 | 4 681 | 4 833 | 5 361 | 5 967 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Korea | 1 031 | 1 170 | 1 175 | 1 340 | 1 475 |
| United States | 653 | 675 | 723 | 779 | 869 |
| China | 251 | 426 | 395 | 491 | 676 |
| Japan | 412 | 434 | 464 | 496 | 535 |
| Australia | .. | .. | 225 | 241 | 251 |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 4 963 | 5 598 | 6 059 | 6 415 | 6 307 |
| International travel receipts | 4 061 | 4 690 | 5 030 | 5 272 | 5 139 |
| International passenger transport receipts | 902 | 909 | 1 029 | 1 142 | 1 168 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 7 140 | 8 399 | 11 129 | 11 868 | 11 826 |
| International travel expenditure | 6 548 | 7 833 | 10 598 | 11 343 | 11 275 |
| International passenger transport expenditure | 592 | 567 | 532 | 525 | 551 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642153

## Table 2. **Philippines: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed | | | | |
|---|---|---|---|---|---|---|
| | 2014 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | **4 561 000** | **4 709 000** | **4 820 000** | **4 971 000** | **5 224 000** |
| Accommodation services for visitors | .. | .. | .. | .. | .. | .. |
| Hotels and similar establishments | 8 841 | 1 579 000 | 1 601 000 | 1 694 000 | 1 743 000 | 1 756 000 |
| Food and beverage serving industry | .. | .. | .. | .. | .. | .. |
| Passenger transport | .. | 1 675 000 | 1 746 000 | 1 713 000 | 1 779 000 | 1 927 000 |
| Air passenger transport | .. | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | .. | .. | .. | .. | .. | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | .. | 26 000 | 29 000 | 30 000 | 26 000 | 33 000 |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | 338 000 | 343 000 | 349 000 | 349 000 | 368 000 |
| Retail trade of country-specific tourism characteristic goods | .. | 300 000 | 312 000 | 319 000 | 323 000 | 353 000 |
| Other country-specific tourism industries | .. | 643 000 | 678 000 | 714 000 | 751 000 | 787 000 |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642172

## Table 3. **Philippines: Internal tourism consumption**

Million PHP

| | 2016 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **2 108 216** | **2 108 216** | **4 216 432** |
| Tourism characteristic products | 1 353 334 | 1 353 334 | 2 706 668 |
| Accommodation services for visitors | 445 897 | 81 163 | 527 060 |
| Food and beverage serving services | 123 877 | 75 735 | 199 612 |
| Passenger transport services | 210 714 | 71 538 | 282 252 |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | .. | .. | .. |
| Travel agencies and other reservation services industry | 140 169 | 2 418 | 142 587 |
| Cultural services | .. | .. | .. |
| Sports and recreation services | 120 469 | 39 719 | 160 188 |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | 312 208 | 39 243 | 351 451 |
| Other consumption products | 754 882 | 3 791 | 758 673 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642191

# Romania

## Tourism in the economy

Romania welcomed 10.2 million international arrivals in 2016, an increase of 9.6% on 2015. Of these, 2.5 million stayed overnight in commercial accommodation (up 10.6% on 2015). Germany, Italy, France and the United Kingdom were the main source markets in 2016, together accounting for 32.4% of overnight international visitors. Romanian's made nearly 47 million domestic trips in 2016, of which 15 million were overnight (down 7.3%), generating nearly 20 million nights in hotels and similar establishments (up 8.2%). Despite a decrease of 3.9% in 2016 to RON 14.5 billion, domestic travel receipts have demonstrated strong growth in recent years, more than doubling from RON 6.9 billion in 2010.

In 2014, tourism directly contributed RON 12.5 billion (up 7.6% on 2013) or 2% of GDP.

## Tourism governance and funding

The Ministry of Tourism and Culture (the "Ministry") performs various functions, including:

- Policies and strategies for tourism promotion and marketing aimed at international and domestic markets, including promotion of the national brand,
- Policies and strategies for the development of destinations and products, including investment programmes and collaboration with public and private bodies,
- Policies and strategies to increase the competitiveness of destinations, promoting natural and cultural assets and working with businesses to improve service quality,
- Authorisation and control of the activities of the tourism industry,
- Evaluation and selection of applications for EU programmes.

At a national level the private sector is organised into associations based on different sub-sectors of tourism (rural tourism, spa tourism, business tourism, ecotourism) or on different professions (tour operators and travel agents, hotels, bed and breakfast, tour guides, cooks and confectioners). There is also a Federation of Tourism Patrons.

An Inter-Ministerial Committee of Tourism, which brings together several ministries, was established to help the integration and sustainable development of tourism, with a focus on addressing environmental protection, economic measures, and the protection of cultural and natural heritage.

The Consultative Council for Tourism brings together national representatives from the public and private sectors and NGOs to discuss aspects of tourism policy.

