OECD Tourism Trends and Policies 2012

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Foreword

This third edition of OECD Tourism Trends and Policies *provides comprehensive policy analysis and statistical data building on the work of the Organisation's Tourism Committee and, for the first time, in partnership with the European Commission. The report serves as a tool to analyse tourism trends and policies, and reforms in organisation and governance in 51 countries, including all OECD and EU members.*

OECD Tourism Trends and Policies *highlights the important role of tourism as an economic driver, an export industry, and an engine for job creation. The potential of tourism for growth, in an uncertain economic climate, is also underlined, particularly in emerging tourism economies.*

The report begins by exploring the critical role of governance, in light of the cross cutting nature of tourism. It provides examples of governance practices that help to facilitate an integrated governmental approach to tourism, including better definition of the roles and responsibilities of tourism organisations, the development of national tourism strategies, and the establishment of Destination Management Organisations.

It then goes on to consider the issue of evaluation in tourism, where there has been a growing recognition of the need for robust evaluation of policies and programmes. It includes an evaluation road map, which outlines a series of steps necessary for effective evaluation.

The report also examines policy approaches to skills development in tourism, highlighting the increasing gap between labour demand growth and labour supply, and the need for tourism employers to develop strategies to remain competitive with a smaller but better trained workforce. Indeed, fully addressing labour and skills shortages requires a national tourism strategy that includes a workforce development strategy.

This year, OECD Tourism Trends and Policies *includes new countries, new data, and indicators, with all tables and figures available on line. Data included in the detailed country profiles have been used to produce synthesis tables on international tourism, travel receipts and expenditure, and domestic and inbound tourism consumption. The areas addressed for each country include tourism in the economy, tourism organisation and budgets, and an analysis of tourism-related policies and programmes.*

The report benefitted from significant contributions, feedback and guidance from policy makers and statisticians from both OECD countries and non-member economies, all of whom worked closely with the Secretariat to accurately present current policies, good practices, and a wide range of statistics.

Sergio Arzeni
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Alain Dupeyras co-ordinated the production of this year's edition of *OECD Tourism Trends and Policies*, in close collaboration with Peter Haxton. Chapter 1 was drafted by Dr. Noel Scott, Associate Professor, School of Tourism, University of Queensland, Australia. Chapters 2 and 3 build upon previous work undertaken by the OECD Tourism Committee on the Evaluation of Tourism Policies and Programmes, and Education and Training for Competitiveness and Growth in Tourism, respectively. Chapter 2 was drafted by Neil MacCallum, Consultant, Scotland, and Chapter 3 was drafted by Prof. Marion Joppe, School of Hospitality and Tourism Management, University of Guelph, Canada. Chapter 4 was edited by Graham Todd. All chapters benefitted from significant inputs from all OECD member countries and non-member economies as well as from the OECD Tourism Committee Secretariat: Alain Dupeyras, Peter Haxton, Chulmin Kim (synthesis tables), Jeongbae Kim (statistical tables), Adèle Renaud and Nadia Urmston.

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Executive Summary

OECD Tourism Trends and Policies analyses the key policy reforms and developments to boost competitiveness and sustainability in tourism for each OECD country, and selected non-members. The OECD has developed a new strategic partnership with the European Commission to provide more in-depth analysis of recent trends and policy issues, expanding overall coverage to 51 countries, including all EU members.

This new edition focuses on issues that are particularly relevant to maintaining and improving jobs and growth, notably effective governance (Chapter 1), the evaluation of policies and programmes (Chapter 2), and skills development (Chapter 3). Country-specific trends and policies are described in greater detail in each of the individual country profiles (Chapter 4).

OECD Tourism Trends and Policies indicates that governments are becoming increasingly aware of the importance of tourism as an economic driver and for achieving their stated economic development policies and goals. There is also an understanding of the need to incorporate tourism thoroughly across all arms of government in policy development and implementation, and to co-operate effectively with the private sector. In many economies, priorities are to develop strong public sector management capabilities and a multi-actor system of governance.

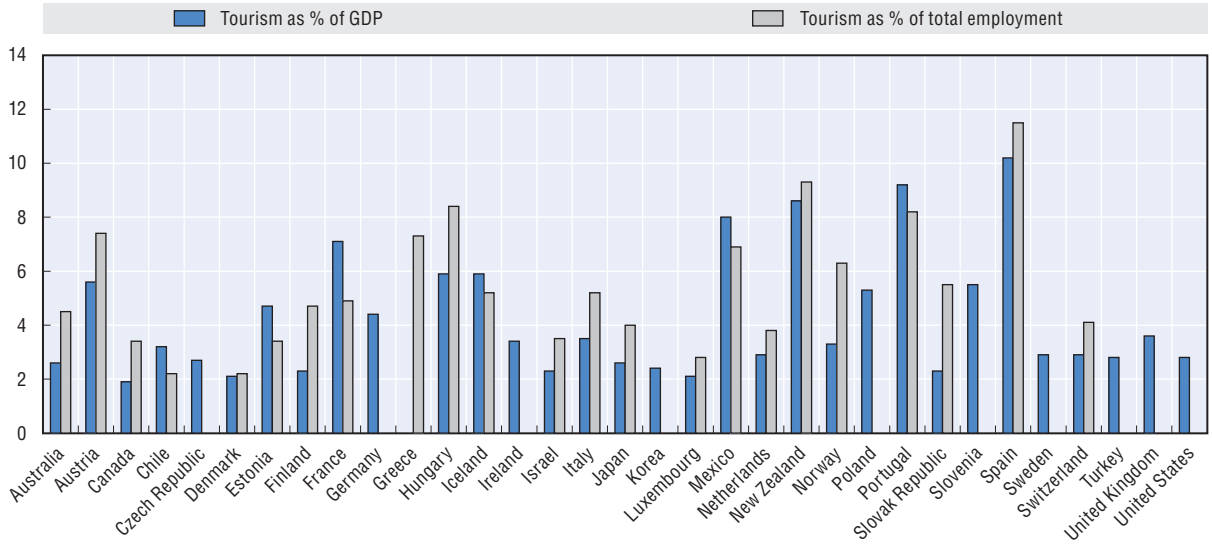
OECD countries play a leading role in world tourism

OECD member countries play a leading role in international tourism, representing 66% of global arrivals in 2010, while EU member countries accounted for 50.2%. In 2010, total international arrivals in all countries reached 940 million, 6.7% above the 2009 figure, with most growth taking place in Asia and the Pacific. International arrivals to the OECD area increased by 4% and by 2.7% for the EU zone. Over the period, 2006-10, average annual growth in international arrivals to both the OECD (0.8%) and EU (–0.1%) were well below the global average of 2.9%.

An analysis of the latest available data to 2010 shows that in OECD member countries, tourism directly contributes, on average, 4.2% of GDP and 5.4% of employment (4.4% and 5.7% for EU members); however, there are considerable variations around these figures (Figure 0.1 – for metadata, see online version). Notably, some of the world's largest tourism destination countries, such as France and Spain, exceed one or both of these figures by a large margin. Also, some smaller destination countries such as Portugal, New Zealand, Mexico and Iceland show a substantial reliance on tourism for value added, employment and balance of payments.

Figure 0.1. **Direct contribution of tourism to OECD economies**

As a percentage of GDP and employment, 2010 or latest available year



Sources: Based on country data.

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In the OECD area, domestic tourism consumption represents a very significant share of the total tourism economy, averaging 61%, and above 80% for Chile, Germany, Japan, Mexico, the United Kingdom and the United States. Evidence shows that domestic tourism consumption, as a proportion of internal tourism consumption, is much higher for OECD member economies, than for non-members (47.5%). It is noticeable that many countries are placing greater emphasis on, and taking additional supportive measures to encourage domestic tourism, recognising that it is equally capable of supporting employment and adding local value as international tourism.

Many of the emerging tourism destination countries covered in the report are enjoying significant growth in arrivals, and outperforming OECD and global averages for GDP and employment. While still accounting for a relatively small proportion of global international arrivals, the potential impact of tourism on these economies is clear. Countries such as Argentina, Brazil, Egypt, India, Indonesia, and South Africa represent a significant potential as sources of growth for traditional tourism destinations.

Against this background, it is unsurprising that governments increasingly regard tourism as an area for which the development and application of supportive policies are important, and an area where the potential benefit of government intervention should not be overlooked. In 2012, the dominant concern of those responsible for the development of tourism remains the international financial and economic crisis and the relatively poor outlook for many national economies. Some countries have also had to deal with the consequences of major natural disasters – such as the tsunami in Japan and the earthquake in New Zealand – or political upheaval such as that experienced in a number of Middle Eastern and Mediterranean countries. The response to such events provides evidence that the profile of tourism continues to rise. Governments increasingly appreciate that tourism, properly and rationally developed, is an economic activity with the capacity to stimulate economies and help to achieve many national economic objectives.

Effective governance practices must reflect the changing business and policy environment

Effective governance practices must reflect the changing business and policy environment, and the evolving roles and competencies of government tourism organisations (Chapter 1). Developments in the macropolicy environment favour a more collaborative approach, encouraging policy development in conjunction with the tourism industry, as well as an emphasis on regional or local level decision making. Governments are also promoting business competitiveness through policies that improve productivity and quality, and by encouraging innovation. Productivity improvements have been achieved through better defining the roles and competencies of the government and industry organisations involved.

Developing a multi-actor system that includes public-private partnerships and greater horizontal and vertical co-ordination of relevant government bodies requires consideration of accepted elements of good governance – accountability, responsibility, efficiency and effectiveness, responsiveness, forward looking vision, and the rule of law. In addition, active co-operation and co-ordination of activities requires recognition of the legitimacy of organisations' authority to govern and inclusiveness of stakeholders.

Good governance practices can help to facilitate an integrated, whole-of-government approach to tourism

At the central level, a range of governance practices address the challenges associated with an integrated whole-of-government approach to the development of tourism, including: better defining the roles and responsibilities of tourism organisations; the creation of inter-ministerial committees; the incorporation of tourism administrations into larger departments; and the use of contracts to define outcomes and stakeholder roles.

Increasingly, the development of a national tourism strategy is used as a means of achieving a whole-of-government approach to tourism, while written contracts are a means of improving co-ordination between central and sub-national governments. Governance can also be improved through institutional and human capacity building, ensuring institutions have well-defined objectives and clear mandates, and effective leadership and political support.

At industry level, governments are increasingly encouraging the development of a single peak tourism industry body to facilitate more co-ordinated industry representation. Regionally based Destination Management Organisations (DMOs) can provide a focus for co-ordination and capacity building through the development of cross-sectoral clusters of businesses. DMOs often co-ordinate government and private sector actors at sub-national level. They provide the basis for developing stakeholder networks for policy development.

Recognition of the need for robust evaluation of tourism policies and programmes is growing

Chapter 2 provides evidence from different countries on the evaluation rationale, practices, methods and areas for development, including guidance on tourism evaluation

approaches and methodologies. Evidence-based frameworks for evaluation are suggested using shared practices and learning.

National tourism agencies recognise that the evaluation of the economic contribution and impact of the tourism industry, and the assessment of the value generated from public tourism policy spending, require consistent approaches to evidence gathering.

OECD work on evaluation indicates that the evaluation of tourism policies is increasingly part of an integrated approach to policy development and implementation. However, it remains that evaluation in tourism is only partially applied; some policies and programmes are evaluated regularly and with rigour, others are evaluated in a much less challenging manner or avoid scrutiny altogether.

Evaluation has developed different approaches, tools and techniques to address the challenges of assessing the economic, policy and programme contributions of tourism. Robust evaluation will involve a combination of qualitative and quantitative methods.

Tourism evaluation has progressed but there is scope for further development

Tourism evaluation has considerable scope for further development and OECD members can take the initiative in developing a stronger, more co-ordinated future agenda leading to closer collaboration with practical strategic and operational changes in a number of countries. Joint work in key areas such as evaluation training and other elements of capacity building is fundamental in bringing forward evidence, particularly in times of resource constraint, when decision makers require a strong and clear evidence base on which to make decisions.

Adhering to an evaluation road map can help countries to improve the evaluation process

An analysis of available evidence indicates that the successful evaluation of tourism policies and programmes is dependent upon a range of factors including robust performance indicators, stakeholder participation, and demonstrated leadership and ownership. Key steps to improve the evaluation of tourism policies and programmes are as follows:

- Establish the purpose of evaluation;
- Consider the data sources available and construct a logical framework of inputs to outcomes;
- Baseline salient data in an evaluation and monitoring framework;
- Explain to stakeholders the data monitoring requirements;
- Monitor strategy delivery; and
- Evaluate and communicate findings.

Employers must develop strategies to remain competitive with a smaller but better trained workforce

Chapter 3 highlights the increasing gap between labour demand growth and labour supply, as well as significant changes in labour force composition, which is putting pressure on employers to improve tourism industry attractiveness and the retention of workers. Confronted with a looming labour and skills shortage, employers must develop strategies that will allow them to remain competitive with a smaller but better trained workforce.

Numerous drivers, including an aging clientele, changing lifestyles and consumer demands, the increasing use of information and communication technologies, and globalisation, all contribute to growing pressure to upgrade skills levels, even among workers who are considered well trained. The general lack of a training culture and management skills among employers is a major hurdle that needs to be overcome.

Strong government initiatives are necessary to improve skills and integrate migrant workers into the local community

The seasonal and cyclical nature of the tourism industry makes the option of migrant workers an attractive one for many employers, as they can expand and contract their workforce as demand fluctuates. However, while migrants can be a partial solution to the labour shortage, they often do not contribute to addressing the skills shortage. In addition, without strong government initiatives that help migrants integrate into the host community and improve their skills, the precarity of their working and living conditions will likely increase. Without such initiatives, the temptation to utilise these lower skilled migrants to fill employment gaps will be to the detriment of the quality of the experience delivered.

A national tourism strategy, including a workforce development strategy, is necessary to fully address labour and skills shortages

An analysis of government approaches to tourism development shows that action is being taken across many ministerial portfolios. Given the increasingly competitive nature of international tourism, issues being addressed include the quality of the tourism offering, the sustainability of the tourism sector, the improvement of tourism products and services, and the maintenance of sectoral competitiveness. In addition, efforts are being made to raise the professional standards of workers in the tourism industry through public sector led training programmes.

Education and training in the hotel and food service sectors tends to be more costly than for many other occupations, due to the need for extensive training facilities, equipment, and a low student to instructor ratio. In addition, many educational institutions are reluctant to revise curriculum or allow their staff to take internships with industry, allowing them to be conversant with the work environment, resulting in a gap between the competencies of graduates and the expectations of employers.

Major research and information gaps hinder effective analysis of the employment and social environment in the tourism industry worldwide. Within such an environment, it is imperative that governments assume a greater leadership role in shaping the training and education agenda. Several countries have recognised that a comprehensive national tourism strategy, that includes a workforce development strategy, is necessary to fully address labour and skills shortages. Working closely with industry and education providers, governments should pursue three tracks: *i)* a revision of curricula; *ii)* the development of more responsive approaches to teaching; and *iii)* the provision of new delivery models with greater flexibility, especially for life-long learning and the upskilling of workers.

Overall policy recommendations:

- The adoption of effective governance practices that reflect the changing business and policy environment can help to facilitate an integrated, whole-of-government approach to tourism, supporting stronger, greener and more inclusive tourism growth.
- Evaluation is the most appropriate means of demonstrating tourism's value to an economy and should play an integral role in the development and implementation of policy. Adhering to an evaluation road map can help countries to improve the evaluation process.
- In many countries, tourism jobs remain vacant due to a lack of appropriately skilled workers, and there is a need for governments to assume a greater leadership role in shaping the training and education agenda. A national tourism strategy, including a workforce development strategy, is necessary to fully address labour and skills shortages.

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Chapter 1

Tourism Governance in OECD Countries

Effective governance practices must reflect the changing business and policy environment, and the evolving roles and competencies of government tourism organisations. Developments in the macropolicy environment favour a more collaborative approach, encouraging policy development in conjunction with the tourism industry, as well as an emphasis on regional or local level decision-making. Developing a multi-actor system that includes public-private partnerships and greater horizontal and vertical co-ordination of relevant government bodies requires consideration of the accepted elements of good governance, both at the central and sub-national levels. Governance can also be improved through both institutional and human capacity building, ensuring institutions have well-defined objectives and clear mandates, and effective leadership and political support. Mechanisms to improve co-ordination between central and sub-national governments include development of tourism strategies, use of contracts and creation of joint committees. At an industry level, governments are encouraging the development of a single peak tourism industry association to facilitate more co-ordinated industry representation. Mechanisms to manage the interface with industry include the establishment of representative associations and Destination Management Organisations (DMOs) that provide a forum for co-operation and policy debate.

Introduction

Development of effective tourism policy is a challenging task for a number of reasons. Tourism is an "open" industry and subject to political, social, environmental and technological trends to which it must respond. Due to its fragmented nature, it requires co-ordination of government, at the national and sub-national level, as well as private sector businesses that both compete and co-operate with one another. Tourism services are primarily provided by micro, small and medium-size suppliers, although some sectors, such as aviation, are dominated by large businesses operating at a global scale. In addition, governments are involved in tourism in a variety of capacities including, border security; the regulation of markets such as aviation; controlling or managing tourism attractions such as national parks; and funding the development of roads and other infrastructure. Unless industry and government policy makers work together effectively, this complex system may not function optimally.

In order to deal effectively with these challenges there is a need to strengthen institutional governance mechanisms, so that more effective tourism-related policies can be developed, and to make changes in the organisation of government institutions to maintain competitive advantage.

The OECD 2008 Riva del Garda Action Statement for Enhancing Competitiveness and Sustainability in Tourism recommended that governments wishing to take full advantage of the potential for tourism development should develop strong public sector management capabilities and a multi-actor system of governance. For an institutional framework to effectively contribute to sustainable tourism it needs to:

- establish a comprehensive policy framework;
- promote a coherent policy framework through a whole-of-government approach;
- encourage a culture of co-operation among tourism actors; and
- implement evaluation and performance assessment of government policies and programmes affecting tourism development.

This chapter examines tourism governance at central and sub-national government levels, and also the interface with the private sector. Development of a coherent and comprehensive policy framework requires these actors to actively co-operate and co-ordinate activities. The chapter identifies the main challenges to effective governance and policy development in tourism, and provides examples of good practice in OECD countries. While there is unlikely to be one set of governance arrangements that are universally applicable, the research findings provide examples of successful approaches that may be a source of inspiration and learning for others.

Tourism governance at central level

Governance can be defined as the exercise of political, economic and administrative authority necessary to manage a nation's affairs (OECD, 2006a). To deal with the challenges

inherent in tourism policy there is a need to create effective governance systems and processes to define strategies and implement them to improve competitiveness and ensure the sustainable development of tourism (UNWTO, 2011). In its work on public governance, the OECD (2011c) has identified the following elements of good governance:

- Accountability: the government is able and willing to show the extent to which its actions and decisions are consistent with clearly defined and agreed-upon objectives.
- Transparency: government actions, decisions and decision-making processes are open to an appropriate level of scrutiny by other parts of government, civil society and, in some instances, outside institutions.
- Efficiency and effectiveness: the government strives to produce quality public outputs, including services delivered to citizens, at the best cost, and ensures that outputs meet the original intentions of policy makers.
- Responsiveness: the government has the capacity and flexibility to respond rapidly to societal changes, takes into account the expectations of civil society in identifying the general public interest and is willing to critically re-examine its role.
- Forward-looking vision: the government is able to anticipate future problems and issues based on current data and trends and to develop policies that take into account future costs and anticipated changes (*e.g.* demographic, economic, environmental changes).
- Rule of law: the government enforces equally transparent laws, regulations and codes.

Other principles of good governance that may be taken for granted by governments in their normal processes, but are of fundamental importance when developing public-private partnerships, are:

- Legitimacy of the organisation's authority to govern.
- Inclusiveness of the different stakeholders.

In addition the nature of tourism policy requires consideration of:

- A whole-of-government approach: integration of policy making at horizontal and vertical levels.
- Capacity of organisations and individuals to develop and implement policy.

The role of central government in developing cohesive, effective tourism policy is vital, but government faces numerous challenges in crafting this policy. This is due in part to the nature of tourism as an "open", fragmented industry with multiple central government ministries and levels of government undertaking various roles. However, the problems faced by tourism policy makers, due to institutional and territorial fragmentation and difficulties in co-ordination across multiple levels of government, and between government and the private sector, are often similar to those experienced in other areas such as environmental policy. This chapter therefore draws upon other work conducted by the OECD to illuminate challenges for tourism governance as well as the experiences of member countries.

While in the past many governments have noted the contribution that tourism can make to regional economic development and to cultural or social change, there has recently been a positive reassessment of the significance of tourism by many. This is reflected in the gradual rise in status of tourism policy within governments, and in many countries the transfer of tourism policy responsibilities to economic and trade related ministries. The development of the Tourism Satellite Account (TSA), to more accurately

estimate the economic benefits of tourism, has played an important role in increasing the industry's recognition and profile within government. However, there remains a need for those ministries responsible for tourism to continue to build links and relationships with other areas of central government and establish procedures for dealing with policy issues. An example is the involvement of tourism ministries in government responses to disruption of aviation by volcanic ash in the atmosphere.

Government at national, regional and local levels are often playing an increasing role in the delivery of tourism. However, a challenge is that in many countries this role has evolved in an ad-hoc manner and often with no clear definition of the overall role of tourism beyond its contribution to economic development. In the past, an increase in the importance of tourism was reflected in additional funding for promotion and marketing. Today, the role of government policy is expanding into areas such as encouraging additional (often low cost) aviation services; developing new niche markets such as health and wellness tourism, ecotourism, meetings and convention travel; increasing the diffusion of ICT among small businesses; examining the impact of tourists on regional sustainability; and dealing with the effects of crises and disasters on the industry. In these areas the challenge is to link tourism policy to that of other ministries. This policy complexity, along with more recognition of tourism's importance, is leading to a systematic evaluation of the roles of government at various levels, and of industry, in governance arrangements.

Effective tourism policy requires integration of environmental, social and economic perspectives and hence the need for various ministries and agencies to work together at the central government level. This horizontal policy integration requires the co-ordination of policy across organisations at the same administrative level. Policy integration requires common understandings of the aims and objectives of all parties involved, and some level of agreement on priorities, outcomes and methods, along with the capacity to develop effective, integrated policy solutions. Integration also requires that policies are adopted and applied consistently throughout the public administration, and calls for a normative framework, planning, evaluation, oversight and control (OECD, 2011c).

A whole-of-government approach also requires effective links to regional policies and to government priorities and actions at sub-national level (OECD, 2005). Coherence and consistency are essential in the design and application of policies between all levels of government to ensure that tourism policies are effective. The challenge of vertical policy integration is co-ordination between central, sub-national and local government levels. Further, since tourism is dynamic, governments face the difficulty of constantly monitoring the marketplace to ensure policy is effective.

Roles of central government at the national, regional and local level

Rationale for government involvement in tourism includes a general consensus that tourism is an effective vehicle for regional economic development, to address market failure, and to effectively manage the use of public goods. In many developed economies tourism provides around 2-5% of GDP (4%-6% of employment) and approximately double this when considering indirect and induced economic benefits. There is agreement that government policy, at all levels, should aim to address market failure in the tourism industry and mitigate any potentially negative social, cultural and environmental impacts of tourism. The rationale for government involvement in tourism is often linked to its use of public goods (both natural and cultural), and to the spatial nature of tourism, which requires land use planning.

Market failures arise when businesses fail to supply goods or services that many consumers value. In instances of market failure, the market either undersupplies or does not supply at all, or there are performance and quality issues. An example is tourism destination promotion, where individual businesses are often reluctant to contribute to co-operative marketing activities and have an incentive to instead "free-ride", which in this context means to obtain the benefit of promotion activities without contributing towards them. This is possible because promotion of a destination raises its awareness amongst potential travellers who then seek further information about the details of transportation, accommodation and so on. This means that they may end up buying from a business that did not contribute to the original promotion. In order to avoid this "free-riding", governments will often contribute public monies to destination promotion on the expectation that this funding will result in tourist expenditure that benefits all residents and businesses in the destination either directly or indirectly.

While market failure, regional and local development, land use planning, the use of public goods/services, and mitigation of negative tourism impacts, are general arguments for a government role in tourism, in practice the major roles have changed over time. One reason for this change is the different types of market failures experienced, as the industry in a country develops and matures (World Tourism Organization, 1996). Historically, a common pattern for government involvement can be identified. For example, early in tourism's development, national tourism administrations would typically undertake broad responsibilities for planning and promoting tourism and also, in some countries, for operating commercial businesses. In this context, they played the role of hoteliers, travel agents, and tour and transport operators. Later when the tourism industry had become established, governments tend to act more like a co-ordinator, or catalyst for the development of tourism. Here government assisted and supported rather than led, and tried to fill the gaps left by the private sector (OECD, 2008a).

Thus as a country develops its tourism industry, the focus of tourism policy shifts from the simple maximisation of visitor numbers and tourism receipts, to the creation of conditions for competitive tourism enterprises and regions. Similarly, there is a progression from the primary use of promotional instruments, to the development of tourism competitiveness and the use of total quality management techniques. This change has meant that today, in advanced tourism destinations, there is a reluctance for governments to be involved in the operation of tourism businesses, although they have generally maintained a role in the funding of tourism promotion.

In addition to changes in the role of government caused by industry maturity, there have also been changes in the macropolicy environment in many countries encompassed by the slogan "steering not rowing" (*i.e.* less hands-on with a greater focus on providing direction). This macropolicy environment encourages greater involvement of business managers in policy development, often through the creation of policy networks, as well as a shift towards greater government involvement at the local/regional level in shaping tourism development. In part, devolution of responsibility for decision-making is related to addressing issues of sustainability, through an emphasis on collaborative planning at a local and regional scale, and is increasingly a consultative process. The effect of adopting of this macropolicy is also found in the way tourism policy is developed, which will be discussed later.

How are central government roles and responsibilities in tourism policy defined?

There are a variety of ways in which the role of government in tourism may be defined. Tourism has developed only relatively recently as an industry and therefore the role and functions of tourism are usually not specified in the national constitution. For example, in Australia all residual powers not specifically noted in the Constitution of Australia are allocated to the States, and therefore tourism is primarily a role for state governments. However, the Federal Government of Australia, through the establishment of Tourism Australia, does undertake international tourism promotion by agreement with all the States and Territories of Australia. A lack of a defined constitutional role for government in tourism then means that governments have either developed governance arrangement over time, which have become established practice, or they have introduced laws which define these roles.

A recent trend in some countries (including France, Greece, Hungary, Mexico, Slovak Republic, Spain, Cambodia, and Vietnam), is to pass laws that define the roles of organisations involved in tourism policy and planning at various levels of government, as well as those between government and the private sector (Box 1.1). This clear definition of roles and responsibilities of the various levels of government is an example of good practice in tourism governance.

The role of government in tourism is continually evolving and in a majority of countries there is also a focus on "supply-side" issues in addition to "demand-side" marketing and promotion. Improvements in the supply-side are focused on enhancing the competitiveness of the tourism industry by increasing productivity and quality, and encouraging innovation (OECD, 2010b). These initiatives may target niche market development, such as the revitalisation of health and spa tourism in Hungary; improvements in infrastructure; building the capacity of tourism businesses to capitalise on the impact of the Internet and ICT; skills training; and reducing negative social and environmental impacts (Box 1.2).

There are a number of implications in adopting a "supply-side" development role. This new role increases the scope and complexity of government policy for tourism and also requires greater development of linkages with government ministries and other organisations, such as government innovation agencies and universities. Effective development of "supply-side" policies requires a longer-term planning perspective compared to that required for the promotion of existing tourism products. It also requires the development of new organisational competencies for central government tourism organisations and poses questions about how the private sector should be involved, as co-operation is essential to stimulate structural change and innovation in tourism (OECD, 2006b). There appears to be a trend towards the adoption, by governments, of a role to promote innovation (Box 1.3).

Competencies needed to undertake the government's role and responsibilities in tourism

According to current theories of management, organisational competencies are those combinations of organisational resource and process that together underpin the ability of an organisation to achieve its objectives and hence, fulfil its role. Therefore, definition of the competencies of an organisation requires knowledge of the human and financial resources and legislative powers needed to achieve the desired role outcome.

Box 1.1. **Examples of laws to better define tourism roles and responsibilities**

France

The legislative and regulatory framework of the Reform Act (2006) created a code of tourism structured as follows:

- Book I traces the general organisation of tourism and in particular the distribution of tourism competence between the central, sub-national and local authorities, and public establishments of inter-municipal co-operation.
- Book II of the tourism code governs tourism professions and activities.
- Book III is devoted to accommodation, equipment and facilities directly relevant to the tourism sector.
- Book IV brings together the provisions on financing access to holidays and tourism taxation.

Greece

In 2010, through the "Kallikrates Programme" (Law 3852/2010), the 13 Regions of Greece were declared competent to undertake tourism planning, development and promotion of their territory, in co-operation with the Ministry of Culture and Tourism and the Greek National Tourism Organisation.

Hungary

A new Tourism Act currently under development will define the new, more effective structure of tourism industry. It will delineate the major responsibilities and tasks of the central and local governments, as well as the modes of co-operation with professional organisations.

Japan

The Basic Act on the Promotion of Tourism Nation went into effect on December 2006 and established Tourism as one of the national strategies in Japan. The Act has triggered a series of activities that strengthened the relationship of the Japan Tourism Agency (JTA) with respect to other ministries and agencies and built a framework to promote tourism policies as a national strategy within the government of Japan. In addition, it defined the responsibilities of local governments, tourism industries, and residents to enable all of the necessary elements of tourism to work together to promote tourism in consort.

Mexico

The General Tourism Law (2009) established the basis for co-ordination between central, sub-national, and local authorities, and defines the main roles and responsibilities for each level of government.

Slovak Republic

The Tourism Support Act (2011) describes the rights and obligations of tourism stakeholders, organisation structure of tourism, creation of conceptual documents and financing of tourism development in the Slovak Republic. It is the first systemic solution to create a legislative frame for the launch and effective operation of local and regional tourism organisations. The Act should contribute to the creation of a complete tourism product, which will be competitive within the European environment.

Box 1.2. **Government initiatives to improve industry competitiveness**

Australia

The Australian Tourism Data Warehouse (ATDW) system is a central distribution and storage facility for tourism industry product and destination information from all Australian States and Territories. Content is compiled in a nationally agreed format and electronically accessible by tourism business owners (operators), wholesalers, retailers and distributors for use in their websites and booking systems. The ATDW also provides an online education programme for the Australian tourism industry comprising a complete suite of tutorials with information on basic online marketing concepts such as website design to more complex issues including the use of online booking systems (*www.atdw.com.au*).

Mexico

FONATUR is the central government agency responsible for tourism development. It identifies potential large-scale tourism development projects; assists and supports sub-national governments in the planning of local tourism development projects; contributes to the construction of basic infrastructure in tourism destinations; and is in charge of attracting private investment to them.

Portugal

The Madeira Regional Secretariat for Tourism and Transport (Portugal) won the 2011 UNWTO Ulysses Award for Innovation in Governance for its work on environmental certification of tourism businesses.

Spain

Mature destinations are experiencing a loss of competitiveness because of territorial saturation, environmental impacts, ageing of infrastructure and equipment, and the associations representing the private sector have expressed concern. The General Secretariat for Tourism and Domestic Trade has made significant efforts to change the Spanish tourism model since the creation of the Tourism Plan 2020, and to revitalise coastal tourism. It is undertaking specific activities through the Programme for the Integral Requalification of Mature Tourism Destinations in four pilot destinations: Beach of Palma in the Balearic Islands; Costa del Sol in Andalusia; San Bartolomé de Tirajana; and Puerto de la Cruz in the Canary Islands.

Box 1.3. **Governments are encouraging innovation**

Finland

Four national projects, developing rural tourism, culture tourism, an electronic databank for tourism, and a tourism portal, received public funding. The Finnish Funding Agency for Technology and Innovation (Tekes) is the main public funding organisation for research, development and innovation in Finland. It has a programme called Tourism and Leisure Services 2006-2012, which offers funding for tourism projects in Finland. Development focuses on new service concepts, new ways of producing services and the creation of new spatial concepts, such as those utilising virtual technology. The central aim of the programme is to develop innovative, customer-oriented service concepts.

Portugal

Stimulation of innovation is a very important element of the Portuguese tourism strategy. Turismo de Portugal has recently launched a project to establish a network of co-operation in R&D in tourism (2011-13), in order to mobilise the tourism research capacity of universities.

Switzerland

InnoTour was created by the Swiss Government in October 1997 to improve innovation among tourism SMEs. Innotour seeks to improve the climate for, and trigger, innovations at the destination level, thus strengthening competitiveness. Since February 2012, Innotour has also focused on encouraging of co-operation and better management of knowledge. This includes improved training and education to enhance local human capital and retain skilled personnel.

The results of the survey of national tourism administrations conducted in preparing this chapter indicate that Austria, Germany, Greece, Hungary, Portugal and the Slovak Republic are adopting a competency based approach. Therefore, the specification of competencies, necessary for government organisations to perform their roles effectively, could be considered good practice in relation to the governance of tourism. As an example, Box 1.4 provides a list of the competencies of the Slovak National Tourism Administration.

Box 1.4. **Competencies of the Slovak Republic National Tourism Administration**

The competencies of the National Tourism Administration are:

- creation of conditions for the development of tourism as a government priority;
- formulation, implementation and monitoring of government tourism development policy;
- elaboration of national tourism development concepts and strategies;
- preparation of legislative regulations in tourism;
- provision of required incentives and help for investments of the private sector in tourism;
- compilation of statistical data on tourism development in the Slovak Republic;
- co-operation with the Ministry of Environment of the Slovak Republic in the harmonisation of the interests of the development of tourism and the protection of nature;
- representation of interests of the Slovak Republic in international tourism organisations and fulfilment of tasks and commitments resulting from its membership in these organisations;
- implementation of tasks of cross-border co-operation in the field of tourism;
- preparation and implementation of international bilateral and multilateral agreements in tourism, and development of bilateral contracts;
- elaboration of programmes for the development of tourism and evaluation of their implementation; and
- methodical guidance and monitoring of the fulfilment of tasks of the Slovak Tourist Board.

Source: Ministry of Transport, Construction and Regional Development of the Slovak Republic.

In summary, this section has found that the roles and competencies of government tourism organisations are evolving, reflecting changes in the business and policy environment. From a business perspective, government policies emphasise competitiveness by improving productivity and quality, and encouraging innovation. Productivity improvements have also been achieved through a better definition of roles and competencies of the organisations involved. The macropolicy environment favours a more collaborative approach, and this has encouraged development of policy in conjunction with the tourism industry, as well as an emphasis on regional or local levels of decision making. These changes call for a whole-of-government approach to tourism policy which will be explored further below.

A whole-of-government approach to tourism policy

Tourism policy development is increasingly complex, with longer time-scales and a wider scope than in the past. Addressing the major and multi-faceted challenges faced by the tourism industry demands an integrated approach to policy development across many government departments, at different levels of government and with the close involvement

of the private sector. Coherence and consistency are therefore essential in the design and application of policies between all levels of government to ensure that tourism policies are effective. Tourism policy development requires the active participation of government ministries and civil servants, who may traditionally have perceived tourism as having lesser importance than other economic sectors. Additionally, there may be differences in policy objectives between the various government agencies that require resolution.

A whole-of-government approach to tourism policy implies co-ordination across various levels and departments of government. There are at least three approaches to policy co-ordination. The first is when policies are simply listed together, without analysing the interactions or potential inconsistencies between them, an approach which produces limited results. A second approach requires that actions converge towards the same objectives although co-ordination may not take place in planning and/or implementation. A third approach is where actions and policies are complementary to and interact with each other as parts of a coherent and organic strategy designed to achieve a common set of objectives. For this kind of co-ordination to exist, two elements are required: a plan consisting of common objectives and goals for which specific strategic actions and instruments are designed; and an organic link between these actions and instruments, capable of producing positive interactions and synergies which lead to the better achievement of common objectives (OECD, 2010a). The majority of countries that responded to the OECD survey on tourism governance (Table 1.1) indicated that horizontal and vertical tourism policy co-ordination remains the greatest challenge.

Table 1.1. **Challenges to effective tourism governance identified by national tourism administrations**

Governance challenges	Greatest challenge	Major challenge	Total
Horizontal and vertical tourism policy co-ordination	12	3	15
Financial pressures faced by tourism public agencies	4	7	11
External impacts (economic, safety/security, natural disasters)	3	4	7
Effective regulation	2	5	7
Developing a reform agenda in tourism	0	1	1

Source: OECD Survey on Governance of Tourism, 2011-12.

StatLink http://dx.doi.org/10.1787/888932628684

Horizontal co-ordination of policy-making involves the development of cohesive and integrated policy across ministries and organisations at the same administrative level and is necessary, in part, because tourism is a cross-sector industry. Tourism policy is influenced to a large extent by, and affects, other policy fields, such as fiscal, environmental, financial, transport, health, labour, social, education and foreign policy. Each of these has, to a lesser or greater degree, its own legal regulations affecting tourism. Subsectors of tourism are also regulated by special laws, such as travel contract law or hotel regulations. Horizontal policy co-ordination is important for central government and also is necessary at sub-national level.

Vertical co-ordination involves policy integration between levels of government. The importance of this issue is reflected in Canada's Building a National Tourism Strategy document, which is sub-titled "A Framework for Federal/Provincial/Territorial Collaboration" (Industry Canada, 2006). This strategy is based on co-ordination between federal, provincial and territorial governments, in close partnership with industry. One of the reasons why vertical co-ordination is so important is because many governments are

decentralising their tourism decision-making, as can be observed in France, Italy, Spain and Brazil. Government at the sub-national level has the advantage of being close to the market, private sector and to citizens and hence is often better placed to identify changing market conditions and developing issues. Decentralisation also allows local government to be in a better position to formulate and implement policies and regulations, which will allow the private sector to operate more effectively. A report by the OECD (2004) identified partnership and decentralisation as two means to improve governance.

In practice, the balance between central and regional control as well as the institutional arrangements and governance structures adopted is also determined by a country's historical development and specific laws and institutions (Box 1.5). On the other hand tourism around the world must integrate with common global distribution and transport systems while abiding by internationally recognised laws and procedures. As a result there is also a tendency towards similar solutions to common policy and organisational issues. This provides an opportunity for countries to learn from the experiences of others in the area of tourism governance.

Box 1.5. **Vertical co-ordination between levels of government**

Germany

The Joint Committee on Tourism (BLA) was established for consultations between national and federal-state governments. The committee brings together the Federal Economics Ministry and the federal-state ministries responsible for tourism. BLA provides mutual information exchange, co-ordinates activities in tourism policy and agrees on joint measures by national and federal-state governments. This entails voluntary co-operation among national and federal-state governments, which has proved very effective. This body was not appointed in pursuance of any specific legislation. In Germany, tourism policy between national and federal-state governments is not without complications. There is a need here to clearly demarcate and adhere to areas of competency. On issues requiring co-operation, co-ordination is needed between the national and 16 federal-state governments, and here the BLA performs a major function.

Italy

The process of devolution of power means that the primary responsibility for tourism development and promotion lies with the regions. The regions are able to choose their own strategies and implement their own measures relating to tourism. They decide if they want to develop and promote tourism and the level of priority given to tourism policy. Decentralisation gives regions the ability to build flexible capacities and structures. It allows bottom up forms of networks and co-operation with the government. A Permanent Tourism Co-ordination Committee, with representatives from the state and regions, was established in 2010 to improve communication and co-ordination between the state and the regions, to meet under the Conference of Regions umbrella.

Japan

In 2008, the JTA developed the "Tourism Zone Development Act" to facilitate extensive tourist destinations that exceed municipal boundaries in 49 separate areas, and supported the development of a framework for partnership within municipalities and between municipalities, the private sector, and non-profit organisations. Under this partnership framework, sectors including agriculture, forestry and fishery worked together to produce promotion strategies with attractive tours and stay-programmes, and also developed local human resources development programmes. The budgetary frameworks of wide-area partnership between the JTA and municipalities have been facilitated by the JTA to promote local destinations more effectively.

Evaluation and performance management

The development of effective, joined-up tourism policy is reliant upon the timely availability of relevant data and research. While statistics on the number of traveller arrivals may be available, there is often less information on the characteristics of these visitors, their travel patterns within a country, and their satisfaction with different aspects of a trip. There is also a need to know the travel patterns of citizens making domestic journeys. This information can be expensive to collect, especially at the regional or local level, and there is often a significant time lag before data are available. Therefore, effective or appropriate design and implementation of tourism policy may require improvements in the data and research available to policy makers, and require the development of the research function.

Good governance relies on the availability and analysis of available data not only in the design of policy, but also in the on-going evaluation of policy outcomes. The evaluation of policy outcomes in the process of revising policy, "closes the circle" between action and result, and can lead to continual improvement in tourism competitiveness. The OECD has identified five key reasons for policy evaluation, which are outlined as part of the discussion in Chapter 2 on evaluating tourism policies and programmes.

There are a number of other tools that enable and improve the development of tourism policy. For example, the evaluation of stakeholder participation is increasingly seen as an essential element of good governance. Various organisations have developed materials that could be adapted for tourism (see World Bank Social Development Department). For example, at the global level, the World Economic Forum's (WEF) Travel and Tourism Competitiveness Report provides an assessment of tourism performance, strengths and weaknesses. The WEF report aims to measure the factors and policies that make it attractive to develop the travel and tourism sector in different countries. In addition, the UNWTO is developing a series of indicators to measure tourism performance, while the OECD Tourism Committee, as part of its current programme of work, is developing a set of core indicators on tourism competitiveness data and policies. Similarly, a number of tools and techniques for tourism evaluations have been developed by the OECD (2011a). These indices and tools can provide greater clarity and a wider range of mechanisms to understand tourism and the competitiveness of tourism destinations.

Tourism policy development often involves balancing competing interests and priorities, and a variety of new tools and techniques are available to help this process. In 2008, the Canadian Tourism Commission (CTC) adopted the Balanced Scorecard (BSC) – a flexible and comprehensive strategic planning and performance management framework – through which it measures and evaluates the performance of Canada as a visitor destination as well as the performance of CTC's programmes and initiatives. The BSC links objectives, performance measures, targets and initiatives to the strategy at all levels. By integrating financial and non-financial measures, it provides a holistic view of the organisation's overall performance. This and other techniques can improve the transparency of decision-making and hence accountability.

Another issue related to accountability in tourism policy development, as well as more generally in measuring the performance of public spending in tourism, is the question of how to monitor and evaluate performance. A number of techniques are being used by countries, including the development of a system of indicators for public-private co-operation and items of budget expenditure (Spain); annual reports on the tasks implemented (Poland); indicators of

the long-term efficiency of the national tourism organisation (Finland); and annual surveys of tourism-related expenditure by government agencies (Canada).

A long-term planning orientation is a factor considered necessary for good governance; however, significant variation in funding is often experienced by tourism ministries and national tourism organisations, making a long-term integrated approach to planning, evaluation, and performance management, problematic. Variation in tourism budgets may also lead to staff turnover and loss of expertise. The development of effective joined-up tourism policy hinges on the analytical capacity of government staff, due in part to the myriad of tourism policy areas that need to be addressed (Scott, 2011). As a result, the stability of available funding is an important factor in effective long-term integrated policy-making and the governance of tourism.

Tools/mechanisms to manage the interface across ministries and public agencies

Mechanisms that support a whole-of-government approach may be grouped into three broad categories; improved co-ordination, tourism strategies, and use of contracts. These different mechanisms are not independent and are often used together to form multi-level policy networks.

Improved co-ordination

Examples of improved co-ordination include: merging government departments, co-ordination forums, specific projects, and working groups (OECD, 2010c). Co-ordination through merging of government departments is evident in a number of OECD countries, and examples of tourism being incorporated into ministries related to economic affairs or small business, include Canada, Finland, France, Germany, New Zealand (Box 1.6), Norway, Portugal, and the Slovak Republic. The advantage of this approach to co-ordination is that it facilitates prioritisation of tourism within other economic development activities. A potential disadvantage is that tourism could get "lost" within a larger department.

A second means of co-ordination across government ministries is through the use of task-oriented forums or on-going committees. Inter-ministerial committees and commissions are a simple and common instrument for co-ordination at a central government level. Three characteristics of these co-ordinating bodies stand out: *i)* formality/informality; *ii)* political level co-ordination; and *iii)* links with budget allocation mechanisms. For example, Industry Canada chairs a group of senior federal executives to oversee and guide implementation of the Federal Tourism Strategy. The group develops and maintains an integrated and forward-looking federal tourism agenda that includes legislative, regulatory, policy, programme and operational initiatives from individual departments and agencies. In some countries, inter-ministerial co-ordination is required by law (Box 1.6). Such co-ordination mechanisms are also used for inter-governmental co-operation. For example, Hungary is an active member of the Central European Initiative Working Group on Tourism, and participates in a Joint Tourism Committee with neighbouring countries, meeting annually to discuss bilateral co-operation.

One common area for co-operation between governments is in marketing programmes. These arrangements, which may be between countries, between central and sub-national governments, or between sub-national governments, reflect the expense of effective marketing and also the way consumers travel. For example, the Visegrád Countries (Czech Republic, Hungary, Poland and the Slovak Republic), co-operate in joint tourism promotion in overseas markets, especially in China, Japan, the Russian Federation and the United States, and since 2010, also in Brazil and India.

Box 1.6. **Examples of co-ordination to promote a more integrated approach to tourism governance**

New Zealand

In 2010, the New Zealand Ministry of Tourism was integrated into the Ministry of Economic Development under a new Tourism Strategy Group (TSG). This move was designed to position tourism policy within the government's broader economic development and growth framework. It recognised that tourism can play a significant role in growing a high-value, productive economy. The Tourism Strategy Group (TSG) within the New Zealand Government provides tourism policy advice to the Minister of Tourism and works with other government departments on key tourism policy issues, and tourism research and statistics. Furthermore, the Group evaluates government investments in tourism and is responsible for developing a tourism policy framework, including such issues as international aviation linkages, tourism sector productivity, infrastructure requirements, managing the opportunities and risks associated with New Zealand's evolving market mix and brand attributes.

Spain

In Spain, the distribution of powers across the state, regions and local government administrations gives rise to a network of inter-administrative relations and, with it, different instruments of co-operation, whose function is to lend coherence to the action of public authorities in tourist matters. Such integrated action across the various institutional levels, both public and private, is based on the idea of co-operation, since there are common interests which have to be appropriately matched and combined in order to ensure operational effectiveness. There are three examples of co-operation among these administrations:

1. The Inter-Ministry Committee for Tourism (Comisión Interministerial de Turismo) was created in 1994 by Royal Decree 6/1994, as a basic instrument to execute the Competitiveness Spanish Tourism Plan. The Committee is a collegiate, advisory and executive co-ordination organ whose members represent the different ministries of the national administration with competences related to tourism matters
2. The Sectoral Tourism Conference (Conferencia Sectorial de Turismo) is the collegiate, advisory and executive co-ordination organisation which gathers representatives from the national administration and those responsible for tourism in the Autonomous Regions. This organisation is multilateral and achieves sectoral issues, mostly by signing Co-operation Agreements.
3. The Spanish Council for Tourism (Consejo Español de Turismo: CONESTUR) was approved by Royal Decree 719/2005, and is an advisory body which brings together all the territorial tourism administrations (State, Regions and Provinces-Cities) and representatives from the tourism private sector (Trade Chambers, the National Employer's Association (CEOE), Professional Associations, Trade Unions, and tourism professionals). CONESTUR identifies tourism research; proposes the initiatives and actions to improve tourism promotion abroad, and advises on basic programmes and plans in the tourism sector.

European Union

The Schengen area is based on the Schengen Agreement of 1985. The Schengen area represents a territory where the free movement of persons is guaranteed. The signatory countries to the agreement have removed all internal borders in lieu of a single external border. Here common rules and procedures are applied with regard to visas for short stays, asylum requests and border controls. Simultaneously, to guarantee security within the Schengen area, co-operation and co-ordination between police services and judicial authorities have been enhanced. The Schengen countries are: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and Switzerland.

Persuading potential travellers in distant countries to travel to an individual destination is very expensive, and additionally the travel patterns of such visitors are more likely to include surrounding regions or countries. The costs of long distance travel are such that visitors will often take advantage of the opportunity to see a number of iconic sights in a variety of regions or countries on their first (and perhaps only) international trip. As such, it is not uncommon for countries to develop agreements as the basis for enhanced co-operation at the inter-governmental level (Box 1.6) or sub-national level.

Tourism strategies

Another common mechanism for co-ordination across ministries and public agencies is the development of a tourism strategy (Box 1.7). Such strategies can play a key role in engaging government, industry, destination communities and other stakeholders in order

Box 1.7. **The tourism strategy as a co-ordination mechanism**

Austria

In February 2010 Austria launched a new Tourism Strategy in close collaboration with the nine Länder and all relevant tourism stakeholders. In preparing the Strategy, key areas such as marketing, innovation, focused subsidies, infrastructure and business environment were analysed in a number of workshops. Joint measures are agreed upon in an annual political high-level Tourism Conference, established in 2011. The Conference is co-ordinated by a steering committee consisting of high-ranking representatives from the Ministry and the nine Länder. In addition, an independent expert advisory group (scholars) reports to the conference on recent trends, current challenges, and provides recommendations for future action. The new tourism strategy is considered an on-going process rather than an adopted strategy document. It is reviewed on a yearly basis and adapted to developments. Already in the first year a number of achievements are evident. Some examples are: closer and more professional co-operation with regard to branding and marketing by the Austrian NTO and the marketing boards of the Länder and destinations; better defined competencies and more transparency with regard to tourism funding/subsidies; joint projects *e.g.* to stimulate innovation in the sector.

Finland

Finland's current national Tourism Strategy to 2020 was published in 2010, and is the second, consecutive national tourism strategy, replacing its predecessor drawn up in 2006. The new Strategy focuses more on developing industrial and commercial activity, and concentrates on measures that can be influenced using tools available to the Government. Changes in the operating environment were taken into account, while objectives have been prioritised and made more concrete. The actual strategy document has remained compact but lists all specific measures and the relevant authorities responsible for them. Various public sector representatives were involved in the revision process, with the Finnish Hospitality Association (MaRa) representing the private sector in the strategy steering group.

Japan

The Basic Plan for the Promotion of Tourism Nation is a five-year plan, which aims to give responsibility for tourism policy to each ministry and agency of the government of Japan with measurable objectives. Under this plan, newly instituted in March 2012, the government set objectives in relation to: *i)* domestic travel expenditure; *ii)* number of foreign tourists; *iii)* number of international meetings convened; *iv)* number of Japanese outbound tourists; *v)* annual average domestic overnight stays; and *vi)* tourist satisfaction levels. With these objectives, the JTA will assess the effectiveness of policies in this plan on an annual basis. The JTA has the approval of the cabinet to make this plan the government tourism master plan and has gathered the views of various stakeholders, including local governments, the private sector and the Japanese public. As a result, the Plan will promote public and private sector efforts to advance Japan as one of the world's leading tourism nations and an environment for constructive collaboration between stakeholders.

to identify a vision, direction and goals for tourism development, and in setting priorities for implementing a long-term and sustainable vision for the tourism sector (OECD, 2010b). In developing a tourism strategy, a number of important issues need to be clarified, including: the degree of commitment, from relevant agencies and levels of government, to its goals and objectives, and to the specific programmes and measures proposed; responsibility for ensuring the implementation of measures which fall under the purview of non-tourism areas of government; and how the implementation of these measures will be ensured and evaluated (OECD, 2010c).

Countries face a number of problems in the implementation of a national tourism strategy, once developed. One important problem area is the provision of sufficient funding to effectively implement the actions in the strategy. Around half of the respondent countries indicated that funding was a major, or the greatest, problem faced. There are also problems in ensuring the implementation of strategic initiatives by other ministries or agencies. To help with this compliance, and to better inform stakeholders of progress in strategy implementation, increasing attention is being paid to the effective communication of a countries' tourism strategy to government, industry and the wider public. The Internet is often used as a cost effective means of communicating such strategies.