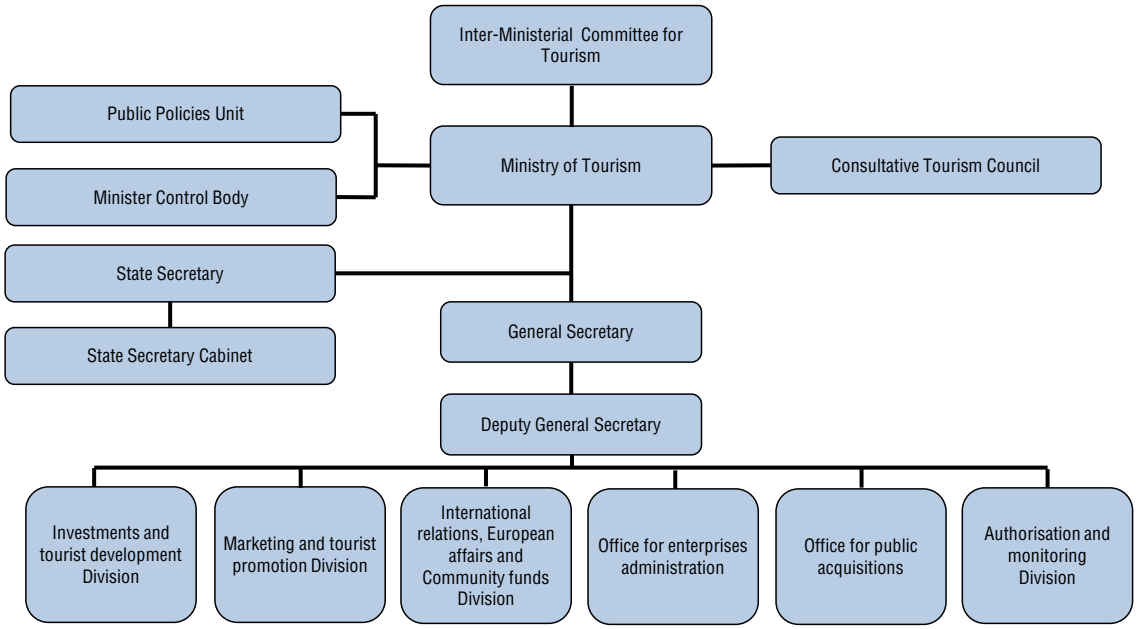
Tourism related departments can be established within local authorities but are not subordinate to the Ministry or other central bodies. Rather, the relationship is based on

co-operation. However, the Ministry is responsible for legal acts and regulations relating to tourism that need to be implemented locally.

Local tourism associations at a regional, county or municipal level bring together the public and private sectors, and NGOs.

The Ministry of Tourism has a budget of RON 80 million, from which RON 25 million is utilised for investment in tourism infrastructure.

**Romania: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Tourism, 2018.

## Tourism policies and programmes

Tourism faces many challenges in Romania. These include the development of the tourism infrastructure and the need to improve promotion, together with a shortage of financial resources, a lack of collective vision and a passive attitude by the travel trade. Many issues are structural, including creating the legal framework for running tourist activities, frequent changes in tax policies, inadequate stakeholder collaboration, and lack of professional managers for effective destination management.

The main policy document is the National Tourism Development Master Plan 2007-2026, developed in collaboration with the UN World Tourism Organization. This is supported by sectoral strategies, including the National Ecotourism Strategy (elaborated in 2009), the National Strategy for Spa Tourism (elaborated in 2009), and the Marketing Strategy and Operational Plan for Romania (2011-2015).

The strategic direction is towards the sustainable development of tourism and to a higher value added model, powered by knowledge, innovation, improvement in living standards and harmony with the natural environment. The short and mid-term strategic objectives are to:

- Adopt the Tourism Law in 2017,
- Adopt the Master Plan for investments in tourism,

- Implement the law on holiday vouchers for public employees,
- Develop an integrated tourism strategy in order to adjust to global trends in the tourism sector,
- Provide high quality human resources, which will lead to increased quality of tourism services and raise the competitiveness of Romanian tourism,
- Adopt the law for Destination Management Organisations,
- Enhance the position of Romania as a tourism destination within European markets,
- Attract new segments and markets by respecting the principles of sustainability and ethics in tourism.

There have been various achievements in the process of developing more sustainable tourism. A specific area of focus has been in the field of ecotourism, with activities including: the National Ecotourism Strategy; recognition of ecotourism destinations based on specific criteria; the certification of 50 eco-products, with a further 16 undergoing certification; and the development of walking routes and trails. Other achievements include training programmes for people working in tourism.

Romania has been particularly active as a partner in international collaborative programmes. Examples include:

- Coordination with the Ministry of Tourism of Bulgaria, in the promotion of culture, tourism and interpersonal contacts within the EU Strategy for the Danube Region,
- Collaboration between Ministries of Tourism and of Culture within the Enlarged Partial Agreement on Cultural Routes, established by the Council of Europe,
- Collaboration with the Ministry of Environment within the Carpathian Convention, which aims to encourage co-operation for the protection and sustainable development of the Carpathians, to improve quality of life and preserve natural and cultural values.