In Spain, in order to ensure that the strategic objectives of the Tourism Plan 2020 are met, TURESPAÑA is utilising the Internet (*www.turismo2020.es*) as a means for consultation on the strategy, and to gather suggestions, opinions and proposals. They will also create a digital journal on Tourism 2020 developments, available every three months. In Canada a new tourism website that provides the industry with a central portal to obtain information on relevant federal programmes, services and announcements has been established. An annual forum where federal departments and agencies can exchange results of, and plans for, tourism-related research and analysis will be convened, beginning in 2012. Finally, to keep the tourism industry and wider public informed about progress on the Federal Tourism Strategy, the Minister of State for Small Business and Tourism of Canada will, starting in 2013, report annually on the concrete measures supporting tourism taken by the federal government.

In Australia, the development and enhancement of the National Long-Term Tourism Strategy involved horizontal and vertical co-ordination through participation in working groups, as well as regular meetings of all Commonwealth, State and Territory Tourism Ministers, who gather at least once annually to provide direction to reform and implementation of the Strategy (Box 1.8).

Contractual arrangements

Contracts are a governance mechanism commonly used to improve policy implementation (OECD, 2007b). Contractual arrangements across government levels specify the objectives of a particular tourism policy and development programme. The conditions that must be met may be very detailed in terms of lead time, technology content, environmental impact, costs, etc. The contract will usually specify financial transfers that are required for the success of the programme. The conditions that go with these transfers may vary but, as with all types of contract, they shape the incentives influencing the behaviour of local government or other partners. Contracts allow for decentralisation of policy implementation whilst allowing central government to maintain overall coherence and consistency (Box 1.9). Contractual arrangements are commonly used

Box 1.8. **Australia's National Long-Term Tourism Strategy**

The National Long-Term Tourism Strategy (NLTTS) was launched in December 2009 and updated in December 2011. The updated strategy, now referred to as *Tourism 2020*, represents an integration of the long term focus, research and collaboration commenced under the NLTTS, with the growth aspirations of the *2020 Tourism Industry Potential* (the Potential) released in November 2010. The Potential seeks to achieve an increase of between AUD 115 billion and AUD 140 billion in overnight visitor spend by 2020 (from a base of AUD 70 billion as at June 2011). *Tourism 2020* builds on the foundation work of the NLTTS and continues to provide a policy framework that will support industry and provide it with the tools to compete more effectively in the global economy whilst creating an environment for growth.

Tourism 2020 has been developed to put the industry in the best possible position to achieve the Potential which nominates the following aspirations for 2020:

- achieving AUD 115-140 billion in overnight spend;
- increasing visitor accommodation capacity;
- increasing international and domestic aviation capacity;
- increasing labour supply and skills, and
- improving industry quality and productivity.

Tourism 2020 refocuses the emphasis of policy, programmes and effort on six key areas that will assist the tourism industry to achieve its maximum potential. These are: *i)* Growing demand from Asia, while maintaining investment in a balanced market portfolio; *ii)* Building competitive digital capability; *iii)* Encouraging investment and implementing regulatory reform; *iv)* Ensuring tourism transport environment supports growth; *v)* Increasing supply of labour, skills and Indigenous participation; and *vi)* Building industry resilience, productivity and quality.

The Strategy's first implementation phase has involved a co-ordinated national approach to identify the weaknesses in the industry's supply-side through nine working groups. This phase has delivered: *i)* a policy framework better able to address barriers to industry growth; *ii)* an operating environment for industry more conducive to growth; and *iii)* practical assistance for individual businesses.

More specifically, the first phase of the NLTTS has provided:

- governments with the evidence base to develop policies to more effectively support the tourism industry;
- programmes and initiatives that have enhanced the commercial environment for industry; and
- practical tools for businesses to increase their productivity and competitiveness.

in many countries for programmes involving vertical and horizontal relationships. Contracts between central government ministries involved in regional policy are used to overcome the traditional separation of sector policies. Contracts at the sub-national level may involve the participation of different local authorities within a tourism destination as well as the private sector.

There are problems in using contracts, mainly linked to the nature of the relationship among the partners. Contracts will be more successful if all parties involved are actively engaged in the development of the contract conditions and are supportive of the purposes of the programme. This has led, in some instances, to the introduction of incentives for the

Box 1.9. **Contractual arrangements across government**

The decentralisation of the Italian state has empowered Italy's regions to encourage endogenous economic growth by creating institutional structures for destination promotion. In Italy the Department for the Development and Competitiveness of Tourism is responsible for the implementation of strategy at the national and inter-regional level. Regions are responsible for both the product development and promotion of tourism, and compete against each other in the domestic and short-haul European markets, undertaking promotional and marketing initiatives accordingly. They also co-operate with the National Tourism Agency (ENIT), on a project basis, for promotional campaigns in more distant markets. In order to strengthen co-operation, an "agreement for synergic promotion in tourism" was signed between the central Government and Regions. A number of specific committees were established and a multi-annual strategic plan was developed.

different parties to participate fully and to fulfil their contractual obligations. In general contract-based regional development should aim to:

- ensure that local authorities are empowered;
- preserve the negotiating power of the central government with respect to other actors;
- focus contractual arrangements on a limited number of key programmes, while leaving some room for local targeting; and
- ensure the transparency of the process and open the contractual negotiation to public participation, at least at some stages (OECD, 2007b).

Networks of collaboration

In practice each of the mechanisms discussed above may be used simultaneously, with multiple horizontal and vertical links between organisations at different levels of government as well as development of collaboration with the private sector. In this situation, particular tools or mechanisms such as contracts and financing between the partners are important elements, but effective co-ordination relies on a number of facilitative conditions for success. Such integrated action across the multiple institutional levels, both public and private, fundamentally relies on the idea of collaboration. Development of collaboration is generally considered to occur through a number of stages such as problem-setting, direction-setting and structuring (Gray, 1985). Co-operation fundamentally relies on the identification and recognition of common interests and interdependence in achieving them. It also requires the involvement of all stakeholders who are perceived to have a legitimate "stake" in the outcome and a legitimate and skilled convenor who can "bring the stakeholders together". Importantly, co-operation requires sharing of power in direction setting and decision-making. In the structuring phase, the stakeholders discuss the problem and develop a solution that is consistent with their organisations' requirements. Collaboration, however, is a more intense form of relationship than co-operation and implies a proactive contribution rather than mere compliance.

These networks of collaboration – sometimes termed multi-level governance – therefore require the explicit or implicit sharing of policy-making authority, responsibility,

development and implementation at different administrative and territorial levels, for example:

- across different ministries and/or public agencies at central government level (upper horizontally);
- between different layers of government at local, regional, provincial/state, national and supranational levels (vertically); and
- across different actors at sub-national level (lower horizontally) (OECD, 2011c).

Summary

In summary, tourism governance and policy development at the central level has become more complex, requiring the co-operation of other government ministries which may have different policy objectives and priorities. An example is the development of policy on visas where the tourism advantages of easy access must be balanced against the need to ensure borders are protected. It is therefore important to ensure that relevant data and analysis are available which in turn may require additional resources and competencies in tourism organisations. It is also important to ensure that policy decision-making is longer-term, transparent, and that outcomes are evaluated.

Tourism governance at sub-national level

In many countries the full competence for tourism does not lie with the central governments, therefore, there is a significant role to be played in tourism governance at this level. One primary difference is that sub-national governments do not have the main role in many important policy areas such as border control or aviation arrangements. In addition, the central government will often seek to harmonize the tourism policies of the sub-national governments to ensure that the private sector does not face significantly different policy regimes in the regions in which it operates. Another important issue for many central governments is the development of a country brand that can provide an "umbrella" under which the sub-national brands may function. Clearly then, governance of tourism at the sub-national level must involve consideration of the potential to work under a national umbrella brand, to be effective.

A second important issue is that at the sub-national level there is an opportunity to interact with a wide variety of smaller businesses, and regional or local industry representative bodies. At a central government level, it is often necessary and beneficial to interact with peak industry bodies and the largest tourism businesses, such as airlines, international hotel chains and tour operators. As a consequence, at the sub-national level these interactions tend to be less frequent, except in the largest tourism destinations, and governments must consider how to interact with large numbers of small and diverse private sector businesses.

This closeness to the private sector will often mean that sub-national governments will be responsible for operational regulation and enhancement of service quality. Sub-national governments must also concern themselves with land-use planning as tourism is specific to a particular site or location. One of the consequences is that in many countries, there is a significant history of tourism policy development at the sub-national level and development of a national policy for tourism may be relatively new. In those countries with three levels of government, the differences between central and regional government in

policy focus and "closeness" to small businesses are replicated between regional and local governments.

Sub-national governments often have two organisations for management of tourism. The first is the government ministry or agency that is ultimately responsible for policy and governance issues, and provides an interface to other ministries such as those concerning economic development or the environment. The second, a destination management organisation (DMO), often in the form of a public private partnership, manages the interface with the private sector and has a primary responsibility for marketing and promotion. The DMO is usually funded by, and reports to, the responsible sub-national government ministry or agency. A regional DMO may also establish a series of sub-regional or local DMOs to provide a destination level structure (Box 1.10).

Box 1.10. **Moors and Coast Tourism Partnership**

In April 2003, the UK Government passed the remit for strategic development of tourism to the Regional Development Agencies. Yorkshire Forward responded to this new role by conducting extensive research to review how tourism services were delivered and how this could be improved. They concluded that improvements could be made to efficiency and effectiveness through the development of a new structure. Local authorities in the Moors and Coast area identified a need (in 2005) to establish a tourism partnership to move forward with strong brands and play a key role within the new sub-regional tourism structure. Through forming an "Area Tourism Partnership" the authorities would be able to access new funding from Yorkshire Forward. The authorities include Ryedale District Council, North Yorkshire County Council, Scarborough Borough Council, Hambleton District Council and North York Moors National Park Authority. In addition, the ATP would bring into the Partnership an equal representation from the private sector, drawn from the 18 Tourism Associations across the area. The chair of the Partnership is also from the private sector. The development of the ATP was aimed at delivering improved value for money through partnership working to limit duplication of services between the partners, as well as developing closer working relationships and "buy in" with the private sector.

Source: www.ryedale.gov.uk.

DMOs can take a number of forms including a:

- department of single public authority;
- partnership of public authorities, serviced by partners;
- partnership of public authorities, serviced by a joint management unit;
- public authority(ies) outsourcing delivery to private companies;
- public-private partnership for certain functions – often in the form of a non-profit making company; and
- association or company funded purely by a private sector partnership and/or trading for certain functions.

Tourism has a number of characteristics that lead to the formation of destinations and ensure they are key organisational units for policy and planning. The tourism sector is composed of a relatively small number of large companies (airlines, hotel chains, tour companies) that compete globally, and a vast majority of small businesses that operate

primarily in one destination. These small business operators have little independent influence and therefore they often join industry or sectoral organisations to represent their interests, in addition to joining local organisations concerned with local geographic issues. Large global companies have substantial market power but need to co-ordinate with governments for access and with smaller companies in specific destinations for their day to day operations.

As a result the effective operation of tourism as an economic activity requires co-ordination of a complex and changing variety of stakeholders at the regional and local level. This role is often undertaken by a destination management (DMO) or similar organisation, such as a convention and visitor bureau (CVB), as is often the case in North America (Box 1.11).

Box 1.11. **The role of convention and visitor bureaus**

In the United States, convention and visitor bureaus (CVBs) are the organisations that are primarily responsible for tasks involving place marketing at local or regional level. CVBs may represent a city, a metropolitan area, a number of cities and towns (such as in a county), while others represent a multicounty or regional destination. The structure of CVBs varies depending on the type of destination, the attractiveness of the tourism products and the amount of funding available. CVBs can be public, quasi-public, non-profit or private organisations. CVBs typically derive a large proportion of their funding from a tax collected predominantly by hotels and levied on overnight guests. These funds are then allocated to the CVB and possibly an associated convention centre as well. A CVB is expected to take the lead in initiating, managing and maintaining destination marketing networks. One of the key competencies of a CVB is to be skillful in co-ordinating partnerships between the private and the public sector. Hotels, restaurants and attractions in a tourist destination may see themselves as in competition and a CVB seeks to "sell" the destination as a whole. CVBs will often develop a vision for its community that harmonises the perspectives of its various stakeholders including political parties, non-profit and profit sectors, and residents.

A destination is a geographical area (place, region, country) which is chosen by the guest (or a guest segment) due to its mix of attractions, accommodation, catering and entertainment/activities. For these reasons destinations are increasingly seen as a strategic focus for the management of tourism. Importantly, the geographical boundary of a destination should therefore be determined by taking into account visitor travel patterns as well as political or administrative boundaries. If travellers spend most of their time on their holiday in one destination then the products and services they require are close together geographically. Alternatively, if travellers are predominantly touring then the destination area they visit may be quite large and composed of a number of smaller attractions.

The determination of the boundaries of a destination, and therefore the scope of any DMO that may promote and manage the destination, is very important for effective planning and policy development. In some countries, including Austria and Switzerland, governments are encouraging the amalgamation of smaller DMOs into larger, more efficient units which also better reflect a tourist's holiday activity. Some years ago in the Tyrol region of Austria (a tourism destination with around 43 million overnights of which

90% are international) there was reorganisation from around 250 – sometimes very small – organisational units to 34 strong DMOs, providing a better position to face competition.

In Norway, the government worked with the northernmost county administrations and other tourism industry stakeholders to evaluate the benefits of establishing an area of co-operation for tourism in the region (Arctic Norway) (Norwegian Ministry of Trade, 2007). As a result of this consultation, Northern-Norway Tourism was established as a DMO in 2009, with the purpose of establishing and further developing Northern-Norway as a year-round tourist destination.

By better matching DMO boundaries with patterns of tourist activity, allows for more effective planning and promotion. This is because tourism businesses and sub-national government stakeholders are most interested in participating in joint activities that benefit their areas of operation. However, in a tourist destination, stakeholders may be in simultaneous co-operation and competition – called co-opetition and without government "intervention, tourism development will likely lack the cohesion and direction necessary to sustain itself over the long term" (Andriotis, 2002).

Effective governance at the sub-national level, with or without a DMO in place, is strongly connected with active participation by the stakeholder. In economic development, there is now a consensus that action must be co-ordinated at the local level, and ideally also with related policy areas, to stimulate synergy, avoid conflicts, and make the best possible use of the information available. Improving local governance, *i.e.* the way policies are co-ordinated, adapted to local conditions and oriented in partnership with civil society and business (OECD, 2001), has thus itself become a goal of government. Improving local governance enhances the effectiveness of certain policies and takes full advantage of the resources and energy of business, civil society and the other levels of government in the pursuit of common objectives (OECD, 2004).

Tools for capacity building

One of the most important challenges of vertical and horizontal co-operation mechanisms is to enhance the competence of local actors (OECD, 2005). Good policy design is not sufficient to achieve desired outcomes. Implementation plays a critical role in making a reform successful or hindering its scope. Implementation capacity refers to the mechanisms used by reformers to shape and influence strategy/policy implementation and to influence the behaviour of other stakeholders in the organisational network. It recognises the importance of skills and resources (*e.g.* financial, material, human, knowledge, and even time) within the organisation and their utilisation by policy actors. Building human capacity at the national and sub-national levels involves education and training, and participation in learning-by-doing programmes such as those involved in "learning region" initiatives.

Tourism learning regions aim to strengthen the performance of various tourism stakeholders – especially but not exclusively small-medium tourism enterprises (SMTEs) – via the creation of networks of learning. Traditionally, SMTEs do not engage in formal learning, offer few training opportunities to their staff, and do not engage easily with public agencies (Chapter 3). The rationale for setting up learning regions is that issues such as quality, ICT, skills, marketing and customer focus, and other business practices, are placed firmly on the agenda of SMTEs by encouraging reflection on good practice.

One of the key aspects of learning regions is that they make training more accessible to SMTEs by seeking to build provision in partnership with them and around their "world" rather than in the "world of the trainers". One of the key benefits is that this is more likely to yield a higher rate of participation than traditional approaches to developing skills and encouraging learning. The approach requires strong partnership arrangements, a sense of moving forward for all key partners, and resources to develop key features of the learning region. As a result, the support of a "champion" is often instrumental to success and this implies a degree of capability building with potential champions prior to trying to establish a learning region (OECD, 2007a).

Education and training is a continuing issue for tourism capacity building, and plays an important role in tourism governance through enhanced understanding of policy issues and of management skills needed for a collaborative environment. In a recent review of tourism policy in Italy, it was recommended that there should be enhanced transfer of knowledge from the education sector to the industry, for example through a tourism intelligence network (OECD, 2011b). There should be an integrated governmental approach, closely associating the regions, the private sector and the education and training organisations. This approach should support skills diversity and attractive careers in tourism. It further suggested that Italy should also develop a map of tourism professions and their skills, to identify the future needs and the skills gaps in tourism education and training.

A number of skills development and training resources are available from the OECD, as well as other international organisations, and universities. Exchange programmes, and peer networks, for example, of city managers, may be developed to play a role in capacity building initiatives. Pro-active interaction between local leadership and larger enterprises may also be instrumental in helping the transformation of conservative city-regions into more proactive entrepreneurial innovation systems (OECD, 2008b), as can networks and the development of learning regions (OECD, 2008b). These initiatives encourage inter-firm and inter-sectoral linkages that can provide collective efficiencies and learning effects within the regional economy (Box 1.12).

Tools for capacity building available at the national and sub-national levels include basic principles of capacity development (OECD, 2006b), stakeholder analysis (OECD, 2006), and resident attitude surveys (Andriotis, 2002). At a municipal or regional level, capacity building should seek to map the supply of skills with demand, and fill identified gaps accordingly. Capacity building activities can focus on a range of issues including the promotion of positive cultures; constructive communication and engaged communities; transparency and accountability; vision and leadership; acceptance of diversity and the pursuit of equity and inclusiveness; developing knowledge learning and sharing expertise; clear roles and responsibilities of participants; and clear operational structures and processes of the network.

Skills development can be facilitated by developing formal written standards required by staff in specific positions. For example an executive in a DMO may need skills in creative thinking, business negotiation, managing staff, use of computers, business strategy and mentoring. This may form the basis for a list of executive core qualifications (ECQs) which are continually monitored and adjusted to suit current requirements. Training schemes would then be based on these ECQs.

Box 1.12. **Capacity building**

The **OECD** LEED Trento Centre has held tourism capacity building seminars in both 2010 and 2011. The 2011 seminar on "Skilled territories: A new paradigm for tourism and local development in the Mediterranean region" was held in Trento, Italy, in December 2011. This highly interactive 5-day capacity building seminar brought together national, regional, and local policy makers and practitioners from the Mediterranean region to work with OECD and international experts in order to share and increase knowledge and awareness on tourism and local development in the Mediterranean region, by focusing on four issues: *i)* governance; *ii)* entrepreneurship and job creation; *iii)* skills; and *iv)* liveability, landscape and global events.

In **Finland**, the Centre of Expertise Programme (OSKE) lays the ground for diverse innovation activities in which high-level research is combined with technological, design and business competence. The Centre of Expertise Programme is a fixed-term special programme co-ordinated by the Ministry of Employment and the Economy, in compliance with the Act on Regional Development. OSKE provides the companies and destinations tools, training, networks, project planning and management plus advice on financing the development activities. The Centre of Expertise Programme is implemented by 13 national competence clusters, one of which is a cluster of Tourism and Experience Management. The Tourism Cluster Programme is operated by five Centres of Expertise focusing on complementary fields of expertise. The key objective is to nationally support the renewal of the tourism industry through intensifying the transfer of knowledge between companies, regions and research centres in Finland.

In **Hungary**, the central government has developed a DMO operational manual covering the basic guidelines, an electronic learning programme, and application and legal organisational support handbooks. The programme was supported by a wide range of local and regional information workshops. A DMO web portal is open for interactive information exchange and some 55 destinations have submitted applications to develop their own DMOs.

Capacity building efforts need to be tailored to the different skills required. Capacity building for management of DMOs is different from that required for the management of a government policy department. DMO managers require skills in regional economic development and development of stakeholder collaboration while capacity building for managers of a policy department may require training in strategic planning and visioning.

Effective tourism governance across multiple levels of government requires competent actors at the national and sub-national levels. Tools for capacity building include mapping of human resource capacity and skills training, often provided by the national government and by international organisations such as the OECD. However, it is important to tailor training to deliver the specific skills required. Capacity building of tourism operators and local governments may be enhanced by active "learn-by-doing" programmes and the development of learning regions.

Obstacles to capacity building and co-ordination at regional and local levels

Building capacity and providing co-ordination are strategies that help successful implementation of tourism policy (OECD, 2011c). They are important at all levels but often more critical at the local and regional levels. There are, however, a number of challenges to capacity building and co-ordination including staff turnover, issues of jurisdiction and

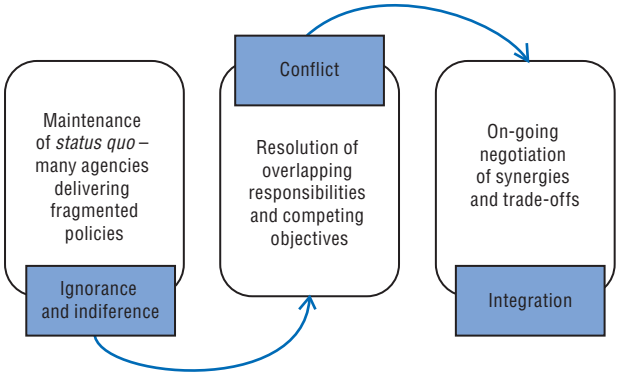
cross-border policy cohesion, difficulties in community involvement, and political issues such as *i*) short-termism, *ii*) partisanship in selection of projects, and *iii*) a tendency to spread resources too thinly in an attempt to guarantee equality of opportunity. Improving the availability of information may lead to more involvement and policy co-ordination.

One of the obstacles to the availability of human capacity at a regional/local level is the poor retention rate of skilled staff. The brief duration of public positions, such as destination administrators, is often inconsistent with the longer timeframe required to evaluate the effectiveness of destination management actions, and ensure the skills needed for effective governance, are available. Studies have found that tourism officer positions in local government are often filled by graduates with a tendency to stay for only a short time in the job. Similarly, a survey of 371 tourism officers employed by local councils in the United Kingdom found that just under half had a qualification in tourism or leisure (Godfrey, 1998). These factors can lead to a loss of corporate knowledge and a lack of expertise which can impede progress in addressing tourism issues.

Apart from human capacity issues, co-ordination of tourism policy development involving multiple levels of government faces problems with overlap of jurisdiction. The mismatch between catchment areas and political jurisdictions leads to negative externalities and financial imbalances and can complicate coherent planning for region-wide infrastructures and network industries. This reinforces the need to carefully designate the boundaries of tourism regions and DMOs. In some cases, such as tourism regions that cross national borders, effective policy development and governance may involve the creation of new organisations. The issue for policymakers is to find governance mechanisms, *e.g.* tools and incentives, that enable policy coherence in spatially and economically homogenous but politically fragmented areas.

A lack of clarity on the roles and responsibilities of different stakeholders is also a key factor in limiting co-operation. Ambiguity is created by a lack of awareness about the coverage of different organisations and fears that other agencies might take over particular "territories". Furthermore, when agencies have a limited awareness of what other agencies are doing it may be easier to maintain the status quo by not forcing collaboration or confrontation, but such indifference can be a major cause of fragmentation and service gaps. Arguably, some degree of conflict may be necessary for policy integration to succeed (Figure 1.1), as it forces people to reduce duplication and consider the necessary trade-offs between different policy areas (OECD, 2010a).

Figure 1.1. **Conflict can lead to policy integration**



Another important challenge in regional and local development is the extent and nature of community involvement in decisions. Tourism makes use of community facilities, such as beaches and public transportation, and requires the active participation and support of residents. It can have both positive (job creation and appreciation of land prices) and negative (inability to afford housing due to cost of land, congestion, changed retail mix) impacts on a community, and while active community participation in decision-making and policy development is desirable, there are limits to the capacity of the community to be involved. For example, residents often have little knowledge of tourism as a business activity, and limited time to spend on public consultation processes. As a result, participation often occurs through community organisations or local governments representing the views of the community, or through *ad hoc* pressure groups protesting specific proposals.

In addition, information and data is particularly lacking at sub-regional levels, undermining a good understanding of the local context. In many countries information is only weakly disaggregated, particularly in the field of skills and productivity, leading to expensive and ad-hoc surveys by local organisations, which are not always shared effectively or statistically valid. Where good information and data is accessible, this can provide an effective tool for galvanising local action. In an OECD study of multilevel governance (2010a), a number of local level problems were identified (Box 1.13).

Box 1.13. **Key issues regarding local co-operation**

Co-operation between stakeholders at the local level is seen to have a relatively strong impact on the degree of local policy integration.

Key issues regarding local co-operation found in a study of regional development in the EU are:

1. Economic development actors seem to be the most likely to co-operate at the local level, particularly as they often have a mandate to develop local and regional development strategies.
2. Participating in multi-stakeholder partnerships does not necessarily strengthen on-going relationships with other local agencies or increase information sharing.
3. Co-operation with the private sector proves a challenge in many localities, although targeting interventions on specific sectors and clusters can be particularly effective.
4. National and international schemes exist in some countries to encourage greater collaboration and co-operation at the local level. These can be effective – particularly in rural areas – as long as such schemes incorporate strong exit strategies and result in mainstream changes to the way institutions work, as opposed to the proliferation of parallel short-term initiatives.
5. Managed conflict is perhaps a necessary stage in the path from fragmentation to policy integration, at least in terms of promoting frank exchanges which will lead to a real consideration of trade-offs and synergies and the effective prioritisation of resources (Figure 1.1).
6. Obstacles to co-operation include: ambiguity about roles, fear of conflict, differences in geographical boundaries, contested leadership, and narrow institutional mandates.

There are numerous challenges to effective tourism governance at the local level, which must be addressed through improvements in both institutional and human capacity building. Effective institutions with well-defined objectives and clear mandates are necessary, but effective leadership and political support is also required.

Tools/mechanisms to manage the interface between actors

At the sub-national level it is important to establish levels of horizontal and vertical co-ordination between government agencies, as well as between the private sector and government. Many of the mechanisms used to manage the interface between government agencies at the sub-national level include those discussed at a central government level above, such as co-ordination forums, tourism strategies and contracts. However, specific mechanisms at the sub-national level include spatial planning across local government boundaries (Box 1.14) and the creation of a network among local governments. Inter-municipal co-operation often takes the form of city networks with the aim of increasing a region's visibility and helping to make local enterprises more competitive. In some situations, governments may also seek to encourage co-operation within clusters of tourism businesses to enhance product development or marketing opportunities.

Box 1.14. **Tourism in the Venice region**

In a study of the governance of metropolitan regions (OECD, 2010b) it was noted that the Venice city-region's economic and environmental challenges require changes to current governance practices and frameworks. Co-ordination, both within a single level of government and vertically between levels of government, is necessary to articulate a series of commonly defined policy objectives. A series of recommendations were proposed to strengthen the Venice city-region's competitiveness, including tools and instruments for compact land use planning, strengthening planning for a polycentric metropolitan region (especially in such areas as transit, tourism management, and climate change action planning), and the adoption of a metropolitan spatial vision into the public policy process. Given the Venice city-region's highly polycentric structure, "soft instruments", *i.e.* voluntary partnerships and the creation of a metropolitan spatial vision, were considered to have significant potential.

Effective co-ordination between the private sector and government agencies responsible for a tourism destination is important for effective governance at the sub-national level. A strategic approach to linking-up these sometimes very different types of organisations provides better management of the destination, avoids duplication of effort with regards to promotion, visitor services, training, and business. This task is often performed by a DMO, which can provide an important leadership and co-ordination function.

Whilst the primary role of a DMO usually involves co-operative marketing it can also provide input into government led policy, strategy and major product development. Co-ordination may also be undertaken through formal or informal networks of stakeholders termed policy networks. In practice, however, it is difficult to co-ordinate (or manage) a destination due to both the diversity of independent tourism businesses, often with divergent objectives, and the dynamic nature of tourism demand.

Though the functions of destination management and marketing extend well beyond the role of the DMO, they can play a crucial leadership role. A holistic approach to

destination management and marketing requires partnerships between different levels of government; between different organisations within the public sector; and between public and private sectors. This can provide challenges that a DMO is often well placed to meet, including being local enough to allow its tourism stakeholders to identify with its aims and purposes, but large enough to be effective in the market place and being able to call upon a collective budget sufficient to achieve the objectives set. These contrasting requirements may therefore necessitate a multi-dimensional organisational structure – one that is effective in the market-place, but with more locally based action groups which are responsible for delivery of consistency quality of experience in the destination.

Similarly, Public Private Partnerships (PPPs) are a common mechanism to improve the regional competitiveness of a tourism sector (Box 1.15). PPPs may build, improve or promote the local and regional economy through interaction between public and private organisations for developing research, innovation and facilitating its diffusion at the local level (OECD, 2005). In some cases, PPPs are a means of finding alternative sources of funding for the provision of tourist related services. There are two major models for the operations of PPPs, the first has a purely contractual nature, in which the partnership between the public and the private sector is based solely on contractual links, or secondly PPPs with an institutional nature, involving co-operation between the public and the private sector within a distinct entity.

Box 1.15. **Marketing co-ordination at the sub-national level**

Local governments often work co-operatively with neighbouring regions to develop stronger marketing campaigns to attract visitors and provide a critical mass of attractions and experiences. A study on good practice marketing for regional tourism destinations in Australia found that:

For example, the Victorian State Government tourism organisation, Tourism Victoria, provided on-going funding for co-operative domestic marketing campaigns, matched by industry operators and local councils through their respective Regional Tourism Organisations. The commitment of tourism operators and local councils further enabled the region to leverage sufficient funds to implement marketing campaigns. A co-operative marketing alliance was formed between the Great Ocean Road region and two other campaign regions (Grampians and Goldfields) in 1991 to establish "The Great Southern Touring Route". This product is marketed at key international travel and trade shows and links the Great Ocean Road, the Grampians, and Ballarat in a self-drive tour, targeted at high yield international tourists. The success of this long-running campaign partly explains the rapid and continued growth of international tourism to the region.

Source: Cox, C. and M. Wray (2011), "Best Practice Marketing for Regional Tourism Destinations", *Journal of Travel and Tourism Marketing*, Vol. 28, No. 5, pp. 533-534.

Development of networks of stakeholders provides another tool for integration of policy in situations where the capacity for decision making, programme formulation and implementation is widely distributed or dispersed among private and public actors (Kenis and Schneider, 1991, pp. 41-42). This form of co-operation works because the actors and organisations in networks do not individually have all the resources needed to realise their goals. Instead the resources are dispersed among different actors or are in the form of public goods, such as a public beach. Although they vary greatly, essentially, a policy network is a set

of actors who are linked by relatively stable relationships of a non-hierarchical and interdependent nature. These actors share common interests with regard to a policy, and exchange resources to pursue shared interests, acknowledging that co-operation is the best way to achieve common goals (Borzel, 1998). Work on the structure of tourism policy and marketing networks using social network analysis methods (Scott, Cooper and Baggio, 2008) has indicated that the number of powerful and well-connected stakeholders in a destination is low. DMOs are generally one of these stakeholders in an effective region.

Three types of network approaches to co-ordination of governance arrangements have been identified at the sub-national level. These are:

- a government-led network governance structure;
- a participant-led community network governance structure; and
- a tourism organisation-led industry network governance structure (Beaumont and Dredge, 2010, p. 1).

Box 1.16. **The role of tourism organisation-led structures in sub-national governance – Whistler Canada**

Whistler is located in the Coast Mountains, 120 kilometres from Vancouver, providing skiing in the winter and other activities year round. Whistler is a community of 9 500 permanent residents with a commitment to protecting the natural mountain environment and moving to become a sustainable resort community. It is a part-time home to approximately 11 500 second-home owners from around the world, and 2 300 seasonal residents. The per day population averages 28 280 in winter and peaks (usually around the New Year) at approximately 45 000. The Resort Municipality of Whistler (RMOW) is Whistler's local government led by an elected council. The RMOW manages: municipal planning and development, park and village operations, sports facilities and recreation, public utilities and environmental services, by-laws and enforcement, fire rescue, fiscal planning and financial services, legislative services, human resources and communications. It provides administration of the Whistler2020 Comprehensive Sustainability Plan and Whistler's Official Community Plan.

The Whistler Resort Association or Tourism Whistler is an independent organisation. It is a Community Destination Management Organization (CDMO) and is incorporated as a not-for-profit legal entity under the British Columbia Societies Act and as such is governed by Boards of Directors, has a formal charter and bylaws, must meet legal and financial reporting requirements, and have developed supporting policies and practices. Tourism Whistler is a not-for-profit legislated membership organisation representing more than 7 000 members and affiliates who own, manage or carry on business on Resort Lands. Tourism Whistler was formed in 1979 in response to a recommendation by the provincial government to create a marketing and sales body to promote Whistler as a tourism destination. It is responsible for developing co-ordinated strategies in the areas of marketing and sales to promote and drive room nights to the Resort.

Seven elected individuals and six appointees represent the various sector interests on the 13-member Board of Directors. The activities of Tourism Whistler are further directed by its membership through bylaws that are approved by the municipal council and the provincial Ministry of Municipal Affairs. On behalf of its members, the Board establishes the vision, mission, strategic objectives, and priorities for Tourism Whistler, contributes to and approves the annual business plan, approves operating and capital budgets, and ensures continued financial viability and the fulfilment of the organisation's mission. Membership assessments are the primary source of funding for the world-wide marketing and sales initiatives that Tourism Whistler manages and directs, supplemented by net income from operating centres, sponsorship and funding.

Source: www.whistler.com/about_us.

The tourism organisation-led model is common in North America with examples including the ski resorts of Aspen (United States) and Whistler (Canada). Non-governmental organisations tend to encourage a community-based approach to tourism development although as discussed above, there is debate about the effectiveness of "whole of community" management of tourism development mainly based on the practical limits of time and capacity (Box 1.16).

Summary

In summary, mechanisms for co-ordination between sub-national government actors are similar to those used at a national level. The major mechanisms used to co-ordinate government and private sector actors at sub-national level are PPPs and policy networks. A variety of roles and structures are used for PPPs which need to balance the ability to engage local stakeholders with the need for a sustainable size of organisation. The role of PPPs is primarily to provide leadership and marketing with input into policy development and innovation. Policy networks are useful for integration of policy in situations where the capacity for decision making, programme formulation and implementation is widely distributed or dispersed among private and public actors.

Tourism governance: Co-ordination and interface with industry

Increasingly, central, regional and local governments are seeking private sector involvement in policy development as well as developing collaborative partnerships with the private sector and tourism supplier associations to co-operatively develop marketing plans, identify tourism development opportunities, and provide input into policy and tourism strategies. This involvement may include direct engagement with larger businesses or representative industry bodies in order to capture the diverse views of numerous small businesses, which is notoriously difficult to achieve in a traditionally fragmented and geographically extensive sector dominated by SMEs.

One of the problems in seeking industry level policy input is that there are usually a number of industry bodies that represent different types of businesses such as tour companies, hotels, attractions, tour guides, and so on. Because each of these groups of businesses have particular issues and problems it is difficult for tourism to "speak with one voice", and there are several ways industry can respond:

- An industry branch approach where hotels, travel agents, etc., have bodies to represent themselves individually.
- A more integrated approach, where peak tourism industry bodies (at the national or international level) are established to more effectively speak on behalf of tourism as a whole. Examples include Exceltur, the US Travel Association, and the World Travel and Tourism Council (WTTC). These bodies may also have representation at sub-national level.
- A mixed approach.

Branch versus *integrated approach to organisation of industry representative bodies*

An industry branch approach allows the particular policy issues of the various tourism sectors to be represented. For example, hotels may have issues that should be addressed in developing a policy on reduction of smoking while these may not be relevant in the aviation sector where smoking is banned. In addition it provides a mechanism for

government to encourage and address particular types of tourism businesses such as ecotourism, adventure tourism, and so on. However the proliferation of industry branches can mean that a private sector business may be expected to join a number of associations at a substantial cost.

At a national level, there is a trend towards an integrated approach, creating one peak industry representative body, which may be comprised of organisations representing different sectors (Box 1.17). One advantage of this approach is that it removes government from negotiation with multiple organisations and transfers responsibility for developing a single private sector policy position to the peak body. Dealing with a peak industry body provides a means for government to address both general policy issues and those relating to specific industry branches, and can facilitate a more rapid response in situations where an urgent response is required. On the other hand such peak bodies can tend to represent the interests of larger private sector businesses or other groups leading to problems of their representativeness.

Box 1.17. **Approaches to national industry representation**

Germany

The German tourism federation (Deutschland Tourismusverband e.V. or DTV) is a voluntary association of tourism organisations with local, regional and nationwide operations in Germany. It performs co-ordinating, tourism policy and advisory functions and is financed solely from member contributions and its own income.

Hungary

The National Tourism Employers' Association and the Trade Union of the Hungarian Tourism and Catering Employees have established the Tourism and HORECA (Hotels, Restaurants and Catering) Branch Dialogue Committee. This committee represents the interests of these branches in the negotiations with government in its efforts to find new ways for the further development of the tourism industry and to solve the different problems facing these branches.

Slovak Republic

In January 2011, the representatives of the seven most important nationwide associations of tourism founded the Slovak Tourism Association (STA). It is a voluntary non-political and professionally oriented organisation of employers in tourism representing accommodation, travel agents and other sectors. The priorities of the STA are the unification of tourism representation, active approach to legislative changes in the area of tourism, more intense co-operation with the Slovak Tourist Board in promoting the Slovak Republic and supporting domestic tourism.

Spain

The Spanish Council for Tourism (Consejo Español de Turismo –CONESTUR-) is an advisory body which brings together all the territorial tourism administrations (state, regions and provinces-cities) and the private tourism sector (*e.g.* chambers of trade, the National Employer's Association (CEOE), professional associations, trade unions and a wide spectrum of tourism professionals).

A mixed approach, where there is a peak tourism body representing a significant section of the industry (integrated approach), but also a limited number of industry

branches representing their own interests (industry branch approach), is likely to be the most common situation. This approach may require the government to identify the appropriate organisation/s or businesses with whom to co-ordinate in relation to specific policy issues. An alternative approach is to request industry input on policy issues from all representative organisations, with the degree of input received determined by the perceived importance of the policy issue for each organisation. This may be likened to a market approach.

Roles of the private sector

Private sector operators play the primary role in the provision of tourism services. Tourism businesses are primarily small family businesses, often with only one or two employees. Generally barriers to entry into the tourism industry are low and many small businesses are established by people with little prior experience in the services sector. This can lead to variability in service levels and a lack of understanding of the benefits of working together with other businesses in the destination.

The role of the private sector includes the provision of a consistent and defined level of quality products for tourists, which requires liaison and co-operation with other businesses, and a degree of co-ordination implemented by an external organisation or body such as a DMO, to ensure a coherent experience. A second role is the marketing of their business and the co-operative promotion of the destination. It is logical to promote the destination co-operatively because all businesses in the destination benefit jointly from marketing of a destination in an origin market. "Free riding" can be avoided, for example, through the implementation of an industry levy which then supports the DMO and its marketing activities. A third role is individual product development and input into longer term planning for the destination.

In performing each of these roles, the capacity of small business operators may be inadequate, but it is in the last where they are potentially most deficient. As a consequence, the role of policy and destination planning is generally undertaken by larger businesses, local government or the DMO. Many industry organisations representing tourism in national/international discussions (*e.g.* WTTC) have a membership consisting primarily of large businesses. A further issue is that the private sector has significant investments such as hotels, marketing expenditure and relationship development and there is a tendency for institutional inertia and vested interests to rule over entrepreneurship and change. For these reasons involvement of a local government in longer term planning and visioning of a destination is good practice.

Large private sector organisations are likely to have the resources and human capacity to provide input into often time consuming government consultation processes. One advantage for government in dealing with larger companies is that they will have exposure to multiple market segments and hence have the customer data and also the incentive to reflect the overall picture of tourism in the destination.

However, it is important to understand that companies in different sectors may have conflicting objectives, or objectives that can change as demand varies. For example, a theme park will likely aim to maximise ticket sales (as visitor capacity is to some extent variable), while an airport with available landing slots might target an increase in the number of flights, and a hotel (with fixed capacity), might focus on maximising revenue. Increasing overall demand for accommodation beyond a certain level may trigger

construction of competitor hotels; however, additional high quality accommodation usually leads to greater prominence for a destination and is a positive consequence for existing establishments. Government organisations dealing with industry need to understand these individual and often competing business objectives especially when dealing with development of products and infrastructure.

Industry branch representative bodies are typically self-organising and focused on a particular sector of the market (Hotels, Tour Operators, Travel Agents, Backpacker Hostel Associations, etc.) which can be difficult for government organisations to deal with as they often have competing priorities and needs. Individual small and medium-sized enterprises are frequently unable, on their own, to assert their interests adequately in dealings with policymakers or other actors, and therefore most companies organise themselves in trade associations. In some contexts it is logical that there is only one association to deal with. For example, the majority of Antarctic tour operators are organised under the umbrella of the International Association of Antarctica Tour Operators (IAATO), driven by the clear collective interest of users in maintaining the quality of the key attractions. One measure of the effectiveness of associations is the coverage of the sector. The Finnish Hospitality Association (MaRa) represents over 2 400 travel and restaurant industry companies and these members provide as much as 80-90 % of the total turnover of the sector in Finland.

Other roles for the private sector, either directly or through associations, include negotiation of pay agreements, accreditation and standard setting, reporting of demand statistics, and more recently measures to address sustainability issues (Box 1.18). In Australia, a National Tourism Accreditation Framework (NTAF) was launched in April 2011 and the Minister called on tourism businesses and organisations to support the NTAF. A nationally consistent accreditation brand has long been advocated by the industry and provides the means for businesses to identify themselves as quality operators. Increasingly, private sector operators are being required to implement measures that reduce their environmental impacts and improve destination sustainability. Around the world there are many environmental accreditation schemes (examples include Green Tourism, Earthcheck, Green Globe) that seek to provide an indication of the level a business has reached in reducing its environmental impact. This new role for the private sector is often supported by government programmes.

There is a clear role for the private sector in provision of tourism services, co-operative destination marketing and quality improvement. The ability of individual small tourism business owners to contribute to policy development and longer term planning and innovation is limited and this role is generally undertaken by larger businesses and industry associations or DMOs.

Tools/mechanisms to manage the interface between actors at private sector level

Private sector businesses need to work together to provide tourists with quality experiences, not least because of the increasingly wide range of competing destinations. This often requires a degree of collaboration between businesses that may be direct competitors. The rationale for such an approach is based on the idea that by making a destination as a whole more attractive, total visitor numbers will grow, with all businesses sharing in the benefits. If this belief is commonly held within a destination, then it underpins individual businesses working together.

Box 1.18. **The Federal Association of German Tourism Industry**

The Federal Association of German Tourism Industry (BTW) was established in 1995 with the aim of representing the common and overall interests of the tourism industry in relation to politics, economics and public affairs in Germany, Europe and international representation. The 39 members of the BTW are large companies as well as strong associations of tourism. The spectrum covers air, road and rail traffic, hotel and catering services and tourism marketing. It covers private tourism and private mobility as well as the business travel sector. Through regular meetings with high level politicians, trade missions, the annual tourism summit of the BTW and other events, the BTW seeks to represent industry needs in the political decision-making area. The BTW places special emphasis on the political feasibility of major conditions in tourism, with a particular focus on the following activities:

- Development of a tailor-made infrastructure and a stronger intermodality of all means of transport.
- Fair competition for enterprises to guarantee sustainable success.
- Highlighting positive tourism industry responses to climate protection.
- A balanced approach to consumer protection.

There are a number of mechanisms used to encourage collaboration between private sector operators and these are commonly used in combination with one another. Developing collaboration within the private sector requires time and effort and must be continually undertaken.

Mechanisms to manage the interface between private sector actors include the establishment of representative associations and DMOs that provide a forum for policy development and co-operation, through development of cross-sectoral clusters of businesses targeting the same market segment, and through workshops and seminars often in conjunction with other mechanisms. The establishment of DMOs, cross-sectoral clusters and representative bodies as mechanisms for co-operation have been discussed previously. The remaining mechanisms are workshops and seminars.

The potential for industry co-ordination and co-operation is improved by shared understanding and knowledge. Seminars and workshops involving tourism business managers help to provide knowledge about market conditions and new initiatives and ideas. For example, in Greece the peak tourism body (SETE) organises an annual SETE Tourism and Development Conference and invites all those who shape the future of tourism development in Greece to participate. The conference provides a forum for the constructive discussion of the key issues facing Greek tourism. It aims at initiating debates and leading the public and private sectors to co-operate in developing a long-term tourism policy with clear orientation and specific objectives.

Similarly, as one of two official organisations representing tourism, the Chamber of Commerce and Industry of Slovenia (CCIS), with its Chamber for Tourism and Hospitality, provides essential services for tourism enterprises. The CCIS regularly organises workshops, networking events, meetings with government officials, and seminars on particular issues of interest to the business sector.

Central and sub-national governments also use a number of tools to both manage the interface with the private sector and facilitate industry interaction. Increasingly workshops, seminars and nation-wide industry gatherings are important mechanisms for exchange of information, obtaining industry feedback on policy proposals and providing direction (Box 1.19).

Box 1.19. **Government tools to manage the interface with industry**

Chile

Every year, seven industry associations are elected to become part of the Public-Private Tourism Promotion Committee, which also involves seven government organisations. This committee is in charge of developing promotional strategies.

Hungary

The Tourism Department is trying to boost co-operation among the different participants of the sector. For example, the Tourism Development Strategy was elaborated with the help of the experiences of an organised "debate", in which all private professional bodies in the tourism sector were invited to explain their views and provide suggestions about the Ministry's draft strategy.

Poland

The Ministry organises meetings, workshops, and conferences to engage with industry, to better facilitate industry participation in the drafting of documents setting out the objectives and directions of tourism policy.

Main challenges to effective governance of tourism and policy responses

This chapter has identified that tourism faces many challenges to effective governance due to its geographic and sectoral fragmentation. The chapter has also highlighted that tourism is not unique in these challenges and that lessons are available from studies in other policy areas. These challenges include co-ordination of policy across central government ministries and between central and sub-national levels of government. In addition, tourism as an economic sector requires co-ordination of policy with the private sector.

In a survey of National Tourism Administrations all countries that responded indicated that horizontal and vertical tourism policy co-ordination was a challenge, and for many it was considered their greatest challenge. The second most important challenge noted by around 75% of respondents was financial pressures faced by public agencies in tourism. Around half of respondents noted that effective regulation was a challenge and a similar percentage indicated that external impacts (economic, safety/security, natural disasters) were also a challenge. Each of these issues is discussed below.

Tourism policy co-ordination

As discussed in this chapter and reinforced by responses to the survey, horizontal and vertical tourism policy co-ordination is a recurrent issue for National Tourism Administrations. At the national level, horizontal co-ordination is increasingly being undertaken through merging the tourism ministerial functions into a larger (and more

powerful) economic and trade related portfolio. Due to its cross-sectoral nature, however, there will always be departments in different portfolios, with whom activities will need to be co-ordinated. Sub-national government faces many of these same issues.

Governments are increasingly adopting a development and innovation role and the appropriate means of ensuring policy co-ordination is more problematic. The competencies required to undertake the development and innovation role are different to those required for marketing. The characteristics of the current visitor market are usually well known to tourism operators while the characteristics of the future market for innovative products may be best understood through research. Tourism innovation will usually involve multiple levels of government, as the local level may control land use and planning, while the regional and national levels may provide funding, the co-ordination with other central government ministries and prioritisation of investment across multiple regions.

For this reason, the leadership role in development and innovation in a tourism destination should be led by government (with advice and support by the private sector) while promotion of a destination should be primarily industry led, with support and funding by government.

Financial pressures faced by public agencies in tourism

The second most important challenge reported by around three quarters of OECD countries was financial pressures. Like many government organisations today, public tourism agencies are facing funding pressure and scrutiny over the effectiveness of policy initiatives.

One means of addressing this issue is by being able to more accurately quantify and present the benefits of tourism to the economy. As such, the measurement and evaluation of policy (and marketing) outcomes in tourism is becoming increasingly important. However, effective evaluation is hindered by a range of factors including: *i)* the study of tourism remains in its infancy and measurement tools and performance measures are still under development; *ii)* many of the policy initiatives in tourism are co-operative in nature, making the evaluation of their effectiveness more problematic; *iii)* the ultimate outcome of tourism policy interventions may be related to changes in the number or type of visitors, or require changes in the actions of the private sector, over which governments have only partial control; and as such *iv)* there are often lengthy time-frames involved before the results of initiatives can be identified.

The development of Tourism Satellite Accounts has been a significant advance in this area. Budget pressures are also leading to the formation of public-private partnerships as a means of stimulating access to private financial sources. A consequence of this approach is that it is necessary to provide private-sector partners with greater involvement in decision-making.

Effective regulation

Regulation is a policy or law designed to control or govern conduct. Government regulations have a significant impact on the tourism sector and can play a key role in encouraging tourism growth. Two main areas for regulations can be identified. Firstly there are regulations that relate directly to the development and delivery of tourism, including trans-border movements, transportation, accommodation, consumer protection,

environmental, planning, development and building regulation, labour supply, taxation, liquor licensing, food hygiene and occupational health and safety. This range of regulatory areas may lead to a lack of co-ordination and clarity amongst different government authorities. In New Zealand a tourism planning toolkit has been developed for local government to help navigate the regulatory environment in the development of tourism (Box 1.20).

Box 1.20. **New Zealand Tourism Planning Toolkit**

Tourism New Zealand and Local Government New Zealand have developed a tourism planning toolkit to help local government manage specific issues associated with the development and management of tourism, and develop a comprehensive tourism strategy to assist in planning for, and funding of, key projects. This Toolkit recognises that local government is a key player in New Zealand's tourism sector. In New Zealand local government: manages the natural and cultural resources that tourism relies on; determines where businesses can locate and build; provides core infrastructure, attractions and facilities; and often funds regional marketing and visitor information. The Tourism Planning Toolkit provides a resource for local government to respond to the opportunities and challenges that tourism presents. It enables local authorities to take a comprehensive approach to tourism planning, by setting out the relevant factors to include in the planning process including: situation analysis; strategic planning; implementation and monitoring of performance. It also suggests relevant tools to assist with this process including identification of core tourism data sets; analysis processes and detailed case studies.

Source: Tourism Investment and Regulation Review.

A second area relates to countries increasingly developing and implementing regulations to improve tourism governance and to better organise the sector. In some countries specific legal frameworks for tourism have been developed, while in others, approaches to effective regulation include: the definition or clarification of the roles and responsibilities of organisations involved in tourism; a reduction in bureaucracy and the establishment of more user friendly processes for licensing tourism enterprises; regulation of the ownership of the tourism land; and clarification of the obligations and responsibility of tourism agents and tourism operators. Such changes to regulation are fundamental to improving competitiveness of countries and ensuring that tourism policy is effective.

The regulations appropriate for a certain country are in part determined by the history and organisation of government within a country. For example, under the Austrian Constitution, legislative authority in tourism affairs is vested not in the federal government, but in the country's nine Länder. Increasingly, regulation at an international level is affecting the tourism policy environment, for example, relating to environmental protection and carbon emissions.

External impacts (economic, safety/security, natural disasters)

Tourism is a global industry with many branches and as a result it is impacted by a range of events from around the world including general economic conditions, purchasing power, exchange rates, safety and security, and natural disasters. The number of

international travellers to a particular country is influenced by the GDP of the origin country and the exchange rate between the origin and destination. Tourism has also been affected significantly by terrorist activities and natural and man-made crises and disasters such as earthquakes, disease and transport accidents. Increasingly, government policy must deal with these issues and governments are adopting a leading role in crisis management (Box 1.21).