A particularly important initiative for 2017 is the adoption of the law regarding the development and implementation of a three-tiered Destination Management Organisation (DMO) structure (national, regional and local). The law will create a partnership between the public and private sectors and NGOs and raise awareness of their roles in promoting the tourism destination as a whole (Box 1.3).

## Statistical profile

Table 1. **Romania: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 53 513 | 52 411 | 50 084 | 52 762 | 46 986 |
| Overnight visitors (tourists) | 15 833 | 16 358 | 15 840 | 16 194 | 15 015 |
| Same-day visitors (excursionists) | 37 680 | 36 053 | 34 244 | 36 568 | 31 971 |
| Nights in all types of accommodation | 15 800 | 15 831 | 16 468 | 18 985 | 20 463 |
| Hotels and similar establishments | 15 361 | 15 438 | 16 049 | 18 471 | 19 990 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 439 | 393 | 419 | 514 | 472 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 7 937 | 8 019 | 8 442 | 9 331 | 10 223 |
| Overnight visitors (tourists) | 1 653 | 1 715 | 1 912 | 2 235 | 2 471 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| Germany | 230 | 229 | 234 | 267 | 282 |
| Italy | 182 | 182 | 185 | 211 | 234 |
| France | 118 | 119 | 124 | 134 | 146 |
| United Kingdom | 92 | 93 | 112 | 126 | 141 |
| Hungary | 90 | 99 | 217 | 120 | 138 |
| Nights in all types of accommodation | 3 292 | 3 471 | 3 762 | 4 460 | 4 812 |
| Hotels and similar establishments | 3 215 | 3 405 | 3 746 | 4 428 | 4 782 |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | 77 | 67 | 16 | 33 | 30 |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 9 874 | 10 608 | 11 307 | 11 153 | 9 895 |
| Overnight visitors (tourists) | 9 474 | 10 228 | 11 021 | 10 988 | 9 782 |
| Same-day visitors (excursionists) | 399 | 380 | 286 | 165 | 113 |
| Top destinations | | | | | |
| Greece | 147 | 98 | 106 | 137 | 136 |
| Bulgaria | 139 | 101 | 86 | 111 | 133 |
| Turkey | 197 | 117 | 105 | 99 | 103 |
| Spain | 122 | 53 | 56 | 60 | 65 |
| Italy | .. | 45 | 37 | 47 | 52 |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 1 466 | 2 006 | 2 225 | 2 097 | 1 723 e |
| International travel receipts | 1 466 | 1 590 | 1 827 | 1 711 | 1 723 e |
| International passenger transport receipts | .. | 416 | 398 | 386 | .. |
| **Outbound tourism** | | | | | |
| Total international expenditure | 1 832 | 2 164 | 2 641 | 2 330 | 2 137 e |
| International travel expenditure | 1 832 | 2 057 | 2 417 | 2 058 | 2 137 e |
| International passenger transport expenditure | .. | 108 | 224 | 272 | .. |

.. Not available; e Estimated value
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642210

## Table 2. **Romania: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed[2] | | | | |
|---|---|---|---|---|---|---|
| | 2014 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **43 993** | **368 952** | **348 871** | **349 375** | .. | .. |
| Accommodation services for visitors | 11 083 | 46 501 | 45 837 | 50 035 | .. | .. |
| Hotels and similar establishments | 6 206 | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 16 445 | 122 478 | 114 097 | 111 812 | .. | .. |
| Passenger transport | 6 626 | 152 249 | 139 552 | 131 894 | .. | .. |
| Air passenger transport | 53 | 8 982 | 7 817 | 5 938 | .. | .. |
| Railways passenger transport | 26 | 42 883 | 35 855 | 37 228 | .. | .. |
| Road passenger transport | 6 507 | 98 124 | 93 175 | 86 824 | .. | .. |
| Water passenger transport | 40 | 2 260 | 2 705 | 1 904 | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | 405 | 814 | 250 | 1 013 | .. | .. |
| Travel agencies and other reservation services industry | 2 237 | 6 753 | 10 366 | 14 707 | .. | .. |
| Cultural industry | 846 | 12 264 | 11 652 | 15 427 | .. | .. |
| Sports and recreation industry | 3 154 | 27 893 | 27 117 | 24 487 | .. | .. |
| Retail trade of country-specific tourism characteristic goods | 3 197 | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available
1. Data refer to number of enterprises.
2. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642229

## Table 3. **Romania: Internal tourism consumption**

Million RON

| | 2014 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **5 316** | **27 741** | **33 410** |
| Tourism characteristic products | 4 806 | 24 160 | 29 249 |
| Accommodation services for visitors | 2 464 | 5 864 | 8 508 |
| Food and beverage serving services | 1 036 | 6 969 | 8 108 |
| Passenger transport services | 164 | 6 924 | 7 088 |
| Air passenger transport services | 36 | 2 426 | 2 462 |
| Railways passenger transport services | 8 | 366 | 374 |
| Road passenger transport services | 111 | 4 118 | 4 229 |
| Water passenger transport services | 9 | 14 | 23 |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 154 | .. | 154 |
| Travel agencies and other reservation services industry | .. | 3 006 | 3 006 |
| Cultural services | 121 | 328 | 448 |
| Sports and recreation services | 433 | 444 | 877 |
| Country-specific tourism characteristic goods | 267 | .. | 267 |
| Country-specific tourism characteristic services | 168 | 626 | 793 |
| Other consumption products | 510 | 3 581 | 4 161 |
| Tourism connected products | .. | .. | .. |
| Non-tourism related consumption products | .. | .. | .. |
| **Non-consumption products** | .. | .. | .. |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642248

# Russian Federation

## Tourism in the economy

A detailed calculation on the value of tourism to the Russian economy has been undertaken by the Federal State Statistical Service, using internationally agreed methodologies. This revealed that the share of Russian GDP attributable to tourism rose from 3% in 2011 to 3.5% in 2014. Furthermore, in 2016, tourism is estimated to have directly employed 508 228 people, up 20.4% on the previous year.

In 2016 the tourist industry in Russia finally recovered from the shocks of 2014-15, stemming from the overall national and global economic situation, and the bankruptcy of several major tour operators and the second largest air carrier.

Domestic tourism is significant in Russia and with a strong orientation towards wellness-medical, historical, and religious tourism, while inbound tourism is mainly driven by cultural-historic themes and events. Domestic tourism in 2016 experienced a growth of 10.4% in overnight trips to 48.2 million, compared to 43.7 million the previous year. High levels of early bookings in many popular destinations resulted in high accommodation occupancy rates. In 2016, 24.6 million overnight international arrivals were recorded (down 8.5%), with the two largest markets being China and Germany.

In 2016, international departures decreased by 7.9% to 31.7 million, compared to 34.4 million in the previous year.

## Tourism governance and funding

The main executive body at the federal level is the Federal Tourism Agency (Rosturizm), which is under the jurisdiction of the Ministry of Culture of the Russian Federation. The Agency comprises five offices, covering: state tourism projects and tourism security; legal matters; international co-operation; internal tourism and target programmes; and general affairs.

Examples of the Agency's activities include: regular provision of information on tourism; legal changes and regulations; measures to support the improvement of the industry; and registration of tour operators.

The National Tourist Marketing Centre (FSUE) and the National Tourism Development Corporation fall under the jurisdiction of Rosturizm.

A Coordination Council was created for the Federal Target Programme (FTP) for the Development of Domestic and Inbound Tourism 2011-18. This includes representatives of the Ministry of Culture, Rosturizm, the Chamber of Industry and Commerce, the Public Chamber and other associations, the Ministry of Agriculture, the Ministry of Sport, the State Duma, the Council of the Federation, and the Ministry of Economic Development. The

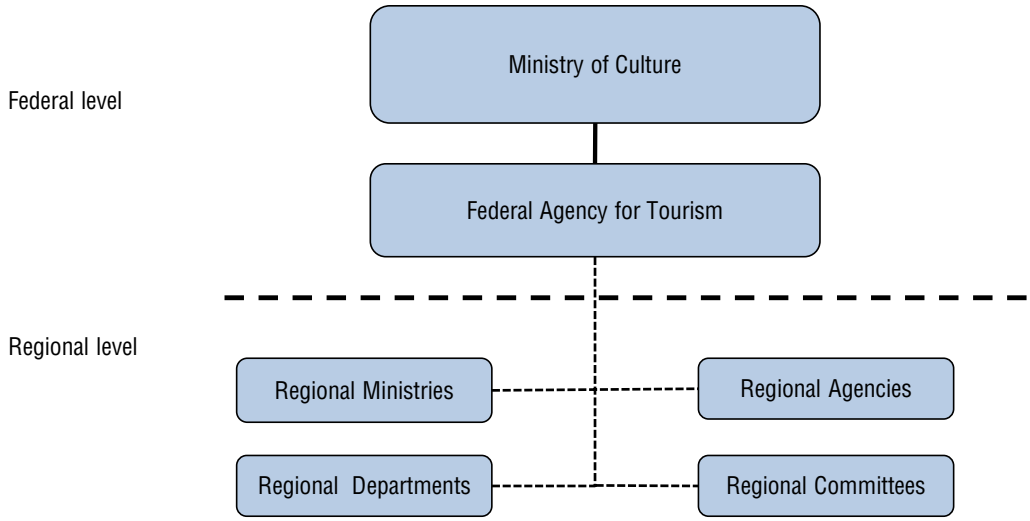
Council facilitates coordination and co-operation with various agencies and interested parties, including associations, experts and state enterprises.