Box 1.21. **Japanese earthquake**

On 11 March 2011, the region near Sendai, Japan experienced the effects of a magnitude 9.0 undersea earthquake. This earthquake caused a devastating tidal wave that inundated 561 square miles of the coastline and caused 15 765 deaths with an additional 4 460 missing (as at 31 August 2011). In addition, the tidal wave affected the Fukushima Daishi Nuclear Power Plant and led to a release of radioactive material. Some rail and road transportation infrastructure was affected and food safety was monitored by testing for radiation.

The impact of tourism visitor numbers has been significant with the greatest percentage decline in the international market. International visitor arrivals were 62.5% below the previous year in April 2011 and 36.1% down in July. Domestic traveller numbers were estimated to be down 26.7% in April and 7.6% in July. Outbound travel also declined by 8.1% in April and 4.5% in July. Since the earthquake, many international event organisers have reviewed holding international congresses in Japan even in unaffected regions. International events that were held reported fewer international delegates than expected.

The approach adopted by the Japan Tourism Agency (JTA) to deal with this situation consisted of three main steps. The first step began immediately after the earthquake and consisted of ensuring the safety of tourists visiting Japan and providing safety information. JTA took steps to confirm the safety of tourists in Japan, installed a 24-hour help line, and communicated official information to tourists and particularly information about the safety of food. This step was completed by the end of April. The second step began at the end of March, 2011 and involved approaches to foreign government agencies, media and travel industry. Media agencies and tour companies were invited to visit and Japanese government representatives (national and local) made visits to major markets. JTA also provided accurate information to governments and tourist offices and requested reassessment of travel warnings. The third step began at the end of June 2011 and targeted potential overseas tourists. Collaborative marketing campaigns were conducted in mature markets by government and the private sector.

In January 2012, inbound visitors to Japan showed a decline of only –4.1% on the previous year, while domestic and overseas trips were up slightly (by 1.5% and 1.4% respectively). These results demonstrate a recovery rate faster than the most optimistic forecasts made immediately after the great earthquake, and indicate that the JTA and Travel Demand Recovery efforts, in collaboration with private sector, have been effective. It is expected that international tourism demand will completely recover during the first half of 2012.

The benefits of a co-ordinated whole-of-government response to crises and disasters are that the needs of the tourism sector will be taken into account, including issues such as the perishability of tourism inventory, and that central government communications are more likely to be effective in dealing with the crisis and maximize the speed of recovery for

the tourism industry. Globalisation of the tourism industry means that countries must co-operate with each other in dealing with unforeseen events such as the Icelandic volcanic ash cloud, bird flu, and Severe Acute Respiratory Syndrome. Around half of OECD countries that responded to the governance survey noted that external impacts (economic, safety/security, natural disasters) were a major challenge, or the greatest challenge they face.

Crises and disasters are an important issue for policy due to the perishability of tourism inventory and the sudden, unpredictable impact of these events on profitability and employment. Hotel, airline and attraction inventory is perishable and unlike agricultural products and manufactured goods cannot be stockpiled. If it is not sold on the day then the business has lost money. This means that tourism requires government policy to respond rapidly in times of crisis, and hence predicates a role for the tourism ministry. The unpredictability of these external impacts also hampers long-term efforts in maintaining tourism infrastructure and employment in the sector. An effective system of governance and regulation enables faster response to a negative event through allocation of roles and responsibilities to organisations that can then develop event-specific emergency scenarios and responses. In developing policy and responses to crises it is important for governments to include private sector representatives in discussions.

Education of non-tourism organisations about the impacts of decisions on tourism is important as often other ministries have primary responsibility for responses to crises and disasters and a process of education and communication is necessary to allow the needs of the tourism industry to be considered. Governments often concentrate on their own residents in tourism disasters and are not able to communicate effectively with tourists who may be more vulnerable to natural hazards due to a lack of knowledge of the destination. Additionally media attention is often focused on the magnitude of the disaster and not on messages about the areas not affected which can slow down the recovery process. In Australia an Industry Resilience Working Group has established comprehensive list of programmes available to assist businesses in meeting the challenges of adapting to climate change, enhancing resilience and addressing crisis management. A series of fact sheets providing this information are available to the Australian tourism industry and a National Tourism Incident Communication Plan has been developed. Similar resources are available through UNWTO, and Pacific Asia Travel Association, which have an active programme on integration of emergency management with tourism. A better understanding of how consumers respond to natural disasters is required. In dealing with security concerns there could be a more detailed analysis of the trade-off between implementation of security issues and tourism visitor numbers.

Policy responses

The aim of this chapter is to better understand current tourism governance arrangements in OECD member countries and how countries can improve their institutional frameworks in order to maintain or increase the competitiveness of their tourism industry. The situation of tourism in each country is different and yet because of the global nature of the tourism marketplace, countries face many of the same problems. Therefore it is likely that similar governance issues arise and it is important that countries are able to learn from the experience of their peers.

Clearly, tourism is a policy area that involves multiple levels of government and the private sector. There is therefore a need for both horizontal and vertical policy co-ordination. At the central government level this requires co-ordination with other

ministries as well as the private sector, a task often undertaken through interaction with a peak industry body. Central government tourism ministries are also adopting new roles such as stimulation of innovation and policy development related to crises and disasters. Better definition of the role of government departments helps with horizontal policy co-ordination. Vertical co-ordination with sub-national (and local) governments is also problematic and increasingly the roles of various organisations are being defined by law, or through their roles and responsibilities governed by contracts or memorandums of understanding. At the sub-national level, destinations provide a logical unit for development of co-operation. A DMO is usually formed at a destination to provide a vehicle for co-operation amongst competing businesses and is commonly operated as a PPP. Co-ordination between tourism businesses also occurs through sector representative organisations.

A key obstacle to progress in multi-level policy co-ordination is that solutions must reflect the institutional and human capacities, law and regulatory environment, and specific tourism context of a particular country and region. A second obstacle is that there are few tools available to group types of problems experienced by various countries so that it is easier to transfer learning about solutions. Another tool that may be of use to tourism ministries is institutional mapping, as has been done in other areas of government such as provision of water and environmental sustainability (OECD, 2011c). In this approach, roles and functions of the various government organisations and other actors are defined and the relationships between various organisations mapped to determine work flows and areas where problems commonly occur. This allows problems in the "connections" between policy processes to be identified and rectified.

Based on the detailed discussion in this chapter, including responses to the country survey, the following have been identified as examples of good practice in the governance of tourism and, as such, important considerations in any policy response to improve the supporting framework for effective tourism governance:

- A clear definition of the roles of various levels of government in tourism as well as definition of the roles and functions of the various organisations involved in tourism policy. In some countries these roles are being specified in law.
- At a national level, there is a trend to the development of one peak industry association which may be a conjugate representative body comprised of organisations representing different sectors. At a sub-national level a variety of different organisations may be found in a particular destination, representing particular sectors or branches of national representative organisations.
- A tourism strategy is a commonly used tool for engaging and co-ordinating government, industry, destination communities and other stakeholders. A common problem with a tourism strategy is the need to provide sufficient funding for its implementation. Communication is an important element of successful implementation of a strategy.
- Tourism policy governance across multiple levels of government requires competent local actors. A variety of tools for capacity building at the national and sub-national level and include skills training provided by the national government and by international organisations such as the OECD but it is important to tailor training to deliver the skills required. Involvement and capacity building of tourism operators and local government may be enhanced by active "learn-by-doing" programmes.

- DMOs are an important component of effective governance at the subnational level. Their boundaries should reflect both economies of scale in marketing and organisation and be based on the travel patterns of travellers. DMOs also provide a sub-national focus for policy development and capacity building and a focus for communication with private sector stakeholders.
- In developing policy and responses to crises it is important for governments to include tourism representatives in decisions due to the horizontal characteristics of the tourism sector.
- It is therefore important to ensure that relevant data and analysis are available which in turn may require additional resources and competencies in tourism organisations. It is also important to ensure that policy decision-making is longer-term, transparent and that outcomes are evaluated.

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Chapter 2

Evaluating Tourism Policies and Programmes

Evaluation of the economic contribution and impact of the tourism industry requires consistent approaches to evidence gathering yet tourism evaluation has lagged behind other sectors and industries in developing accepted methodologies. There is a need to raise the standard of evidence-based policy and programme development. This review of evaluation practices recommends various approaches to the evaluation of tourism policies and programmes that will allow for greater comparability and knowledge sharing to develop capacity and capabilities. Application of evaluation frameworks will help policy makers to increase overall competitiveness, sustainability and performance of tourism policies and programmes. Further initiatives are suggested to assess the net impact of activities carried out by tourism promotion agencies and more accurately attribute outcomes to tourism policy. The chapter identifies the need for suitable guidance and training materials on applied evaluation approaches, tools and techniques. A "road map" for the compendium of evaluation methods is also presented. The detailed preparation and step-by-step application of this road map forms one of the main conclusions and recommendations of the chapter alongside specific actions to further promote tourism evaluation.

Introduction

Tourism is an important sector of the economy in many countries. Income and employment effects from the economic impact of tourism are significant and policies that promote and sustain tourism development play an essential role in delivering these economic benefits.

The sector receives a lot of attention from policy makers and the public, which has increased the requirement for evidence to inform policy development. In a complex policy-making context, gathering evidence and attributing impacts to policy interventions is especially difficult. Tourism has complex linkages with other sectors in the economy which creates challenges in defining and measuring the impact of tourism.

Evaluation has developed different approaches, tools and techniques to address this with varying degrees of success and acceptance. Furthermore, evaluation has been recognised as essential for policy-making but the history of evaluation is characterised by many technical, often uncoordinated and fragmented studies conducted in different ways in different countries. Some standardisation in evaluation approach and methods has occurred, however the findings often do not command the required attention to improve policies.

As a consequence of the difficulties in evaluating the economic impacts from tourism, the economic importance of tourism has been underestimated consistently in most countries. In some, the cultural perspectives have also limited the role of evaluation with topics such as competition and impacts being seen predominantly a local consideration.

Tourism generates benefits and value in many ways across a range of activities in local and national economies. The strong cross-sector linkages require tourism contributions to be seen within a comprehensive policy framework and an overall economic development strategy. Providing evidence of these contributions from the evaluation of tourism policies is essential.

Recognition of the need for tourism evaluation has become more prominent in recent years and it has been a regular agenda topic for the OECD Tourism Committee. This committee has been active in generating evidence and debate on evaluation. A survey of member country representatives identified which tourism policies and programmes have been evaluated. Survey responses were received from twenty countries: Australia, Austria, Belgium (Flanders region), Canada, Czech Republic, Denmark, Germany, Greece, Hungary, Israel, Japan, Korea, Mexico, Netherlands, New Zealand, Poland, Portugal, Slovak Republic, Switzerland, and the United States.

This chapter presents a review of the practices, including summaries from country case studies and a suggested road map for future improvements to evaluation practice and learning.

Evaluation issues

Rationale for evaluation: Why evaluate?

There is a clear and strong rationale for tourism evaluation. Good quality evaluation yields valuable evidence in a form that is credible and convincing. It can be conducted in various forms and at various levels as part of policy development and assessment processes. Many countries do this and regularly gather a large volume of tourism information, data and evaluation reports as evidence.

Evaluation has a critical role in measuring the effectiveness and efficiency of public expenditure. The understanding of "what works and how" is an essential consideration of any policy or programme. Tourism must provide clear and timely evidence to demonstrate the extent of its contribution to the national economy if it is to continue to attract government investment and retain prioritisation of support as a significant sector.

Tourism evaluation is the most appropriate means of demonstrating the industry's value to an economy, and should be considered as equally important as having a tourism strategy itself. Well-prepared and executed monitoring and evaluation can be enormously influential where the evidence is clear and tangible with measurable outcomes and impacts that can be attributed to policy initiatives.

Evaluation has a vital role to play in providing policy makers with the evidence required to ensure that future policies target the greatest areas of return in terms of meeting strategic objectives. All too often the connection between the strategic intent and the delivery has become unclear or tenuous. This makes evaluation very difficult and diminishes the confidence in the value of conducting extensive evaluation.

The OECD has recognised this and identified five key reasons to evaluate tourism policies and programmes (Box 2.1).

Box 2.1. **Five key reasons to evaluate tourism**

- to help policy makers better assess the impacts of their tourism policies and programmes against their objectives, to learn from past successes and failures and to inform decision makers;
- to allow a better cross-government understanding of the efficiency of the "whole-of-government" approach in tourism at national, regional and local levels;
- to provide evidence of return on investment in tourism, cost effectiveness across a portfolio of policies and programmes;
- to stimulate debate among tourism stakeholders (entrepreneurs, residents, tourists, investors, local authorities, etc.);
- to improve the design and implementation of programmes, how they should adapt to changing conditions and what could be done better in the future.

The structure within which tourism evaluation takes place is also important. The benefits from good quality evaluation will be greatest when evaluation is conducted within a clear and coherent national framework. The framework can be used by all the main actors and to benchmark against other regions and OECD countries. Broad involvement

results in a more co-ordinated approach that influences all levels (from local to national) within the framework approach.

For regional and local governments, following a clear national framework helps put in place good practice monitoring and evaluation approaches. It also allows information to be shared more easily with other areas to help improve policy design and build better strategies.

For national government, an evaluation framework has many advantages. It can provide evidence on the extent to which tourism development policies and programmes contribute to achieving objectives for growth and other objectives including the reduction of disparities, growth of private sector investment and environmental improvements. A framework can reveal how contributions are being made and how to these could be increased.

Thus the rationale for doing evaluation is strong even if the practice and understanding of how to apply appropriate tools and techniques requires further improvement. This has become clear from a range of studies and from the OECD Tourism Committee work on evaluation which has shown that in some countries evaluation is defined as a formal requirement within the policy cycle process.

The requirement for evaluation evidence

Evaluation has a vital role in bringing forward evidence and helping to develop an understanding of how tourism interventions influence the performance and economic contribution of the industry in the context of the local, national and international economy. Evaluation and measurement of the size of the tourism sector around the world is challenging and continues to engage numerous organisations and researchers. For the industry, the value from this research must be made more visible and assist in shaping future decisions on investment and growth.

Many claims are made about the volume and value of activity but it can be difficult to get close to the real difference that is made from various forms of intervention and activity. Assessing the economic impact with evidence of these net effects (particularly income and employment estimates) is essential and of real practical use. It can, for example, provide the justification and rationale for investment initiatives to support the tourism industry.

Evaluation evidence can play an important role in helping to understand current challenges, how to meet future challenges as well as learning from previous interventions (Box 2.2).

The need for evaluation to perform effectively in this way is increasing rather than diminishing. Economic cycles and changing market fortunes present particular challenges for tourism policy makers. For example, as future growth from emerging markets comes through more strongly, understanding how to appeal to these markets requires deeper and earlier assessment. This makes cultural awareness issues even more prominent.

There is an important role for evaluation to assist policy makers by revealing how interventions and promotions, such as those aimed at long term attitude change, are having an effect on individual decision-making processes. Interventions to develop a deeper knowledge and understanding of a country and the reasons to visit require evaluation work of this type.

Box 2.2. **Evaluation to face current challenges**

Evaluation can assist in many ways including:

- informing the preparation of strategies, policies and refining action plans;
- augmenting performance management, analysing the effects of expenditure and investment by government, partner organisations and the private sector;
- providing robust and convincing evidence of effects in quantitative and qualitative terms;
- allowing organisations to measure comparative performance and benchmark with others;
- providing evidence to support lobbying for additional investment from other related sectors and policy areas, including transportation, skills, infrastructure, marketing and the environment; and
- demonstrating impact, returns on investment and value for money.

The appropriate form of such evaluation in tourism is often more qualitative rather than the straight quantification of the direct effects of immediate marketing campaigns. However robust evaluation will involve a combination of qualitative and quantitative methods.

Qualitative approaches

The principal advantage of qualitative evaluation over quantitative is the additional information that it can provide (*e.g.* on customer satisfaction, policy appropriateness, sustainability and conflict with other policies). However, qualitative evaluation has the major disadvantage that it is not good at providing reliable estimates of policy impact.

In practice, qualitative evaluation almost inevitably mixes with quantitative aspects, such as use of techniques including visitor surveys, case studies, peer reviews, qualitative cost-benefit evaluation and public participation and feedback on policies. This is often illustrated by the public consultation process associated with many new policies and strategies.

In a technical sense, many writers and academics have identified a number of key features and characteristics of qualitative research including:

- a focus on meanings, especially the subjective and shared views of participants;
- a commitment to assessing phenomena from the perspective of those being studied;
- an awareness and consideration of the evaluator's role and perspective;
- inquiry in the "real world" through surveys rather than in experimental or group settings;
- a focus on micro-level (*i.e.* policy influences at the level of individuals, small groups or organisations);
- a mainly inductive rather than deductive analytical process (*i.e.* broadly, developing findings from collected data, rather than deduced from theories);
- a lengthy investigation and contact with the subject and context for the research;
- often less formal in the use of non-standardised, semi-structured or unstructured methods;

- considering information, data and feedback in a broader context beyond the use of numbers;
- sensitivity to variations and openness to variety in the responses and the potential implications; and
- exploration of responses, looking to explain meanings and interactions.

Key contributions of qualitative research to policy evaluation are that it:

- helps to understand the processes, impacts and outcomes of the policies and programmes;
- addresses the complexity of multiple interventions;
- addresses the intentions and contexts of policy;
- draws out processes, barriers, and facilitators of policy interventions;
- highlights the intended and unintended consequences of an intervention; and
- identifies people's values, judgements and choices.

Different types of evaluation can use qualitative methods in a variety of ways. In the evaluation of process (what is often termed formative evaluation), qualitative research provides a tool for identifying and understanding:

- what interventions are involved in a service or policy;
- who provides the intervention;
- what forms interventions take; and
- how interventions are delivered.

In the evaluation of impact and outcomes (what is often termed summative evaluation), qualitative evaluation contributes to understanding the:

- complexity of outcomes;
- range and types of impact and outcomes; and
- meanings and attitudes of those delivering and receiving the intervention.

Qualitative methods include the use scales and indices. Many organisations such as the World Economic Forum (WEF) or the World Tourism Organization (UNWTO) use indices to rank countries. These are valuable in providing additional information alongside reports on the overall tourism performance of countries.

Action research is another method that goes deeper into the involvement of tourism actors and stakeholders to reveal how policy and practice, through implementation, work together. This method gathers a summary of experiences from those involved in tourism policy delivery that can be valuable in informing future policy.

Quantitative approaches

Quantitative evaluation involves the use of assessment techniques to gauge the impact of programmes through a comparison of measured outcomes. The fundamental advantage of quantitative evaluation over qualitative evaluation is that it should provide clear answers based on reliable statistical indicators. Many argue that it is more scientific and rigorous.

The principal disadvantages concern the technical difficulties and the relatively narrow nature of the results it offers, which focus primarily on issues of effectiveness and efficiency. It is also open to technical challenge given the range of assumptions and relative

weightings of different relationships that inform values and thus the quantification of effects.

Effective quantitative evaluation also requires extensive data collection on the performance of policies. There are a range of approaches that can be grouped under four headings:

1. TSA-approaches.
2. Open Input-Output models.
3. Computable general equilibrium models.
4. Econometric methods, especially intervention models.

The Tourism Satellite Account (TSA) has considerably expanded the tourism information from traditional databases to measure the impact of visitor consumption expenditure on the economy and provides credible data concerning the scale and significance of tourism in the economy. It is essentially an accounting framework linked to the national accounts; it defines the "tourism industries" and estimates tourism's direct contribution to Gross Domestic Product for the specific country.

The use of Input-Output analysis allows the calculation of the direct, indirect and induced value added effects resulting from visitor expenditure and triggered by marketing expenditure. Input-Output analysis produces estimates of economic contribution and multiplier values relating to transactions, output, income, employment and government revenues.

This approach involves a series of assumptions which can be challenged. As a consequence, various developments in quantitative approach methodology have emerged, such as Computable General Equilibrium (CGE) models which seek to understand the impact of changes on demand and how they will affect both tourism in itself and the wider economy of the destination.

Further sophistication, such as econometric modelling and intervention models, have attempted to explain time series movements in terms of visits, expenditure, employment or other economic impact measures.

Many countries also use techniques such as return on investment (ROI) analysis, especially to measure performance of promotion and marketing programmes. These returns against resources invested could be measured in monetary terms, in visitor numbers or in other kind of quantitative output. However, ROI measurement and reporting in tourism remains narrow in focus and requires further development.

Despite these reservations, there remains a growing requirement for more quantitative evidence to show what value is being generated from tourism policy expenditure. Many countries have produced volumes of data and numerous evaluation reports but there has been a lack of consistency and comparability between these, both within and between countries.

Tourism policies often seek to deliver benefits to different groups as well as contributing to cross policy objectives and measures. There are often tangible contributions but tracing the cause and effect and quantifying the precise contribution from tourism is often difficult and can become a highly technical and complex task that requires intensive external expertise.

Economic impact models have been developed over many years to provide hard evidence of effects covering the volume and value of tourism activity (including day visitors within an area) and estimates of income generated and employment supported by visitor expenditure. These economic approaches assist evaluation by producing estimates of impact through different layers of effect, covering the direct, indirect and induced effects. In summary these cover:

- Direct effect – from tourism visitor spending in businesses;
- Indirect effect – from businesses buying goods and services from their chain of suppliers. Some of these are "backward" linkages as tourism businesses make purchases and some are "forward" linkages as others make investment in hotels, airlines, marketing and catering; and
- Induced effect – from the wages earned and subsequent expenditure by employees in businesses in direct and indirect receipt of visitor spending.

Assessing the real difference, known as the "additionality" effect, and how to attribute effects to various actions and intervention causes is always open to challenge. Setting out the defined scope of an evaluation and how the attribution process will be handled can reduce such difficulties and speed up the process.

The pace of change in markets and consumer behaviour also affects how evaluation is approached and the methods to be used in gathering evidence. The use of the Internet and social media are becoming more important and can be extremely valuable in the evaluation of tourism, especially in tracking interest and potential visitors from an early stage in the decision-making process. The requirement to stimulate interest, nurture and maintain this interest to capture the ultimate economic impacts is now an essential consideration in all tourism initiatives.

Recognising that effects do not occur in isolation should also strengthen the message that evaluation itself must be integral to any tourism initiative. It must be able to work as part of the overall process rather than outside of it to reveal how interventions contribute to change effects. In this way, evaluation will be embedded and recognised as helpful in identifying how to improve effectiveness for greater impact, value for money and improved return on investment.

One important lesson from evaluation is that attempting to isolate individual impact contributions from every policy and programme does not work. The linkages are too close to disentangle at meaningful cost. Anything is possible if resources are unlimited but this is not the case and evaluation findings are always open to challenge given the multiple steps in any detailed quantitative methodology and the assumptions within any calculation of impact.

Formal tools and techniques can assist. Survey evidence and guidance on how to conduct evaluations can help but unless there is continuous comprehensive monitoring and calibration of calculations, it will always be open to contention. Frameworks that cover quantitative and qualitative methods presented with tools such as logic models set in an overall policy context can be used to trace through how interventions deliver different effects including outputs, outcomes and impacts.

The evaluation of promotional programmes is a fundamental part of tourism marketing evaluations. There are various approaches and techniques that can be applied successfully including methods such as measuring the return on investment from

campaigns and conversion models which assess progression from tourist awareness and interest to decision to visit. Such approaches have produced an array of data in many countries and can assist in showing what has been achieved by promotions as well as providing a justification for further investment.

However, not all decisions and progression is made in a logical, linear manner so other non-linear approaches are also useful. Evaluation that applies a combination of approaches is most likely to produce the most informative evidence.

Monitoring and evaluation frameworks

Monitoring and evaluation frameworks provide policy makers at local, regional and national level with the necessary information to see if the forecast change is taking place. It should also bring forward evidence of what in particular is causing that change and how (the attribution of effect to interventions), and the extent of the change that is a result of policy (the additionality).

Complexity can be overcome with an approach to evaluation that uses a framework. A framework allows structured consideration of the questions to be answered and how to track progress in terms of contributions from different policies. A framework approach can also be useful to show the "distance travelled" from the inception of the policy and to have a narrative that "tells the story" of the intervention effects. This can pick up on any unintended consequences as well as verifying the cause and effect relationships between intervention actions.

A monitoring and evaluation framework is a simple structure to set out the sequence of steps in a logical and linear approach to gather and record information on:

- the stated objectives of the policy;
- a baseline position that records the conditions at that point;
- the inputs made into policy delivery, which can be financial and human resources;
- the activities involved in policy delivery; and
- the resulting outputs.

This will require a series of performance indicators to be developed in order for metrics to be gathered over a defined time period. In evaluating tourism policies, either in isolation or as part of a wider evaluation of national policies, progress and effects can be tracked using a range of measurements approaches that cover quantitative and qualitative considerations

Progress is often measured against a set of indicators benchmarked internationally and regionally and in a number of countries the benchmarks are used in a range of sophisticated formats including strategy mapping and the balanced scorecard. Many organisations will summarise the process and standard practical steps in guidance documents for internal staff. These organisations recognise the importance of taking the time to develop these processes alongside strategy and policy development cycles.

By investing in capacity building of staff, organisations will have the reassurance that the internal context has been prepared for evaluations to be undertaken effectively and where appropriate commissioned to be done by external experts. National guidance materials normally set out the methodologies to be used and the technical methods that will be deemed acceptable for evaluation evidence to be compliant and therefore

admissible. There are many good examples of such guidance including the UK Magenta Book.

Guidance does not of course guarantee delivery of evaluation evidence or that the evidence builds on good practice and previous learning on what works with tourism policy interventions. Constant promotion of a learning approach in individual organisations will help to address this and also sustain evaluation as a topic of importance. Where evidence is delivered regularly this becomes easier and decision makers begin to request more evaluation and become more demanding customers.

Evaluation will normally start by setting out the policy aim and the logical links to achievement of measurable impacts. The theory and the steps look neat and tidy on paper however there are always practical challenges and often these require additional actions or use of learning from previous work.

This results in evaluations that make a series of necessary assumptions or use proxy measures. This is often unavoidable and sensible as it avoids unnecessary costs in trying to find evidence of every detailed relationship in the tourism industry. In short, it provides a proportionate solution when the significance of the evaluation questions has been considered and it avoids gathering detailed data at prohibitive cost to model every activity. This concept of "proportionality" (devoting resources in accordance with the significance of the challenge and the return likely to be achieved with reference to the evaluation aims and objectives) is central to all evaluation activity.