Different powers for the implementation of tourism are vested in the federal authorities and constituent entities, which operate below the federal level. The powers of the constituent entities cover matters such as participation in tourism development programmes, professional training, international activities and research. Local bodies in the field of tourism also have powers in these areas as well as in promoting access to tourism resources, participating in activities at different levels and the creation and functioning of tourist information centres.

Rosturizm has no territorial bodies. The constituent entities fall under a variety of ministries and agencies, which vary between the different republics and cities. Interaction with Rosturizm depends on information exchange and the work of coordination councils and working groups.

In accordance with the State Programme "Development of culture and tourism for 2013-2020", the total federal budget appropriated for tourism development activities is RUB 3.6 billion.

**Russian Federation: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Ministry of Culture, 2018.

## Tourism policies and programmes

In the FTP for the Development of internal and inbound tourism in the Russian Federation (2011-2018), the following factors were identified as constraining increased competitiveness:

- Weak or absent infrastructure, as an obstacle for attracting private investment,
- Poor condition of tourism infrastructure in many locations,
- Lack of long-term credit instruments available to investors, with interest rates acting as a disincentive for investment in tourism and recreation,
- Low quality of services in the tourism industry due to lack of professional personnel,
- Insufficient promotion of tourist products in world markets.

Additional current trends identified in the strategy to 2020 include:

- Growth in tourist arrivals from countries with an unstable political situation,
- Growth in outbound tourism from Russia, partly as a result of more relaxed visa regimes in recipient countries, presenting a challenge for domestic tourism,
- Global growth in demand for nature tourism, presenting an opportunity for Russia due to its wealth of natural assets.

Priorities identified in the FTP for Tourism 2011-2018 include:

- Development of the tourism and recreational product,
- Increase in the quality of tourism services,
- Promotion of the tourist product to international and internal markets.

The State Programme for the Development of culture and tourism for 2013-2020 identifies a range of national priorities for tourism:

- Preserving the cultural and historical heritage of people,
- Ensuring access by citizens to cultural values and participation in cultural life,
- Implementing the creative potential of the nation,
- Increasing the quality and accessibility of services in the field of domestic and international tourism,
- Creating favourable conditions for sustainable development of culture and tourism.

The following measures are being taken in response to the priorities:

- Capital construction and modernisation of tourism products and infrastructure,
- Research and assessment of tourist potential of the regions to identify priority projects,
- Creation and implementation of territorial plans for tourism, with constituent entities,
- Development of a tailored system of training for the tourism and hospitality sector,
- Development of conditions for effective activities by self-regulating organisations,
- Implementation of the use of innovative technologies in tourism development and in the management of quality of tourist services,
- Execution of information and promotion campaigns, including advertising on TV, in electronic mass media and press, as well as outdoor advertising, execution of press-tours and supporting the work of information centres and stations,
- Creation of competitive digital content of information sources,
- Organisation and hosting of international and pan-Russian tourism forums, exhibitions and other activities,
- Implementation of the use of innovative technologies in the promotion of tourist products.

A network of national marketing centres has been established for the promotion of Russian tourism products abroad. Managed by the FSUE (Visit Russia), these follow new principles of partnership between state and businesses.

Various steps have been taken to further relax the visa regime for visiting Russia. These include the identification of six short tours of up to three days, which are offered as visa-free for foreign tourists.

### Innovative and inclusive marketing approaches in Russia

An initiative to strengthen the awareness and image of Russia internationally, and to involve Russian citizens, has been a competition to design a new logo to support the Russian tourist brand. Ten finalists were identified, followed by a vote on the "Russia Travel" portal.

Tourism monitoring processes have included an analysis of consumer messages on social media. A geographically distributed automated system (GDAS) has been used to collect data from sources such as Twitter, *Vkontakte*, Facebook, *Odnoklassniki*, Google+, LiveJournal, YouTube and Instagram, as well as from blogs, forums, reference sites, online-media and thematic sites. Monitoring is used to establish ratings of tourist destinations and operators. This data is used to check and supplement information on the national portal "Russia Travel", and for the identification of popular destinations and the compilation of tourist routes.

## Statistical profile

Table 1. **Russian Federation: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | 31 798 | 32 561 | 33 799 | 43 657 \| | 48 215 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | 25 438 | 26 852 | 24 571 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| Nights in all types of accommodation | .. | .. | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | .. | .. | .. | .. | .. |
| Overnight visitors (tourists) | .. | .. | 42 921 | 34 390 | 31 659 |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 17 876 | 20 199 | 19 451 | 13 204 | 12 823 |
| International travel receipts | 10 759 | 11 988 | 11 759 | 8 420 | 7 788 |
| International passenger transport receipts | 7 117 | 8 210 | 7 692 | 4 784 | 5 035 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 48 096 | 59 503 | 55 382 | 38 434 | 27 653 |
| International travel expenditure | 42 798 | 53 453 | 50 428 | 34 932 | 23 951 |
| International passenger transport expenditure | 5 298 | 6 051 | 4 954 | 3 502 | 3 702 |

.. Not available; | Break in series
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642267

## Table 2. **Russian Federation: Enterprises and employment in tourism**

| | Number of establishments[1] | Number of persons employed[2] | | | | |
|---|---|---|---|---|---|---|
| | 2016 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | **114 566** | **430 414** | **421 593** | **442 760** | **422 027** | **508 228** |
| Accommodation services for visitors | 20 023 | 386 359 | 375 322 | 399 146 | 402 577 | 466 643 \| |
| Hotels and similar establishments | 14 948 | 140 997 | 140 898 | 151 076 | 153 975 | 220 127 \| |
| Food and beverage serving industry | 80 532 | .. | .. | .. | .. | .. |
| Passenger transport | 1 616 | .. | .. | .. | .. | .. |
| Air passenger transport | 91 | .. | .. | .. | .. | .. |
| Railways passenger transport | .. | .. | .. | .. | .. | .. |
| Road passenger transport | 1 316 | .. | .. | .. | .. | .. |
| Water passenger transport | 209 | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 12 395 | 42 370 | 43 973 | 41 337 | 17 316 | 39 969 |
| Cultural industry | .. | .. | .. | .. | .. | .. |
| Sports and recreation industry | .. | .. | .. | .. | .. | .. |
| Retail trade of country-specific tourism characteristic goods | .. | .. | .. | .. | .. | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

.. Not available; | Break in series
1. Data refer to number of enterprises.
2. Data refer to number of employees.
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933642286

# South Africa

## Tourism in the economy

Tourism is a growth sector which is envisaged to play a major role in supporting national economic growth in South Africa. In 2016, direct tourism GDP was estimated to be ZAR 127.9 billion (up 7.8%), representing approximately 3% of total GDP. Tourism is also a key contributor to employment, with 711 746 jobs (up 4.7%) directly attributable to tourism in 2015, accounting for 4.5% of total employment.

A total of 10 million inbound overnight arrivals were recorded in 2016, a 12.8% increase from 2015. The three leading origin markets were Zimbabwe, Lesotho, and Mozambique, together accounting for over half of total overnight international arrivals (50.3%).

In the domestic market, there were 24.3 million overnight visitors in 2016 (down 0.7%), who stayed 103.4 million nights in all forms of accommodation (up 0.9%), generating ZAR 26.5 billion in domestic travel receipt (up 12.3% on 2015).

## Tourism governance and funding

The Ministry of Tourism has had oversight of the tourism portfolio since its establishment in 2009. This involves crafting policies and sector strategies as appropriate, working closely with public and private sector stakeholders. Oversight is also exercised over South African Tourism (SAT), the public entity responsible for the country's destination marketing at home and abroad.

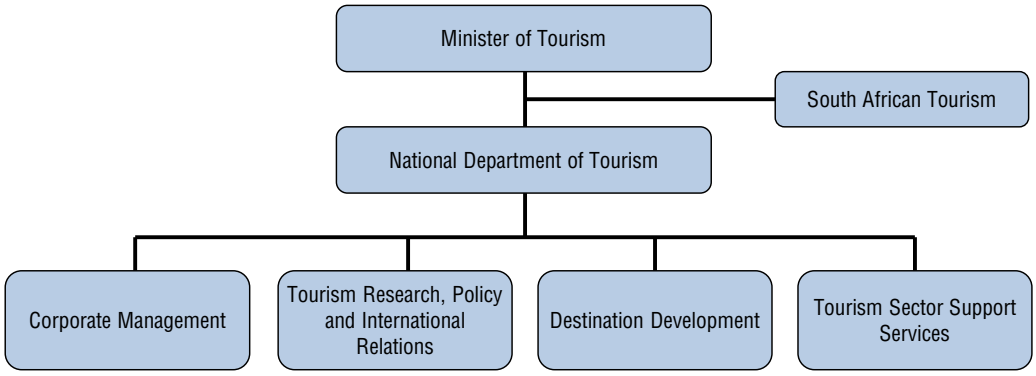
At the provincial level, a Member of the Executive Council in each of South Africa's nine provinces is charged with responsibility for tourism. Each province also has a provincial tourism marketing organisation, complementing the activities of SAT.

Horizontal coordination is undertaken through the National Tourism Stakeholder Forum of the Department of Tourism, which consists of representatives of key ministries and institutions with an impact on tourism, such as Statistics South Africa, the Airline Association of Southern Africa and the Tourism Business Council of South Africa. Further bi-lateral arrangements are in place with other ministries such as the Ministry of Home Affairs and the Ministry of Transport. These involve tourism officials working in key policy fora convened by the ministries to ensure the consideration of tourism impacts of any policy proposals at their formulation stage.