Key evaluation issues to consider

OECD studies have highlighted a series of lessons and characteristics for promoting and securing effective evaluation (Box 2.3). When positioned correctly, evaluation can be powerful and can change practices and performance for the better. Evidence-based evaluation can produce improved decision-making by linking into the key decision points in the policy development cycle. When evaluation plans become published documents with public commitments, gathering evidence becomes a virtuous part of the policy-making processes.

Some countries have pursued extensive "whole-of-government" evaluation strategies. This comprehensive approach requires devoted resources and a government commitment to maintain and further develop capacities in people and organisations. Such a strategy must be strongly endorsed by promotion of evaluation for learning through a formal decision-making process that also strengthens accountability. A whole-of-government evaluation strategy requires careful evaluation planning, often with annual and three-year evaluation plans agreed. There are numerous examples of this from different countries.

Brazil has adopted a whole-of-government approach to the setting of programme objectives and the creation of a system of performance indicators. Canada combines this with an agenda of rigorous impact evaluations. Australia, the United Kingdom and the United States, use a broader suite of monitoring and evaluation tools and methods including performance indicators, rapid reviews, impact evaluations and performance audits. Detailed guidance and support materials are normally an essential aid to the promotion of such comprehensive approaches.

Both the starting point and destinations for each tourism organisation will be different. There is no single "best approach" to a national or sectoral monitoring and

Box 2.3. **OECD requirements for effective evaluation**

- Good evaluation requires management initiative (and often political commitment) and intensive monitoring. The thoroughness of an evaluation should depend upon the scale of the impact of a policy, programme or project, and to some extent on the level of public interest. There may be a high level of interest around a policy which has required a significant degree of expenditure, or one which is highly complex, novel, or represents a pilot for future large scale initiatives.
- The policy activity to be evaluated needs to be clearly specified and interplay between related policy areas should be in-built to the evaluation approach and methodology.
- The logical flow from objectives, to outputs and outcomes should be profiled and quantified as precisely as possible from the beginning (*ex-ante* stage) and tracked through monitoring and evaluation.
- It is important to distinguish between the objectives and outcomes at policy level and the outputs and targets at programme level.
- It is important to review the availability of output and performance measures and targets alongside other monitoring data, and how they relate to the objectives. If this information is inadequate, consideration should be given to the collection of additional data and qualitative information.
- It is important to take a suitable benchmark for comparison and also to establish a base case scenario or counterfactual (what would have happened if the activity under consideration had not been implemented).

evaluation system. The choices will depend upon the information available and the questions to be answered. Guidance should be pragmatic, making the case for the principles of good evaluation ahead of the strict application of scientific techniques aiming to provide definitive answers.

As an example of appropriate guidance, in a general situation where a tourism professional is considering an evaluation of a programme, certain basic questions require to be asked and checked with an evaluation specialist (Box 2.4).

Box 2.4. **Evaluation brief checklist**

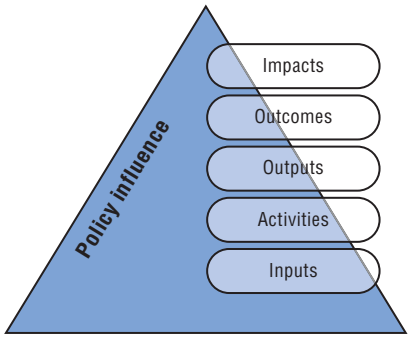
- Are the goals and objectives of the programme clearly stated?
- Are there performance measures for the programme and are they in line with the objectives?
- Is there an intervention logic that shows links to delivery of the strategy?
- Are these links clear and do they make sense operationally?
- Are there a sufficient number of valid indicators to allow assessment?
- Are there targets that can be legitimately linked with implementation?
- Do we know what success looks like and can we use measures to show it?
- Can we attribute change effects and contributions to success with the interventions of the programme?
- Can we identify which elements of the programme are delivering which results?

An evaluation framework can set these questions in a context to deliver successful evaluation. In all situations, good evaluation requires that three conditions are satisfied at the outset in establishing the context for applying an evaluation and monitoring framework:

- interventions, and the target population, should be clearly identifiable;
- outcomes should be clear, specific and measurable; and
- an appropriate evaluation design should be straightforward to implement.

Frameworks are a popular method of analysing policy performance by examining the logical linkages that connect a policy's means with its ends. This approach aligns the chronological flow of cause and effect in demonstrating progress. The logical framework approach, as recommended in a number of OECD reports, can usefully be depicted as a pyramid (Figure 2.1), as this demonstrates how one step builds upon another. The pyramid also demonstrates the degree of influence that policy makers have over the components of the logical framework: the further away from inputs and towards impact, the less control.

Figure 2.1. **Evaluation progression and policy influence: from inputs to impacts**



The role of peer reviews in evaluation

Peer review is an approach that helps to avoid high costs and generate learning in-house. It enables an evaluation team to learn directly from the experience of others. The OECD has played an important role in promoting peer reviews and by offering all member countries a suggested framework to compare experiences. In this OECD process, each country's policy is examined by fellow members on an equal basis.

Mutual trust lies at the centre of the process and the countries involved should enter the process with shared confidence and respect. Peer reviews encourage open dialogue that can help clarify positions and indeed resolve disputes in a non-adversarial setting that identifies best practices and robust evidence.

The key to the effectiveness of peer reviews is the "peer pressure" exerted by the country representatives or experts carrying out the review, and the willingness of the country concerned to accept their findings. Peer reviews can also apply the same criteria to a number of countries, and may rank and benchmark performance.

Effective peer reviews should be updated regularly to consider progress, shortfalls or changing circumstances such as an economic downturn. This regular discussion among partners creates and maintains a dynamic pressure on peers to act on the advice they receive. It also allows updated monitoring and evaluation evidence to be used in a timely manner.

Peer review is a useful tool because during the process countries systematically exchange information, attitudes and views on policy decisions and their application. This dialogue can be the basis for further co-operation through, for example, the adoption of new policy guidelines, approaches to evaluation and implementation of methods and frameworks. Peer review can also serve as an important capacity building instrument, since it is a mutual learning process in which best practices are exchanged. This is true not only for the country under review, but also for other countries, especially those involved with peer representatives directly.

Peer review has a successful track record: there is a strong direct relationship between performance and adoption of peer review-endorsed strategies. In terms of evaluation, the peer review process can be powerful in reaching a shared way for OECD countries to proceed. The influence of the peer review will make an impression at each stage in the evaluation process from appraisal, through monitoring to final evaluation and informing future policy initiatives and decision-making.

Monitoring and measurement

Much of the evidence for a tourism evaluation will be provided through monitoring, and the evaluation findings will be only as reliable and representative as the evidence on which the evaluation is based. As such, it is essential for anyone conducting an evaluation to have an understanding of where data has come from, how it was collected and for what purpose it was collected, be it the tourism evaluation or other.

Some practical examples of popular tourism strategy objectives, associated measures and their means of collection are summarised in Table 2.1 below:

Table 2.1. **Collecting evaluation evidence**

Objective	Measures	Means of collection
Attract more international visitors	Number of visits by international visitors	Administrative information (*e.g.* visas), surveys
Increased average spend	Spend per day by tourists	Tourist surveys, balance of payments data
Increase visits throughout the year	Monthly distribution of visits	Administrative information (*e.g.* visas), occupancy data
Increase employment in tourism	Number of jobs in tourism	Labour force survey, taxation notices, tourism survey data
Improve productivity in the tourism economy	Tourism income per unit of labour	Combination of tourism spend indicators and tourism employment indicators
Improve levels of visitor satisfaction	Visitor satisfaction ratings	Tourism qualitative survey, opinion surveys

A successful evaluation will want to "dig deeper" than the outcome level results outlined in the table above, to understand the component contributors to the measure. This includes assessing the success of the strategy in raising interest in visiting the country, through to conversion of interest into visits, expenditure and supporting employment.

Once in place, tracking of tourists' movements and activities can provide the information to assess what is contributed to the strategic goals. There are many ways for doing this, such as:

- tourism travel cards;
- attraction "tokens" supplied at tourist agency offices;
- exit surveys;
- key tourism consumables (*e.g.* postcards, bed nights) tracking; and
- holiday concierge choices of destinations (*e.g.* for coach trips).

The above list can be seen as an indirect means of tracking tourism movements. Direct tracking, *e.g.* by use of visitor passports to a trail of facilities and events or on transport networks or use of GPS, is emerging and in some cases electronic tags within identity badges have been issued to visitors.

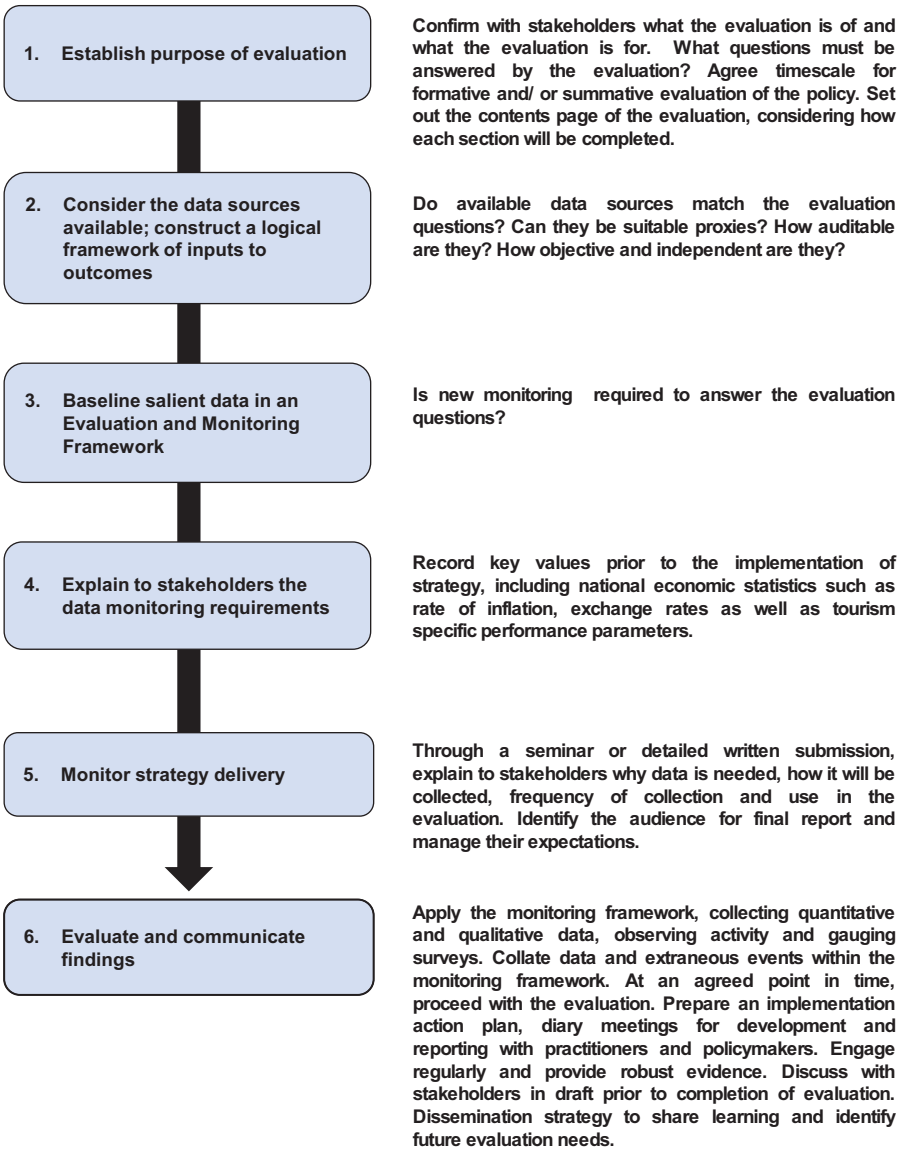
Trends indicate an increasing use of information and communication technologies. This could assist evaluations by gathering extensive data as well as feedback on qualitative choice preferences where such information can be made available in an acceptable format with recognised safeguards.

In summary, a number of techniques are possible and all have a potential role to enhance the availability, and in many cases the accuracy, of evaluation information. The specific context will vary in each country and the choice of evaluation tools and techniques will depend on the objectives and evaluation questions being addressed.

Evaluation road map

With the range of quantitative and qualitative techniques plus potential use of tourism indices, peer reviews and focus groups, it is important to have a framework for gathering, assessing and communicating information. It is also helpful to have a guide to the range of possible evaluation approaches and techniques that could be considered. Figure 2.2 illustrates a "road map" for the compendium of evaluation methods and suggests the series of steps to be taken in approaching an evaluation.

Figure 2.2. **Evaluation road map**



Country evaluation practices

The extent to which evaluation approaches vary across countries can be seen from the range of reports and formats that are published regularly by governments.

The OECD Tourism Committee has undertaken a survey of tourism evaluation approaches in member countries in 2010-11. The analysis of approaches found many examples of the principles and practice of good evaluation described earlier. It also identified practical examples and options for evaluating national tourism programmes from a number of countries.

OECD Tourism Committee work shows that tourism policies are indeed increasingly part of an integrated policy and development perspective – they are no longer being developed in isolation; rather they are seen as part of the development of national economies and there has been a steady and progressive move towards ever greater integration and whole-of-government approaches.

It is also being widely recognised that tourism has many stakeholders – citizens, governments, transport providers, education and skills, local government and the business community. The integrated policy perspective asks direct questions on the ways that national tourism policies link effectively with other key policies in transport, skills and enterprise development and to what extent private sector stakeholders are involved in developing, and actually implementing, tourism policies and programmes.

The OECD Tourism Committee work identified a range of measures that are being used to assess the performance of tourism in most countries. Quantitative methods and Key Performance Indicator metrics are used by many countries to assess the performance of their national strategies within an evaluation framework approach. As noted earlier, the TSA has become an internationally renowned approach and contributes considerably to our understanding of the tourism industry, its performance and impact.

Governments spend a significant amount of public money on country promotion and specific tourism promotion initiatives. It is clear from the case studies that evaluation focus and effort reflects the attention of policy makers on reaching a greater understanding of what effect this actually delivers and how to achieve greater value for money in times of increased budget constraint.

However, the OECD Tourism Committee work indicates that evaluation in tourism is only partially applied; some policies and programmes are evaluated regularly and with rigour, while others avoid scrutiny altogether or are evaluated in a much less challenging manner. An analysis of evidence and illustrative examples are provided below.

Strategy and goals

The increased alignment of policies and programmes has seen evaluation become more important in setting goals and assessing strategic achievements. National tourism policy development has recognised the role of various evaluation tools and techniques, including scenario planning and SWOT (Strength/Weakness/Opportunity/Threat) analysis, a helpful and easy to use tool to assist identify and order policy priorities (Box 2.5).

Tourism progress is being tracked through various monitoring and evaluation approaches. This extends beyond the direct effects on tourism. This recognises that effective tourism policies strengthen cohesion between tourism and other sectors (*e.g.* transport, education and training, environment) and so increase the performance of the sector. There is also country evidence that tourism policy benefits from explicit links to the national priorities for development. This has occurred in a number of countries.

Stakeholder participation

All countries recognise the importance of engagement to gather support and track changes resulting from policy interventions. Stakeholder engagement and on-going participation is a feature and a key stage in the process of tourism strategy/policy

Box 2.5. **The Czech Republic: Using SWOT analysis to determine policy priorities**

The State Tourism Policy Concept in the Czech Republic (2007-13) was developed using SWOT analysis techniques which helped policy makers recognise five key priority development areas in the industry:

- Urban and cultural tourism.
- Nature holidays.
- Sports and activities holidays.
- Spa tourism.
- Congress and business tourism.

By using the SWOT technique, policy was developed with evaluation questions becoming an integral part of the overall strategy process. The engagement also ensured stakeholder participation to assess strengths, weaknesses, opportunities and threats in a purposeful and meaningful way. The process of consultation included gathering evidence from state administrative bodies such as the Ministry of Labour and Social Affairs and also local government and trade associations such as the Association of Spa Places and the Association of Tourist Information Centres. Evaluation was agreed as an integral follow up from the consultation process. Monitoring arrangements include tracking progress and gathering views as the policy is put into action. The SWOT was agreed to be updated and re-assessed regularly to adjust for changes.

development. Various organisations have applied evaluation tools and techniques that include an adaptation of recognised approaches for tourism (*e.g. www.worldbank.org/participation*).

Feedback also highlights that the whole approach of stakeholder analysis requires further development and refinement. There are evaluation tools and engagement techniques which can be used across the continuum of participation, from mandatory consultation to full, active public engagement and a genuine "challenge and build" process of open debate.

Stakeholders can participate at different levels from passive involvement to active empowerment although experience from a number of countries notes that stakeholder participation may change at different phases of the policy process. The evaluation tools must capture this engagement at all stages in the policy process.

In Poland a careful approach was taken to secure stakeholder support under four Operational Priorities: A Highly Competitive Tourist Product; Development of Human Resources Contributing to Tourism Development; Marketing Support, and; Shaping the Tourist Space. Each of these priorities has different operational objectives with a respective set of measures (Box 2.6).

Israel also provides an example of how the Ministry of Tourism took the initiative to encourage closer working between the public and private sectors (Box 2.7).

Other methods to maintain stakeholder engagement include the use of regular policy working groups and committees, expert groups and communities of practice as well as written submissions to create productive joint working. The effectiveness of these

Box 2.6. **Poland: Securing stakeholder support**

The content and structure of the document Poland Directions for Tourism Development to 2015 have been based on four foundation issues on:

- Shaping the relationship between the development of tourism and the socio-economic development of the country.
- Creating agreement between various entities on the development of tourism on the basis of amalgamating activities and potential.
- Assuring flexibility to make possible adaptation of goals and measures to changing circumstances in the whole process of implementation.
- Promoting sustainable consumption, shaping public health through tourism, supporting actions that contribute towards a reduction of the pressure on the global climate.

The Directions involved treating tourism objectives, defining tourism's role broadly in both the economic and social development of the country. This included making use of untapped potential, strengthening social capital and socio-economic cohesion. Members of the Interministerial Team co-ordinate the tasks of the government and recommendations for co-ordinating the tasks of all entities acting for tourism development. The Team comprises 15 Ministers and 2 central government institutions and plays a crucial role in ensuring stakeholders interact in setting goals and scoping evaluation.

Box 2.7. **Israel: Bringing stakeholders together**

In 2006, the Ministry of Tourism initiated and formed the Marketing Forum which comprises representatives from the public and private sectors. This included policy makers, hoteliers, tour operators, airlines, travel agents, other professionals and senior representatives of key ministries including Tourism and Finance. The forum continues to meet regularly to discuss issues, form plans and synchronise bids for resources and investment. Engagement has been effective and created a positive working environment based around a greater appreciation of how different perspectives can work together.

approaches determines the success of the evaluation process and the energy to drive forward and implement the findings to future policy decisions.

Planning for successful evaluation

Countries recognise the importance of allocating adequate resources to conduct evaluation of policies and programmes however there is evidence of increasing competition between policy areas for resources. Many countries are not in a position to set aside independent evaluation budgets for their policies and programmes.

In some countries, such as the United Kingdom, the preparation of three year evaluation plans with expenditure commitments does give some financial resource. This can be strengthened where there is also a formal requirement to present evidence in seeking approval for new programme expenditure.

In certain countries there are strong and disciplined evaluation approaches. For example, in Canada a dedicated budget and detailed timetable programme was set aside

for policy development including evaluation. Similarly in Denmark all projects are required to be measured and evaluated according to a defined set of performance indicators.

These two countries identify a range of important factors in preparing for evaluation, such as targets being set and measured, stakeholders being involved in planning, and committing resources. This together with the other survey responses point to the need for policy planning to:

- ensure that the policy objectives are set and measured according to a defined evaluation structure;
- ensure that all stakeholders take ownership of the policy objectives and resultant targets, namely that they accept a shared view of what success will look like and how details such as measures, targets and indicators can be developed; and
- define the scope of the evaluation, namely to decide the timing and level of resources to be allocated.

The evidence confirms that planning stage considerations should cover the setting of baselines, benchmarks and milestones. For example, international benchmarking is seen as an important tool in that it enables governments to compare their performance with similar countries or regions, including the impact of tourism on national economic development (Box 2.8).

Box 2.8. **Canada: Including industry benchmarking as part of the planning process**

In 2008, the Canadian Tourism Commission undertook a national benchmarking study on the vibrancy and competitiveness of the Canadian tourism industry. The objective of the study was to explore "Where do we rank in the context of the Canadian Economy?" and to provide a new frame of analysis for comparing the performance of the Canadian tourism sector (and the tourism component of related industries) with other Canadian economic sectors and other conventional industries. Although detailed and inevitably time consuming to assemble, the results provided Canada with a milestone or benchmark for future comparison of performance of the sector, economically and financially, against other sectors of the Canadian economy (tourism ranked fourth in a composite performance index ranking eleven sectors).

Identifying appropriate benchmarks is always challenging and can introduce significant risks for governments if inappropriate benchmarks are chosen. There are obvious attractions in making inter-country benchmarks, especially with near neighbours and rivals, as well as intra country benchmarks with other sectors. This competition can be converted to co-operation and productive knowledge sharing and there is clearly much scope for this, especially between countries that have geographic proximity or policy similarities.

A useful tool employed by a number of countries that can help in evaluation is the TSA. This together with others such as the Travel and Tourism Competitiveness Index are important starting points but do not tell the whole story in evaluation.

Some countries have expanded the vision and applied additional analysis tools. For example, VisitDenmark have extended evaluation planning to include use of focus groups

as an integral part of the evaluation approach (Box 2.9). Focus groups gather individuals together to discuss the topic under evaluation and can add depth and richness to data and other evidence gained from survey work. It also allows benchmarking information to be discussed in order to explore the underlying causes and contributing factors that could explain differences in country performance.

Box 2.9. **VisitDenmark planning for evaluation**

In VisitDenmark, all projects and programmes follow a project model which dictates evaluation using assessment of Result goals and Effect goals to document the significant contributions from major marketing projects. Project managers define and agree how and when marketing activity is measured and evaluated. Minimum time and dedicated resources are allocated for planning evaluation to ensure:

- agreed targets are set and measured according to the defined evaluation structure;
- all stakeholders are engaged and take ownership of the targets, accepting the assessment of success; and
- the scope of the evaluation is defined and total resource commitment agreed.

International benchmarking is used in planning the evaluations and comparing conversion rates using International Universal Media and previous evaluation evidence.

The earlier examples from the Czech Republic and Poland show how useful tools can ensure all stakeholders take ownership of the policy objectives and resultant targets by involving them in planning the evaluation. In such approaches, activities can be co-ordinated by different mechanisms such as working groups and monitoring committees to be aligned with the various operational programmes and become integral to successful implementation.

There is evidence that gaining agreement on the scope of the evaluation is important when planning for a successful evaluation. This is illustrated by the case study of the New Zealand Ministry of Tourism evaluation of the Maori Tourism Facilitation Service (Box 2.10).

Box 2.10. **New Zealand Maori Tourism Facilitation Service (MTFS)**

The MTFS was established in October 2004 to provide business assessment and mentoring to Maori tourism businesses. The aim was to assist businesses in early development and established phases, to improve performance and to ensure the delivery of a quality tourism experience.

At the outset, a clear rationale was set out for the programme and how it linked to other initiatives, a governance structure was established and clear guiding principles drawn up for the project. In line with implementation of the service, a range of measures were identified and agreed to be used for evaluation. These practical measures linked directly to the objectives of the programme and provided the basis for a robust evaluation framework with SMART indicators profiling participants, performance and outcomes.

Such examples show how to agree the scope of the evaluation with the "client". Consultation meetings can be used to reach agreement on the approach and the key questions to be answered by the evaluation methodology. The resources to conduct the evaluation can also be built into the original project proposal. This communicates an important message: evaluation is an intrinsic part of the project with dedicated budget and staff rather than an added extra.

Framework and themes for policy evaluation

OECD work reveals that a robust evaluation framework is recognised as essential for the implementation of an effective policy or a programme. The experience in various countries shows that the development of such frameworks takes time and careful consideration involving partners and stakeholders.

It is also important that the framework is structured around priority strategic headings. The following five thematic headings are drawn from the OECD work on practices in different countries. This presents a useful summary of the key categories relevant to all members and stakeholders:

- Economic (employment, business starts, GVA, GDP).
- Social (skills, local community development linkages).
- Physical (facilities, infrastructure, environmental).
- Profile and perceptions (identity, image and branding).
- Capacity building (human resources, local capabilities).

OECD Tourism Committee work reveals that there are many popular indicators in use for measuring tourism success around these themes. A range of indicators appear consistently. It is interesting to compare these indicators to other research (Table 2.2). It is clear that many of the areas of interest for research shown in the second column have no corresponding indicators in the first one. This makes the detailed tracking of a cause and effect approach to evaluation exceptional rather than routine. Individual use of such approaches does occur but this is rarely clear at the national level. This points also to the need for further development of a more standardised and logical approach to tourism evaluation.

Table 2.2. **Popular indicators for measuring success**

Popular indicators in use	Other research, with a focus on promotion
• Average visitor expenditure per person per day	• Image
• Average length of stay	• Visitors
• Number of foreign tourists	• Specific markets
• Total number of nights stayed	• Website visitors
• Total number of tourists	• Fairs
• Country of origin	• Print advertising
• Image of country	• New potential
• Tourism employment	• Specific target groups
• Motivation to visit nation	• Web campaigns
• Tourist classification/group	• Requests for information
• Conference facility utilisation	• RTV advertising
• Visitor satisfaction	• Workshops
• Country rank in UNWTO list	• Activities of own office and representatives abroad
	• free publicity

Some countries have invested considerably in a measurement approach. In Denmark, many approaches have been tried, including the development of a structured series of indicators (Box 2.11). Portugal is another country where detailed case study evidence has been gathered.