The Department of Tourism's budget for the fiscal period 2017-18 is ZAR 2.1 billion of which 53% (ZAR 1.1 billion) is allocated to SAT. The remaining ZAR 1 billion is distributed amongst tourism incentives, an expanded public works programme (including skills development), destination development, enterprise development and visitor support services.

The SAT budget is deployed towards increasing the country's global market share and growing the domestic tourism market in a manner that promotes inclusive growth.

**South Africa: Organisational chart of tourism bodies**




*Source:* OECD, adapted from the Department of Tourism, 2018.

## Tourism policies and programmes

The Tourism Act of 2014 provides the overarching legislative context within which tourism development and growth is pursued. The key framework document guiding both public and private sector action since 2011 is the National Tourism Sector Strategy (NTSS).

A draft revised NTSS has now been published for public comment after which it will be processed through the government system for approval by the Cabinet. It seeks to respond to developments in the domestic and international environment and keep up with global trends including changes in the demography of the tourist market and associated consumer needs. The new NTSS envisions a rapidly growing South African tourism economy that leverages the country's competitive advantages in nature, culture and heritage supported by innovative products and service excellence. The goal is to attract 5 million additional tourists to South Africa within the next five years.

Five strategic pillars have been identified to underpin future work addressing both domestic and international tourism markets:

- Effective marketing,
- Facilitating ease of access,
- Enhancing the visitor experience,
- Improving destination management practices,
- Ensuring inclusivity in all tourism endeavours.

Once the revised NTSS is approved, the pillars will inform collaborative planning and the implementation of agreed priority actions by the constituent parts of the sector.

A major new focus is the development of a system of destination management to increase the country's competitiveness. Initiatives include the provision of infrastructure development, maintenance, and enhancement, and the diversification of tourism products, experiences and routes. The emphasis will be on coordination of the tourism investment portfolio and the prioritised projects to advance the establishment and enhancement of tourism infrastructure that supports the current and future growth of the sector. Targeted foreign and national investment opportunities including priority areas for tourism product development are being coordinated. Investment in the development of tourism products is critical for destination competitiveness and to meet the needs of both domestic and international visitors.

The Department of Tourism is also developing a framework for precinct development, with an emphasis on township and rural tourism. This framework will be implemented through an initial township precinct pilot project and thereafter replicated in other viable townships and rural areas across the country.

Following the launch of the Tourism Incentive Programme in the 2015/16 fiscal year, implementation remains focused on key areas of intervention, namely:

- Market Access: assisting small businesses to access local and international markets through targeted exposure,
- Tourism Grading: supporting small establishments to participate in the national grading system thereby improving their ability to offer quality services and compete efficiently in the market,
- Energy Efficiency: supporting energy efficiency initiatives,
- Universal Accessibility: promoting universal accessibility in tourism.

## Statistical profile

Table 1. **South Africa: Domestic, inbound and outbound tourism**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **TOURISM FLOWS, THOUSAND** | | | | | |
| **Domestic tourism** | | | | | |
| Total domestic trips | 350 200 | 278 700 | 273 884 | 248 903 | 149 486 |
| Overnight visitors (tourists) | 25 400 | 25 200 | 28 009 | 24 451 | 24 280 |
| Same-day visitors (excursionists) | 324 800 | 253 500 | 245 875 | 224 452 | 125 206 |
| Nights in all types of accommodation | 121 200 | 111 300 | 113 100 | 102 486 | 103 418 |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Inbound tourism** | | | | | |
| Total international arrivals | 13 069 | 14 318 | 14 529 | 14 627 | 16 158 |
| Overnight visitors (tourists) | 9 188 | 9 537 | 9 549 | 8 904 | 10 044 |
| Same-day visitors (excursionists) | 3 881 | 4 781 | 4 980 | 5 723 | 6 114 |
| Top markets | | | | | |
| Zimbabwe | 1 848 | 1 935 | 2 144 | 1 901 | 2 029 |
| Lesotho | 1 618 | 1 461 | 1 502 | 1 395 | 1 757 |
| Mozambique | 1 104 | 1 117 | 1 283 | 1 200 | 1 268 |
| Swaziland | 769 | 836 | 918 | 838 | 894 |
| Botswana | 452 | 537 | 556 | 594 | 680 |
| Nights in all types of accommodation | 67 500 | 79 889 | .. | .. | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. |
| Specialised establishments | .. | .. | .. | .. | .. |
| Other collective establishments | .. | .. | .. | .. | .. |
| Private accommodation | .. | .. | .. | .. | .. |
| **Outbound tourism** | | | | | |
| Total international departures | 5 031 | 5 168 | 5 382 | 5 414 | 5 551 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| .. | .. | .. | .. | .. | .. |
| **TOURISM RECEIPTS AND EXPENDITURE, MILLION USD** | | | | | |
| **Inbound tourism** | | | | | |
| Total international receipts | 11 202 | 10 468 | 10 484 | 9 140 | 8 808 |
| International travel receipts | 9 996 | 9 245 | 9 338 | 8 259 | 7 919 |
| International passenger transport receipts | 1 206 | 1 223 | 1 146 | 881 | 888 |
| **Outbound tourism** | | | | | |
| Total international expenditure | 7 145 | 6 490 | 6 313 | 5 735 | 5 354 |
| International travel expenditure | 4 069 | 3 429 | 3 169 | 2 998 | 2 858 |
| International passenger transport expenditure | 3 076 | 3 062 | 3 145 | 2 737 | 2 496 |

.. Not available
*Source:* OECD Tourism Statistics (Database).