Box 2.11. **Denmark: Developing indicators**

In Denmark, a series of detailed measures have been developed to show how the national tourism policy is being implemented. Key indicators are compared year by year to show:

- tourism business areas (coastal, city and meeting);
- the economic significance of tourism;
- Denmark's brand position;
- Denmark's place on the Simon Anholts nation brand index;
- Danish brand values (oasis, unpretentious, clever) when compared to other key competitors;
- Denmark's European market share;
- partner satisfaction;
- employment profiles, added value corporate press coverage;
- total cost of running VisitDenmark (marketing, destination development and tourism research);
- co-financing;
- marketing spend;
- effect of marketing projects;
- destination development (participating partners).

This wide-ranging collection of indicators represents one of the more comprehensive measurement frameworks. It also highlights the essential analytical role in any evaluation to filter the "noise" from extensive data. This produces a clearer understanding of the key contributing activities to successful tourism policy. There is however scope to reorganise the collection of indicators to follow the stages of the logical framework of policy interventions.

Evaluation implementation

There is general recognition among OECD members that evaluation should be implemented as an integrated part of a strategic planning approach with an agenda and resources agreed at the outset as part of a policy cycle. In many countries with an established tradition of evaluation, including Canada and the United Kingdom (Box 2.12), evaluation budgets and staff responsibilities for conducting and reporting evaluation findings have been set as a regular component of the policy process. In such countries, evaluation is an integrated part of the programme plan where activity is co-ordinated and organised between the evaluation teams or responsible personnel in different organisations.

Specific initiatives and major events (such as the Olympics or Football World Cup) prompt additional evaluation efforts. These events also provide important opportunities to demonstrate the worth of evaluation and the economic importance of tourism.

Box 2.12. **United Kingdom best practice communities**

The United Kingdom has a long tradition of evaluation and knowledge sharing. Groups such as the National Tourism Best Value Group which was created in 1999 established a sound basis for the collection of comparative information, benchmarking, and the provision of a platform for sharing best practice. This led to other developments including Destination Performance UK a self-help membership organisation for local authority tourism services and DMOs/DMPs committed to the principles of performance management and best practice. This group learned that:

- Destination and management performance monitoring needs to be seen as an integral part of the management process and should be carried out continuously.
- Information collected should seek to recognise the needs of the Tourism Intelligence Partnership (TIP) in securing more robust and timely data at the local level.
- Where DMOs exist that are supported financially or in staffing terms by local authorities, they should provide the data required for those authorities to monitor and evaluate the results of their investment.
- Volume and value data, using the best available comparable model, needs to be collected on an annual basis.
- Visitor surveys need to be carried out on a comprehensive basis at least every three to five years. Interim surveys on a smaller scale should be used to provide monitoring checks.
- Satisfaction surveys need to be carried out for TIC customers and tourism businesses on an annual basis with resident satisfaction surveys being carried out less frequently, say every three years.
- All surveys should be based on a set of standardised core questions to enable comparison and benchmarking with other destinations.
- Creating a benchmarking club is a cost effective way of sharing information and experience.

Using core performance indicators establishes a set of performance measures for a destination.

Source: English Tourism Authority.

Market diversities within countries have created some resistance toward the implementation of a standardised evaluation approach. To overcome this, a number of countries have kept evaluation "light touch" with a process and methodologies that are flexible and more emphasis on relevance than being over rigorous or academic. This can win support and develop the evaluation function more naturally over time.

Examples of rigorous approaches to evaluation exist in all OECD countries as is evident from specific reports and the outputs from various institutions, notably advisory research departments, consultancies and universities. However the availability of skilled staff to conduct evaluations effectively within government tourism departments is a recurrent resource issue.

Practitioners and policy makers recognise that it is important that challenge is a feature of all evaluations. From this challenge, organisations can then build an effective response to guide future decisions around tourism policy.

Evaluation of marketing and promotional campaigns

Tourism is influenced heavily by marketing and promotional campaigns. National Tourism Organisations spend considerable amounts of public money every year on promotional activities with various objectives, which include attracting additional visitors, retaining existing visits, improving perceptions and developing the brand and market position of the country, as well as increasing visitors' expenditure.

Some countries have developed robust approaches to measurement indicators which look at the whole process of a customer selection of a destination from the initial psychological triggers for showing interest in a country through to searching for information on the country and finally making a booking (the conversion process). At each stage in this decision process, there are controllable (advertising, communications, etc.) and uncontrollable (weather, financial environment, security) variables.

The approaches found in various countries including Canada, Denmark, Mexico, New Zealand, Portugal, Switzerland and United States recognise the need for measures at every stage (from customer awareness to achievement of market share). The progression path to achieving market share moves from awareness, to preference to an intention to visit.

OECD Tourism Committee work on evaluation reveals that there are a number of measurement approaches, tools and techniques in use. In addition to country specific methods, there are three principal approaches that feature regularly:

- Return on investment.
- Conversion models.
- Non-linear modelling.

Return on investment

There is widespread use of quantitative analytical approaches. This reflects the drive for hard evidence (numbers) to show effectiveness, efficiency and value for money.

The return on investment (ROI) approach is a popular numerical measure of efficiency, being the ratio of financial returns to investment measured over time. It is appealing and readily understood as a measure that can demonstrate how investment in tourism generates returns that lead to an economic impact. Estimates from countries show a variety of ratios for ROI, ranging from national campaign estimates to calculations on individual promotion campaigns.

In the latter case, a similar term, Return on Objective (ROO), is often used as a sub measure of ROI being a ratio of investment in a single objective to the benefits of that objective. Summed, the ROOs will provide the overall ROI of the policy. The calculations can be applied in a simplistic manner or become complex in attempting to count and convert all the returns into a numerical value.

A number of countries and agencies now caution the use of crude ROI as a suitable metric in many programme and policy contexts. It is recognised as difficult to make choices on prioritisation when ROI does not present comparisons in a standardised way. For this reason, other methods should be used in conjunction with ROI.

Conversion models

Some OECD countries have developed the conversion model approach in some detail. Denmark provides a good illustration (Box 2.13 and Figure 2.3). The market survey tools used include web-based techniques, marketing campaign studies and impact assessments.

Box 2.13. **Conversion model in practice**

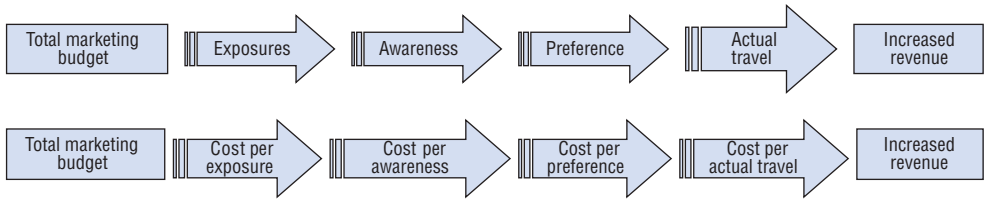
VisitDenmark provides a good example of a useful tool which can be applied in the evaluation of marketing programmes. This examined the effects of consumer-oriented marketing in relation to four performance indicators called "effect goals" which are:

- Exposure.
- Awareness.
- Preference.
- Actual travel.

The four "effect goals" form a traditional marketing evaluation chain as shown in Figure 2.3 below. Central measurements are made to estimate the conversion rates and progressive movements between the four performance indicators. The technique uses market survey tools to produce estimates of effects generated, such as additional tourism revenue. This is gathered through using series of questionnaires. Quantitative analysis uses actual and historic values to produce calculations, some based on average conversion rates from previous VisitDenmark evaluation evidence and measurements.

Figure 2.3. **VisitDenmark's marketing evaluation chain**

Visit Denmark's four performance indicators for its promotional campaign



Source: VisitDenmark.

Website tools and techniques. Online methods are efficient ways of gathering intelligence and communicating marketing messages, as well as processing customers. This allows specific promotions and analysis to be conducted, such as placing a campaign questionnaire on line disguised as a competition. In the questionnaire respondents are asked where they obtained knowledge of the site/competition. Also the respondents are asked if their visit to the site has created a preference to visit.

The approach is adopted in several countries, such as in the United States where consumer perceptions are tested before and after campaigns (Box 2.14). Perceptions are measured based on 72 attributes of the United States as a travel destination. Other countries such as Estonia are investing heavily in digital technologies to assess, analyse and track consumers and their preferences. This tracking can then extend to the monitoring and evaluation of tourists and other actors in the industry system to gather an array of intelligence.

Box 2.14. **United States: Evaluation of tourism promotion campaigns**

In the mid-2000s, the United States committed significant resources to pilot an international tourism promotion campaign. The objectives were to:

- increase awareness of the United States as a travel destination;
- increase positive perception of the United States as a travel destination;
- increase interest and intent to visit; and
- increase economic benefits from visitation.

Pre and post campaign research included an image study, electronic benchmark surveys, travel and booking patterns and a market, media and competitive spend analysis. Analysis produced quantitative assessments of advertising effectiveness and economic returns from investment. The results were used to confirm the successful elements of the program and how to extend the campaign into additional markets.

With the prominence of the Internet in the access of information about tourism and the use of social networking, such approaches and the use of these web-based tools and techniques represent a vital part of the future for the industry.

Marketing campaign studies. Campaign studies are often conducted through online panels run by external research agencies asking a sample of the target audience whether they have seen/heard/experienced the advertising being evaluated, and whether they have obtained a preference for the country as a holiday destination. These have been used in a number of countries including Denmark and the US.

Impact assessment. This measurement is based on the number of exposures in a specific media and on specific market average conversion rates between exposure and awareness, awareness and preference, and between preference and actual travel. In Denmark, this allows VisitDenmark to estimate the effects of a campaign. VisitDenmark can also track longitudinally and compare indicators under each of these effect goals by year.

These techniques involve considerable resources and effort to gather convincing and statistically robust evidence. In some instances industry benchmarks have been applied where survey evidence proves inadequate or too costly to acquire. This is pragmatic but there are risks being driven by external sources such as advertising industry standards.

New Zealand is another country where the conversion process model has been applied to a number of its promotional activities (Box 2.15).

Box 2.15. **Impact assessment conversion process in New Zealand campaigns**

Evidence from campaigns targeting Australia measured awareness rates of the New Zealand brand through the "What's On" Campaign at 55% (Quarter 2 tracking 2008). Further evidence in turn produced a conversion rate of 8% and was used by the Ministry of Tourism to better understand how customers make up their minds to travel and their perceptions of New Zealand. Indeed the evaluation evidence prompted the New Zealand Ministry of Tourism to make changes to the nature of promotions and to take into account the particular sensitivity of factors such as seasonality.

Canada has conducted substantial impact assessment work through its national tourism organisation, the Canadian Tourism Commission (CTC). The organisation aims to focus on specific international markets and consumer market segments with the highest estimated potential for return on investment. They have recognised the key challenges of being able to directly attribute its efforts to the impacts on the tourism economy (Box 2.16).

Box 2.16. **Impact assessment of promotional campaigns in Canada**

Canadian Tourism Commission (CTC) has traditionally used advertising tracking and conversion studies to assess the impact of its promotional campaigns. Three challenges have been identified by CTC in using this approach:

- Sampling – the failure to use proper sampling techniques and a tendency not to take the implications of sampling error into account in the interpretation of results.
- Non Response Bias – in conversion studies associated with destination information services, there has been a tendency not to factor out those respondents who had decided to visit the destination prior to being exposed to the advertisements. In these cases, the advertisements simply facilitated the collection of information for planning purposes.
- Comprehensive Costs – there is a pervasive failure to include all costs associated with the development of advertising campaigns.

The organisation has developed a forward program to tackle these challenges drawing on the lessons from earlier evaluations and benchmarking.

Portugal has experience of evaluating international media coverage by compiling information and analyses on the number of press trips organised, number of journalists invited and advertisement spend equivalent of the articles produced. Such analysis normally involves in-house and external agency evaluation staff. As in other countries, the approach depends on advertising industry measurement techniques rather than being specific to tourism industry evaluation objectives.

In order to reach impact assessment results, it is essential for the analysis of metrics to include detailed and reliable data from all the parties promoting the country. However, evidence shows that it is extremely difficult to isolate the contribution and net impact of activities carried out by the tourism promotion agency, *i.e.* to attribute effect to the tourism policy. One interesting approach is provided by Switzerland (Box 2.17).

Box 2.17. **Effectiveness measurement concept applied in Switzerland**

The "effectiveness measuring concept" to assessing attribution has been applied in Switzerland. This concept requires a judgment of the influence of a controlled instrument on producing an effect. For example, Switzerland Tourism (ST) has established through surveys that the national tourism website *www.myswitzerland.com* contributes 4% of tourist decisions to stay overnight in Switzerland, while travel agents and brochures contribute 5%. ST has 100% control over the content of myswitzerland.com, therefore the attribution to ST from the website is calculated at 4% × 100% = 4%. In contrast, ST's influence in brochures and travel agents is judged to be only 10%, therefore attribution to ST of the 5% is only 5% × 10% = 0.5%.

Non-linear modelling

Conversion studies are linear and thus do not predict human behaviour. Non-linear approaches have been developed in attempt to determine which controllable variables affect behaviour and in what way.

Non-linear modelling is a complicated mathematical process which uses regression analysis to establish relationships between variables. The complexity is offset by the advantage that it shows much more effectively the relationship between different variables. Like all such models, successful implementation depends on many considerations including the assumptions underlying the model, the quality of data gathered and processed and then the careful analysis of the key findings.

Countries have developed ancillary tools to assist with improving relevance and accuracy of modelling. A variant on the non-linear modelling is the Canadian "Path to Purchase" Model (Box 2.18).

Box 2.18. **The Canadian "Path to Purchase" Model**

The Canadian Tourism Commission (CTC) developed this model as it enables them to compare the brand in all markets, identify the performance points (especially those to compel further action if the brand shows signs of weakening and there is an indication of a decline in conversion), and focus marketing activities to address weak links in the chain.

There are seven steps, taken by the potential customer on the CTC "path to purchase" categorised as follows:

1. Awareness – heard about the destination.
2. On priority list – thinking about going to the destination in the future.
3. On seriously considering list – planning within the next two years.
4. Creating a vacation "movie" – information gathering from many sources.
5. Planning a detailed itinerary.
6. Finalising trip arrangements.
7. Successfully purchasing a trip.

CTC focus this process on improving understanding of how their service offering and marketing plans perform at each step. Monitoring in this way asks challenging questions to prompt timely responses at each step: is the country getting international profile at step one, can the potential customer make their "movie" from available resources at step four, etc.

In 2007, CTC launched a monitoring survey called the Global Tourism Watch. This tracked awareness of Canada's brand and Canada's competitive position in the general holiday main market. CTC can now monitor annual changes in perceptions of Canada against key competitors and gain a greater understanding of consumer travel behaviours and values. From this data, CTC can identify barriers to visiting Canada and how to overcome them.

Sustaining the levels of interest and visitation is another challenge. This requires commitment and investment as well as an ability to tell the story in an appropriate way. The results and findings can then be utilised to best effect.

Utilising evaluation results

OECD Tourism Committee work on evaluation revealed that the ultimate use of evaluation evidence depends upon gaining attention with decision makers. Effective evaluation must be approached with an understanding of how to gain attention and how to make sure the findings are used by policy makers.

Some countries, such as Denmark, have been able to use evaluation evidence with immediate effect on strategic decisions. This is despite the diversity between markets, target audiences and the challenge of comparing results on different forms of intervention including marketing activities.

Timing of evaluation is also important. A useful tool is to create a timetable for the submission of evaluation evidence to decision-making bodies. This can target evaluation output to hit major decision points in the calendar, including business planning and budget allocation dates.

Some countries have formal reporting dates. The Economic Ministry of the Slovak Republic is obliged by the government to submit a report on the progress of the national tourism strategy by the 30th of June each year. In other countries, such as the United Kingdom, there is a strong culture of detailed performance monitoring with monthly, quarterly and annual reporting.

Quality evaluation that gains the attention of decision makers can improve the reputation of evaluation in tourism. In the United Kingdom, the implementation of the Scottish Tourism Framework is directly accountable to the Scottish Parliament Economy, Energy and Tourism Committee. The remit of the Committee is to consider and report on the Scottish economy and the Committee has the power to call witnesses to its meetings for scrutiny and debate. This creates a direct link between reporting evaluation evidence and influencing policy through the appropriate Committee of the Parliament.

Communicating the evaluation findings effectively remains a challenge in most countries. Success requires continuous programme development and a willingness to be innovative in exploring the deeper issues of cause and effect. This is shown in Box 2.19 with some of the extensive evaluation work that has been conducted in Australia.

Box 2.19. **Australian Tourism Development Programme (ATDP)**

In Australia, an independent evaluation of the effectiveness of the Australian Tourism Development Programme (ATDP) was used to inform the future development of the Programme. ATDP was a competitive merit-based grants programme which sought to stimulate the growth of the Australian tourism industry, encourage private sector investment and contribute to national prosperity. The evaluation processes resulted in a number of changes being recommended to the Programme: simplifying application processes and forms, increasing grant levels for business assistance and allowing more time for the development of projects. These recommendations were elevated quickly to enable decision makers to act swiftly. ATDP was subsequently redesigned and renamed TQUAL Grants.

Israel provides another case where research findings were used to make swift changes to policy based on the evaluation evidence (Box 2.20).

Box 2.20. **Effective decision-making to reduce barriers to entry in Israel from key markets**

In Israel, an evaluation was undertaken into the main obstacles which tourists face in order to get to Israel. The study highlighted a number of issues including visa restrictions and security checks at Ben Gurion Airport. As a result, the government abolished the need for visas from certain countries such as the Russian Federation, which resulted in a significant rise in tourists and improved perception. At the same time, security at check-in at airports and other points of entry were improved.

Conclusions

The evidence reviewed from tourism evaluation in many countries has produced a number of key themes that point towards areas for improvement. Evidence suggests a number of key factors critical to evaluation success (Box 2.21).

Box 2.21. **Key success factors in evaluation**

- Robust performance indicators. These should be easy to measure, benchmarked regionally, nationally and internationally and applied by policy makers.
- Stakeholder participation. Consultation and active involvement should be promoted through consultations, events and other channels of communication.
- Leadership. A strong commitment to a programme of evaluation that spans all technical approaches as well as clear dissemination of findings is essential. Structures should be in place to ensure timely and regular reporting and discussion.
- Ownership. Policy makers, government and the private sector must take ownership of the evaluation and demonstrate an understanding of the rationale and contribution.
- Governance. Arrangements (such as Memorandums of Understanding and Agreements) need to be in place to ensure that evaluations are co-ordinated between authorities and major evaluations should be conducted as independent and objective assignments
- Time commitment. The appropriate time commitment must be allocated for evaluation. There also needs to be a timetable for the evaluation process to take place with regular quarterly and annual reporting in line with the policy budgetary and decision-making cycles.

Countries are developing the evaluation agenda in different directions. Members of the OECD Tourism Committee share the desire to work more closely in the future to strengthen evaluation approaches and practices especially if the suggested road map (Figure 2.2) is followed.

This chapter reveals many ways to improve the quality and consistency of evaluation of tourism policies and programmes and helps to promote a greater awareness of tourism

evaluation by policy decision makers. The principal conclusions emerging from the study include:

a) Evaluation is context specific: each country has a specific focus and priorities to evaluate. However evaluation frameworks provide structure and could be applied to improve consistency and transferability of evidence and leaning. A narrative commentary on the interpretation of evidence set within a framework would also improve effectiveness by presenting and communicating evaluation evidence in a structured context.

b) Credible evaluation must gather the evidence (quantitative and qualitative) to bring forward credible and convincing information, distinct from other forms of knowledge gathering, such as advocacy, audit and performance management.

c) In times of low growth in most economies, budget pressures will focus the mind on gathering evidence that really adds to understanding and can be delivered as quickly as possible to influence decision-making. Pragmatic solutions which develop capacity should be a priority alongside streamlined reporting structures and strengthening key links with decision makers to improve evaluation effectiveness and relevance.

d) High-quality evaluation should be celebrated. International events and formal adoption of shared guidance materials can keep evaluation prominent and relevant. This will encourage greater public debate, build more capacity and confidence and promote the tourism agenda.

Tourism evaluation has considerable scope for further development and the OECD members can take the initiative in developing a stronger, more co-ordinated future agenda. Through a formal continuation of the Tourism Committee work on evaluation, a community of practice can then emerge from the OECD countries. This will lead to closer collaboration and practical strategic and operational changes in a number of countries.

Joint work in key areas such as evaluation training and other elements of capacity building is fundamental in bringing forward evidence, particularly in times of resource constraint, when decision makers require a strong and clear evidence base on which to make decisions. This is the context that will drive all tourism evaluation activity in the years ahead.

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Chapter 3

Policy Approaches to Skills Development in Tourism

Confronted with a looming labour and skills shortage, employers must develop strategies that will allow them to remain competitive with a smaller but better trained workforce adapted to an ageing clientele, changing lifestyles and consumer demands, the increased use of information and communication technologies, and globalisation, among other drivers. Furthermore, the seasonal and cyclical nature of the tourism industry makes the option of migrant workers an attractive solution for many employers, as they can expand and contract their workforce as demand fluctuates but it does not contribute to addressing the skills shortage. The labour-intensive nature of the tourism industry has a direct impact on the productivity of the industry, which tends to be lower than many other services. However, measuring productivity in tourism has proven to be very difficult because it requires that the quality aspects of both the inputs and outputs be taken into account. Several countries have recognised that a comprehensive national tourism strategy, that includes a workforce development strategy and tripartite partnerships between governments, industry and education, is necessary to fully address labour and skills shortages.

Introduction

Tourism is a very dynamic sector worldwide, and even in mature tourism destinations where growth is slowing due to a degree of saturation, its future prospects remain strong. Many trends are impacting the skills needed to perform competently in tourism-related jobs. With the expected long-term growth of the global tourism market, the competition for labour and skills is increasing rapidly, calling for a larger labour force. Moreover, tourism is in competition with other sectors of the economy that are often seen as more attractive on the labour market.

The increasing gap between labour demand growth and labour supply, as well as significant changes in labour force composition (*i.e.* fewer young people entering the labour force due to a contraction in these age groups, and a ballooning of the senior segments experienced by most developed countries), is putting pressure on employers to improve tourism industry attractiveness and the retention of workers. Thus, many OECD member countries have a dual challenge, as they are facing both a labour and a skills shortage in tourism. The complexity of the tourism industry and the very large number of private and public sector stakeholders also require that national governments take a lead in developing a long-term workforce development strategy.

As part of its agenda, the OECD Tourism Committee set out to determine education and training policies and programmes that support a more attractive labour market and business environment in tourism, allow the industry to maintain a sufficient and highly-qualified workforce, and hence support productivity improvements in the industry. Twenty-seven countries responded to a detailed survey and seven provided case studies to illustrate particularly successful initiatives. This chapter draws heavily on that work, although its focus is on the mega-trends that influence current and future skills needs, and policy-responses that could address these challenges, including education and training and migration. The chapter also briefly discusses skills and productivity issues.

Tourism is a fragmented sector, with many different branches. The diversity of definitions creates significant statistical limitations, making comparisons from one country to another difficult. Therefore, this chapter uses the "hospitality" sector – accommodation and food services – which represents anywhere from 50-75% of all tourism-related jobs within the industry, as a proxy for much of the discussion. In spite of the recognition for tourism's job-creating potential and its importance to national and regional economies, it is recognised that employment has been one of the least studied aspects of tourism.

The skills challenge in tourism

Competency-based professions in tourism

When dissected from a task perspective, the majority of the tourism-related jobs are deemed to require low to medium-level technical skills. Indeed, the European Commission's 7th Framework Programme on Work and Life Quality in New and Growing

Jobs (WALQING) determined that about two-thirds of the jobs in hospitality are low-skilled (Holman and McClelland, 2011). This is contradictory with findings in countries such as Korea and Italy. In the former, the tourism workforce has been assessed in terms of skills levels brought to the jobs – high, medium and low – and it was determined that these represent 26.6%, 51.2%, and 22%, respectively. This indicates that the medium-skilled workforce accounts for the largest share in tourism employment. Italy, taking a somewhat different approach, breaking the required skills into four categories – managers, highly specialised staff and technicians; clerical jobs, trade and service occupations; specialised workers and plant/machinery operators; unqualified occupations – determined their relative shares to be 4.6%, 83.2%, 1.3% and 10.9%. This, again, confirms that medium-level skills are the most in demand (OECD, 2011).

As for every other economic sector, technology has had a significant impact on tourism-related employment as well, both in terms of supporting and in changing how services are delivered. On the one hand, technology has replaced many repetitive jobs (*e.g.* airport check-in, hotel check-out); on the other, it has downgraded certain skills (*e.g.* hotel check-in, food preparation). Aside from these technical or "hard" skills, many of which are learned either on the job or in vocational programmes, the "soft" skills are of increasing importance. Indeed, it is the relational rather than the task-based aspect of work that makes many jobs in the service industry in general, and the tourism industry in particular, demanding. The constancy of interpersonal relations with guests and co-workers has been referred to as "emotional labour" – "the management of feeling to create a publicly facial and bodily display" – (Hochschild, 1983), which requires a high level of skill (Bolton, 2004). To this requirement must be added the equally difficult "aesthetic labour" – the skills required to look, sound and behave in a manner that is compatible with the requirements of the job and with customer expectations (Warhurst, *et al.*, 2000). Both these competencies, often referred to as a worker's "personality", presuppose a certain level of prior education and cultural understanding "to be able to make informed conversation with their guests or clients about politics, music, sport and almost any other imaginable topic, often from an international perspective" (Baum, 2007).

Occupational standards, certification and transferability

A number of countries have developed competency-based training programmes that lead to national recognition, often in the form of certification (Box 3.1). Unfortunately, with few exceptions, these are not required to work in the sector, and therefore do not have the uptake that would ensure higher service quality and productivity. Also, there tend to be few apprenticeable trades in this sector which lead to government-approved credentials.

Competency-based training programmes rely on occupational standards that address the competencies required to professionally carry out the duties associated with the great variety of jobs in the tourism industry. These standards are a job analysis or job profile that contains criteria-based performance statements, knowledge requirements of the job, and contextual information. They are benchmarks against which occupations (or a set of skills), and the proficiency of people in those occupations, are assessed. Many of the national occupational standards also contain essential skills profiles associated with the specific occupation. Essential skills are "enabling" or "underpinning" skills that provide a foundation for learning occupation-specific skills and enhancing people's ability to adapt to workplace change.