StatLink http://dx.doi.org/10.1787/888933641184

## Table 2. **South Africa: Enterprises and employment in tourism**

| | Number of establishments | Number of persons employed[1] | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Total** | .. | .. | .. | .. | .. | .. |
| **Tourism industries** | .. | **646 390** | **657 766** | **679 560 p** | **711 746 p** | .. |
| Accommodation services for visitors | 9 830 p | 119 431 | 103 363 | 115 424 p | 135 737 p | .. |
| Hotels and similar establishments | 2 725 p | .. | .. | .. | .. | .. |
| Food and beverage serving industry | .. | 121 197 | 128 401 | 137 483 p | 141 431 p | .. |
| Passenger transport | .. | 225 709 | 236 052 | 234 822 p | 242 335 p | .. |
| Air passenger transport | .. | 36 242 | 31 861 | 34 750 p | 31 737 p | .. |
| Railways passenger transport | .. | 6 049 | 6 766 | 6 131 p | 5 198 p | .. |
| Road passenger transport | .. | 180 576 | 195 472 | 193 032 p | 203 376 p | .. |
| Water passenger transport | .. | 2 842 | 1 953 | 909 p | 2 024 p | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | 18 265 | 13 151 | 7 768 p | 10 295 p | .. |
| Travel agencies and other reservation services industry | .. | 17 784 | 24 744 | 30 146 p | 29 134 p | .. |
| Cultural industry | .. | 12 590 | 16 045 | 15 904 p | 17 122 p | .. |
| Sports and recreation industry | .. | 16 144 | 17 055 | 16 735 p | 21 121 p | .. |
| Retail trade of country-specific tourism characteristic goods | .. | 115 270 | 118 956 | 121 277 p | 114 571 p | .. |
| Other country-specific tourism industries | .. | .. | .. | .. | .. | .. |
| **Other industries** | .. | .. | .. | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641203

## Table 3. **South Africa: Internal tourism consumption**

Million ZAR

| | 2015 | | |
|---|---|---|---|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| **Total** | .. | .. | .. |
| **Consumption products** | **140 930 p** | **108 760 p** | **249 690 p** |
| Tourism characteristic products | 100 840 p | 65 016 p | 165 856 p |
| Accommodation services for visitors | 20 109 p | 16 354 p | 36 463 p |
| Food and beverage serving services | 6 272 p | 9 946 p | 16 218 p |
| Passenger transport services | 60 627 p | 27 108 p | 87 734 p |
| Air passenger transport services | 18 953 p | 12 957 p | 31 909 p |
| Railways passenger transport services | 381 p | 186 p | 567 p |
| Road passenger transport services | 41 283 p | 13 960 p | 55 243 p |
| Water passenger transport services | 10 p | 5 p | 15 p |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 3 047 p | 1 558 p | 4 606 p |
| Travel agencies and other reservation services industry | 7 223 p | 3 034 p | 10 257 p |
| Cultural services | 178 p | 192 p | 370 p |
| Sports and recreation services | 3 384 p | 6 824 p | 10 208 p |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 40 090 p | 43 744 p | 83 834 p |
| Tourism connected products | 14 080 p | 16 187 p | 30 267 p |
| Non-tourism related consumption products | 26 010 p | 27 557 p | 53 567 p |
| **Non-consumption products** | .. | .. | .. |

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

StatLink http://dx.doi.org/10.1787/888933641222

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# OECD Tourism Trends and Policies 2018

*OECD Tourism Trends and Policies*, published biennially, analyses key policy and governance reforms in tourism. It builds on the work of the OECD Tourism Committee, within the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE). The report is an international reference and benchmark on how effectively countries are supporting competitiveness, innovation and growth in tourism.

The 2018 edition analyses tourism performance and policy trends across 49 OECD countries and partner economies. It highlights the need for coherent and comprehensive approaches to tourism policy making, and the significance of the tourism economy, with data covering domestic, inbound and outbound tourism, enterprises and employment, and internal tourism consumption. Thematic chapters explore how understanding the potential impacts of megatrends can better shape the future of tourism, and the need for a shift towards investment and financing for sustainable tourism growth.

Consult this publication on line at ***http://dx.doi.org/10.1787/tour-2018-en***.

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