Box 3.1. **What are competencies?**

According to the OECD's Definition and Selection of Competencies (DeSeCo) Project (2005), competencies are understood to cover knowledge, skills, attitudes and values. They enable us "to meet complex demands, by drawing on and mobilising psychosocial resources (including skills and attitudes) in a particular context. For example, the ability to communicate effectively is a competency that may draw on an individual's knowledge of language, practical IT skills and attitudes towards those with whom he or she is communicating."

Competencies are often captured in occupational standards that focus on the specifications and/or proficiencies of the work performed in a particular occupation, and outline the knowledge and skills to perform them effectively.

Since each job profile contains criteria-based performance statements, the knowledge requirements of the job, and contextual information, they can serve as effective benchmarks for assessments to be used by individual employers and education/training providers. Subject matter experts are essential to setting a national occupational standard, which is accomplished through a variety of approaches such as observation, interviews, literature reviews, and surveys. Once a standard is written, it undergoes a formal validation process by the industry.

Some countries have taken this approach a step further. For instance, Portugal has developed a National System of Qualifications (Box 3.2). The fundamental strategy involves guaranteeing the relevance of training and apprenticeship for personal development and for the modernisation of companies and the economy. The national tourism authority Turismo de Portugal has a network of 16 Hotel and Tourism Schools that occupy a leading position in terms of specific training for the tourism sector.

Box 3.2. **Portugal: Examples of training and certification initiatives**

The national tourism authority Turismo de Portugal is responsible for the co-ordination, creation and recognition of professional initiatives and courses, and also for fostering the development of human resources training within the tourism sector through two complementary fields of intervention.

Training

- Qualification of new professionals – training aimed at young people that grants professional certification (access to a profession) and academic certification (increased levels of schooling).
- Professional development – initiatives for recycling and updating professional skills of the existing workforce, ensuring appropriate qualifications and specialisation.

Certification

- Certification of the sector's professionals – through training, experience and recognition of qualifications
- Recognition of courses in the tourism area, organised by other bodies.

Development of measurable competence-based standards not only helps to keep the qualification provision up-to-date but can also support the validation of prior experience and learning. While formal qualifications are not always required in tourism, their existence, and a widely available opportunity to obtain qualifications by an alternative to formal education, may contribute to raising the prestige of the occupation and the sector in general. Taking into account a very high proportion of personnel without formal qualifications, but nevertheless often with adequate tacit knowledge and experience in the sector, validation of informal and non-formal learning is crucial. While not a requirement for work (*i.e.* it is not a regulation or control practice), certification is an industry recognised credential of an employee's competence. This is particularly important in an industry that sees a lot of turnover and where workers are highly mobile.

To facilitate worker mobility, especially across borders, the recognition of foreign credentials is imperative. Since there is no internationally harmonised approach to nationally sanctioned competencies and accreditation for some professions in the hotel, food and tourism sector, an initiative such as the creation of a European Qualification and Skills Passport (QSP) [as initiated in 2006 by EFFAT (European Federation of Food, Agriculture and Tourism Trade Unions) and HOTREC (Hotels, Restaurants and Cafés in Europe)], is very timely and much needed. The QSP was approved in 2007 and its development was being funded by the European Union. Currently, work is ongoing to insert the sector-validated skills list that forms the basis of the QSP, into EURES, the European Mobility Portal. This will allow employers and employees to find each other on the basis of skills rather than on certificates. When completed, users will be able to extract from EURES the QSP which will describe a worker's qualifications (diplomas, certificates, etc.), employment history, professional skills and competencies (acquired on the job, non-certified), and other competencies, such as languages. This passport should therefore make it possible for employers to accurately assess the skills and experiences of job candidates from their own and other EU countries, as well as facilitate a better match of offer and demand in employment in the hotel and restaurant sector.

Projected skills shortages and their drivers

A number of OECD member countries have attempted to project skills shortages, but are often unable to quantify these. Only Korea has identified numeric gaps by skill level (high, medium, low) and Canada has done so by occupation. Others identify occupations in general terms (*e.g.* chefs/cooks), and highlight more generic skills shortages (Box 3.3) that are increasingly in demand, such as those needed in a multicultural working environment, and requiring education for cultural diversity and language skills. The need for skills upgrading among managers, especially for leadership, strategic management, project management, entrepreneurship and innovation, has also been identified. Furthermore, there is unsatisfied demand for training in subject areas such as sustainable tourism, project management, globalisation and international business. Numeracy tends to be problematic among tourism workers, and financial management and cost control are often singled out as inadequate skills. The dynamic changes in customers' expectations, the increasingly multi-cultural and multi-generational work environment and technological advances are all contributing to a shortage of skills needed by the industry.

Overall, there would appear to be a growing demand for more skilled labour, sector-specific as well as generic. Many countries identified systemic shortages with respect to culinary skills, particularly for chefs/cooks, but also for servers. In some instances, as

Box 3.3. **Generic skills shortages**

- Leadership and management skills, specifically practical management operations, financial and business management, and core people leadership skills;
- communication and foreign language skills, which also includes an understanding of foreign cultures and business environments as well as intercultural competencies to address the increasing internationalisation of the customer base and the workforce;
- social skills and competences, which also extends into customer handling/service skills and knowledge;
- information technology and communication/presentation (ICT); and
- numeracy and financial management skills.

noted by France and other countries, positions remain unfilled even though there are personnel available, but their skill set is not deemed appropriate or they are reluctant to move to where the jobs are available. A few OECD countries, Hungary, New Zealand, and Poland, are also experiencing skills shortages in the accommodation sector for receptionists, housekeeping and hotel service management.

To provide better working conditions and address fluctuations in demand, multi-skilling of employees is seen as a partial solution. This, however, also demands a greater skill set from workers, and an adaptability and flexibility that has not been the norm previously.

Consumer demand patterns in tourism require working conditions that are frequently characterised as unsocial, and irregular working hours in the form of split shifts, weekend shifts, night shifts, or work during holiday periods (Busquets, 2010). These basic work conditions, exacerbated by many low paying, routine jobs, fewer benefits and limited opportunities for promotion and career development, have not changed to a great extent in the last 20 years. This, then, accounts for the high turnover, especially for line-level workers, and a rather poor image of the industry overall. Few countries actively promote careers in the sector, and its professions are not generally valorised or considered a prestigious employment option.

Megatrends impacting the skills needed in tourism

Beyond the working conditions, several megatrends are impacting the skills needed to perform competently in tourism-related jobs. Oxford Research (Table 3.1), as part of its comprehensive review of the European HoReCa (hotel, restaurant, catering) sector, identified a number of drivers that are influencing and changing this sector, thereby impacting on labour and skills projections:

- **Ageing population:** This impacts both the demand – tourists requiring more and more specialised services – and the workforce.

  On the one hand, older tourists tend to have the time and financial resources to engage in higher quality experiences that have a definite learning component, while on the other hand they are increasingly challenged by different kinds of disabilities that require accommodation in terms of accessible facilities and the provision of specialised services. Much greater attention will need to be placed on individualised needs. This

customisation of services and experiences requires greater flexibility and responsiveness on the part of employees.

The tourism industry is characterised by a young workforce, in contrast to most other industries. However, with an ageing population, there will be greater competition for these young workers from other sectors as well. This will force the tourism industry to attract older workers, who are often less flexible and have more physical limitations than the student workforce on which it has traditionally relied heavily.

- **Changing lifestyles and consumer demands:** Today's customers are more enlightened about health, climate, the environment and politics, demanding more information about what they buy, and more services to address their specific needs.

  The sophistication of modern tourists is placing increasing demands on the quality and professionalism of services delivered. For example, many tourists today have experienced a great number of products and services in many different countries. This has instilled greater awareness of global concerns, such as social and environmental conditions, and personal ones such as healthier lifestyles, nutrition and local/organic food production.

  This is also placing greater demands on the organisations, how they address corporate social responsibility and incorporate sustainability in the general management of all aspects of the business. This requires knowledge about topics as diverse as traceability and fair trade, especially of food and beverage, health, climate and the environment. The increasing number of threats to the safety and security of guests also means greater skills and awareness on the part of the workforce.

- **Increased use of information technology and communication (ICT) and the Internet:** These technologies offer customers greater searchability and businesses greater marketability, and are profoundly changing the way business is conducted.

  The overall Internet penetration rate for OECD member countries is estimated at 65.4% (Miniwatts Marketing Group, 2010). As a result, much of trip planning is now completed online, although booking over the Internet varies widely among countries. However, technology not only allows potential travellers to find out about the destination, its products and services, and the experience of others who have been there, it also gives small and niche products an opportunity to reach out to a world-wide clientele. This, of course, requires the capacity to handle ICT within the organisation, a strategic understanding of the use of ICT by senior management and much greater skills in developing and using new online tools such as social media by all levels of staff.

  The way business is conducted within establishments has also changed. For hotels, this means tracking guest preferences over time and indeed, throughout chain properties. For the foodservice industry it means that a great variety of finished and semi-finished products are available, and preparation techniques have also seen significant changes.

- **Globalisation and economic growth:** Disposable income and spending on travel and dining are directly correlated, as is the demand for quality, specialisation and uniqueness. While globalisation allows for greater market reach, it also increases international competition.

  The creation of international workplaces demands skills in diversity management. It is also changing the way business is conducted with more outsourcing, international

franchising and contract management, demanding improved control and quality systems, international branding and international administration and accounting.

Table 3.1. **Main drivers of change in the hospitality sector**

Main drivers	Technology	Technology	Economic	Economic	Organisation	Organisation	Others
Activities	Products and services	Processes	Demand	Supply	Conceptual	Executive	
Industry							
Hotels and other short stay accommodation	• ICT • Internet booking • Online information • Web 2.0	• Digitalisation and ICT	• High increase • Differentiation • Individualisation • Value for money • Segmented market: Price *vs.* quality driven	• Multinational companies • Specialised local SMEs	• Specialisation • Internationalisation • New partners and specialised supply-networks	• Internationalisation	• Ageing population • Concerns about health, environment, etc. • International stability • Climate and extreme weather conditions
Restaurants, bars and cafes	• ICT • Internet booking • Online information • Web 2.0	• Digitalisation and ICT • Preparation, cooling and storage	• High increase • Differentiation • Value for money • Convenience and snacking	• National and international restaurant chains • SMEs: "local experience"	• Specialisation • Internationalisation • Chains and franchising	• Internationalisation	• Food prices • Ageing population • Concerns about health, environment, etc.

Source: Oxford Research 2008.

Beyond these broad, macrolevel drivers, the OECD Tourism Committee identified additional challenges that exacerbate the shortage of labour and skills in this economic sector. Results indicated that many countries do not have a national tourism strategy, which ideally would address the development of the sector's workforce in terms of quantity and appropriate skills set. Such a human resource development strategy should be developed in partnership with all stakeholders, and supported by a strong implementation plan. Without it, programme offerings that do not address the needs of the industry are inevitable. The main challenges facing tourism education and training include:

- The competencies and attitude of employers
  - General lack of a training culture: In the tourism industry as a whole, training tends to be seen more as a "cost" than an "investment". The reluctance to invest in employees is directly related to the nature of the industry, characterised by "high costs and small profit margins; unstable and insufficient demand; stark necessities of the structure and conditions of the industry, such as seasonality and small and medium-size organisations; and a low cost–low price business strategy" (Kusluvan, *et al.*, 2010). Since most positions in the sector are not regulated, there is also a relatively low premium placed on educational qualifications, which leads directly to the low uptake of certification. In addition, the attitude of employees (see below) often contributes to the reluctance to invest in their training.
  - Lack of management skills: This is particularly noticeable at the owner / manager level in small and medium-sized businesses. As a consequence, many of these businesses fail to develop adequate policies or provide staff with a proper career development path. In particular, there is a tendency to neglect entry or lower level skills where managers have not been properly trained themselves. Lack of competency in

intercultural and diversity management: These competencies are key if employers want to successfully hire and retain diverse staff in the context of an increasingly internationalised workforce. They include, but are not limited to, culturally sensitive hiring practices, assessment of foreign qualifications (work experience, credentials, and competencies), willingness to introduce workplace adaptations to accommodate members of under-represented groups (*e.g.* newcomers, people with disabilities), etc.

- The attitude of employees
  - Unwillingness or inability of workers to upgrade: Not all employees view the sector as a long-term career prospect, and are therefore reluctant to participate in further training and professional development. Work demands are often such that the employees do not have time to pursue ongoing education and the employers are reluctant to spare the worker. This is often aggravated by the geographical distribution of the training and education establishments as opposed to where the industry is located. The training is also often seen as too expensive since the case for return on investment to the employee (*e.g.* through salary increases) or the employer (*e.g.* through greater productivity) has not been made sufficiently compelling.
  - Career aspirations: In some countries, there is inadequate motivation and interest among young people for gaining appropriate education and professional skills in this sector. Workers often assume that development must lead to staff working towards being managers rather than deepening their skills at an employee level.
  - Immaturity of school-leavers: Several countries mentioned the lack of maturity of young people and apprentices entering the sector. This translates into a greater need for excellent management skills, especially in conflict resolution, by supervisors, but also an increase in abandoned career paths. For instance, France records a 30% resignation rate while under contract (*e.g.* apprenticeship), almost twice as high as for other sectors.
- Competition from other countries and sectors
  - Graduates of hospitality and tourism programmes and employees trained in the sector, whether at the vocational or managerial level, are often sought after by other industries that require a customer service orientation. These industries can usually offer higher pay and a more regular work environment, and so graduates gravitate to these industries (*e.g.* 80% of graduates with tourism related certificates work outside the industry in the Czech Republic). In addition, labour shortages can result from countries offering more favourable remuneration and better working conditions, encouraging particularly well qualified, younger staff to migrate to these countries. This problem is particularly acute in countries such as Poland, Hungary, and Romania.

Policies to overcome the skills gap

The complexity of the tourism industry and the very large number of private and public sector stakeholders require that national governments take a lead in developing a long-term workforce development strategy. Ideally, such a strategy would be developed within the broader context of improving the industry's competitiveness and sustainability, since the increasing demand for skilled labour will continue to present a major challenge in all countries. In addition, workforce development strategies should entail a whole-of-government approach, since many other departments have a direct role to play in tourism. However, strategies and their implementation should be carried out on the basis of

partnerships with the private and education sectors and embrace agreed-upon commitments from the industry, which must step up and assume much greater responsibility for the current conditions.

Some innovative approaches that could serve as a guide for other governments include:

- setting up a private institution to handle government funding programmes for the industry (*e.g.* Austria);
- establishing collaborative councils, commissions or centres to enhance adult workers' skills through activities such as increasing employer investments in skills development and promoting workplace learning and training (*e.g.* Canada);
- approving/suppressing technical and professional diplomas at a senior government level (*e.g.* France); and
- exploring the tourism sector and its probable evolution in-depth to anticipate actions required (*e.g.* Spain).

While national occupational standards and accreditation are an important step in ensuring quality enhancement of the labour force, it must be recognised that in the tourism industry *i)* few professions require certification of any kind; *ii)* pay and promotion have a tenuous link with credentials; *iii)* few occupations have set educational requirements for employment; and *iv)* many graduates from non-tourism programs are hired into tourism occupations without any prior exposure to the industry. However, standards and accreditation serve an important function in encouraging particularly larger employers and high-end operations to ensure that staff is trained to the appropriate level. In addition, these occupational norms can assist with establishing an accreditation programme for competencies acquired through work experience that would also be accepted by educational institutions, and would smooth the path for increased professional credentials for domestic and foreign-trained workers in the industry.

Another area where governments can play a leadership role in partnership with industry is in enhancing awareness of the industry and its career opportunities. Those countries where a distinct effort has been made have noticed an improvement in attitudes towards the sector and its appeal as a career choice. The approaches countries have chosen to do so vary greatly. For instance, Canada uses all available media to target students, apprentices, immigrants, and older workers. Canada (*Discover Tourism*), France (*www.metiers-hotel-restau.fr*) and New Zealand (*NZ Skills Connect*) are three examples of countries that have created career and job portals through the use of the web and in partnership with industry organisations, whereas Austria launched a successful information and image campaign: "Get a Job – your Opportunities in Tourism" is an interactive vocational project to learn about career opportunities and educational possibilities in this sector. The Economic Chambers of the *Länder* of Styria and Salzburg, where it has been running the longest, can point to an increase in the number of apprentices, an improvement in the image of tourism jobs, while one out of two students can imagine an apprenticeship or school education in tourism. The Federal Ministry of Economy, Family and Youth has supported this project since 2009 (now running in six *Länder*) and has already delivered a total of 800 workshops/initiatives covering about 15 500 students and 1 100 teachers (300 schools).

The Czech Republic is another country that has developed a set of indicators to monitor the level of attractiveness of the hospitality sector.

Exposure of school age youth to the working world is another strategy used by some countries. Including vocational subjects (*e.g.* cooking) as part of their secondary studies, technological specialisations (*e.g.* hotel management, tourism), and paid/unpaid internships/on-the-job training, can be very effective in raising awareness as well as interest in pursuing a career in tourism. For instance, Portugal has recently implemented a new training model based upon alternation between schools and the workplace (on-the-job training), preparing trainees for broader and better integration in the job market. Apprenticeships are particularly encouraged in a number of countries, including through financial support for the employer and/or the employee. To ensure successful completion, Australia provides additional financial incentives, while France has introduced a peer mentoring programme in the hospitality sector.

Lastly, the underlying reasons for the skills gap between graduates entering the tourism workforce and the needs of the industry should become a particular focus of ministerial departments charged with the education and training of their country's workforce. Left to their own devices and without an external accrediting body, as is the case in many other professions, there is little incentive for educational institutions to proactively enhance the competencies of their students, and unless they are willing to work more closely with industry the gap between industry expectations and graduate competencies will not be bridged.

The role of migrant labour in addressing shortages

The UN Population Division estimated the population residing outside of their countries of origin to be 213.9 million in 2010 (United Nations, 2009), or approximately 3.1% of the global population. The International Labour Organization (ILO) estimated the number of migrant workers to be approximately 105 million worldwide (ILO, 2010b). During the period 2000-05, more developed regions of the world gained an estimated 2.6 million migrants annually from less developed regions, or 13.1 million over the whole period. North America gained the most from net migration: 1.4 million migrants annually. It was followed by Europe with an annual net gain of 1.1 million (UNWTO, 2009). Migration across national borders has been a rising trend in OECD member countries since about the mid-1970s, but has taken on an increasing role since the mid-1990s, speeding up significantly in the mid-2000s (Box 3.4).

The ILO has recognised that international migration is increasingly important in a global economy and suggests that "nearly all countries today are affected by international migration, either as origin, transit or destination countries – and in many cases all these capacities" (ILO, 2004). However, there is also significant migration within some countries (*e.g.* Canada) or trading blocks (*e.g.* European Union), that – although not captured as part of the statistics on international migration – experiences its own challenges and can, at times, contribute to the growth of the informal labour market.

Ageing populations in most of the OECD countries and the simultaneous declines in the working-age population have exacerbated the growing labour shortages. In this context, immigrant labour has increased rapidly and in many countries has started to largely exceed its initial share in total employment, particularly in Southern European countries, Ireland and the United Kingdom. This situation is even more pronounced in the hospitality and foodservice sectors, where the share of migrant workers in employment is on the whole, higher than their weight in the overall labour force (OECD, 2008), with a majority falling into the low-skills category (Table 3.2).

Box 3.4. **What is labour migration?**

"Labour mobility" or "labour migration" refers to the freedom of workers to practice their occupation wherever opportunities exist. Depending on the jurisdiction, workers can be referred to as migrant workers or migrants, temporary (foreign) workers or temporary migrants. In some countries, especially where regional governments have strong jurisdictional powers, *e.g.* Canada, there exist barriers to the movement of labour even within the domestic sphere. These usually relate to:

- Residency requirements, *e.g.* for health care coverage or access to other social programmes.
- Practices related to occupational licensing, certification and registration.
- Differences in occupational standards.

When this mobility includes the crossing of a national border, this migration takes on a character of immigration, whether temporary or permanent. In these cases, workers are usually referred to as non-permanent or temporary foreign workers, temporary immigrants or guest workers, if they are regular/legal migrants. However, in many countries there is also a serious phenomenon of irregular/undocumented/illegal migrants, that is to say people who enter a country without the necessary documents and permits.

The recent economic downturn put a halt to these trends in most OECD member countries, with labour market conditions deteriorating rapidly, particularly for migrant workers (OECD, 2009). In some countries such as Germany, the Netherlands, Poland, and Austria, there was no visible impact on unemployment rates, although there was a significant increase in part-time work, at least during the first two years of the crisis. This, too, affected foreign-born, and especially the younger age groups, more severely than native-born workers. In spite of this temporary setback, migration is seen as key to longer-term recovery, as well as population growth, since migrants will play a critical role in filling labour and skill shortages in most OECD member countries (OECD, 2010).

However, when queried about migrant workers as a long-term solution to labour and skills shortages, only a few countries like Australia, Canada and New Zealand are in favour of such a strategy, and indeed have a number of tools in place to ensure that professional and language training help facilitate integration into the host community. For all other countries, migrant labour is at best a short-term solution and at most a seasonal phenomenon.

Labour migration and the tourism sector

The seasonal and cyclical nature of the tourism industry makes resorting to migrant workers an attractive solution for many employers, as they can expand and contract their workforce as demand fluctuates. Table 3.2 illustrates the varying degrees to which migrants are concentrated in the hospitality sector compared to those in "low-skilled" and "all" occupations, in national economies. Their increasing number world-wide contributes to the ease with which they can be hired to fill the gaps in the local workforce. This has led to much greater precarity in the employment of migrants, who are also often willing to work for rates of pay, and under conditions of employment, that would not be acceptable to native-born workers. "Many migrant workers in the sector suffer from poor working and living conditions. They are paid lower wages and endure informal or casual employment services in a less safe and favourable working environment than native workers" (ILO, 2010a).

Table 3.2. **The immigrant share of employment, overall and in low-skilled occupations, 2011,[1] including foreign-born employment in hotels and restaurants**

Percentage

	All occupations	Low-skilled occupations	Employment of foreign-born workers in hotels and restaurants
Australia	27.9	31.7	. .
Austria	17.1	36.2	12.12
Belgium	13.6	16.2	8.21
Canada	20.9	21.0	. .
Czech Republic	2.8	3.2	5.6
Denmark	10.2	13.1	7.51
Estonia	13.2		. .
Finland	4.0	4.3	8.49
France	11.6	21.2	6.97
Germany	15.0	27.5	8.83
Greece	10.4	38.4	12.07
Hungary	2.1	1.8	5.65
Iceland	9.4		. .
Ireland	17.0	23.0	11.7
Israel[2]	20.3		. .
Italy	12.9	23.2	8.8
Luxembourg	51.5	71.9	5.85
Netherlands	11.1	24.3	6.79
Norway	11.3	19.1	6.78
Poland	0.2	0.2	. .
Portugal	9.4	11.8	10.54
Slovak Republic	0.5	0.5	. .
Slovenia	10.1		. .
Spain	16.7	33.6	16.15
Sweden	14.8	25.1	7.21
Switzerland	30.3	46.3	7.72
Turkey	3.6	1.8	4.68
United Kingdom	13.9	14.4	9.18
United States	14.7	19.9	10.5
OECD average (without Australia)	**13.7**	**21.2**	

1. The reference group for all immigrants is the employed population 15 to 64 years of age. Low-skilled occupations are the elementary occupations (ISCO level 9), which include cleaners, domestic help, labourers, doorkeepers, garbage collectors, etc. Only persons not in education are included. Data for Turkey are for the year 2010.
2. 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.

Sources: OECD International Migration Outlook, based on European Union Labour Force Surveys (Eurostat); Australia and Canada: Labour Force Surveys; United States: Current Population Survey; Israel: Analysis of CBS Labor Force Surveys by Myers-JDC-Brookdale Institute.

StatLink http://dx.doi.org/10.1787/888932628703

Without these migrant workers, severe shortages of labour and/or sharp labour cost increases would likely occur:

> Globalisation has created a link between the growing demand for labour in the tourism sector and labour migration. Labour migration, when properly governed, can help to fill labour shortages in high-skills and low-skills parts of the market, rejuvenate populations and enhance labour market efficiency, and promote

entrepreneurship, dynamism, and diversity in destination and originating countries. The development of tourism products, the provision of labour and cultural enrichment are further positive results of migration. Migrant workers may bring new skills and knowledge to destination countries that could make companies more competitive, helping the country to grow (ILO, 2010a).

EU countries, such as Romania and Poland, where large numbers of nationals have been attracted to work in neighbouring countries, are now quite actively recruiting in other source countries, *e.g.* Russian Federation, Belarus, Ukraine and Moldova, for temporary work in their hospitality sector. In Canada, employers in the industry have been able to have recourse to the federal Temporary Foreign Worker Program in order to assist businesses in employing temporary foreign workers when identified labour shortages exist.

To facilitate worker mobility, especially across borders, the recognition of foreign credentials is imperative. In a sector where some countries have established nationally sanctioned competencies and accreditation for some professions, many others have not done so, or have a voluntary approach to their adherence. The EU certification framework is meant to address this problem and once functional, the European Qualification and Skills Passport should greatly assist with worker mobility.

Overcoming the skills gap through education and training

The main challenges facing tourism education and training

The noted gaps between the competencies of graduates entering the workforce and the needs of the industry stem largely from a number of concerns with the supply of education and training programmes. Specifically, these are:

- **Cost of programme delivery:** Vocational training tends to be more expensive in the hospitality sector than for more conventional programmes since especially the training of chefs and cooks requires extensive training facilities, equipment, and a low student to instructor ratio. This also limits the number of students that can be accepted into these programmes. Some countries have also noted a general decrease of enrolment in vocational education and training over the past few years with a concomitant loss of the prestige of vocational qualifications and jobs.
- **Facility location:** In some countries training facilities are either not located in or near tourism regions where the labour force is concentrated or they cannot attract a critical mass of students to make the offerings affordable. For example, this problem is acute in Italy and Egypt. In addition, the hours of work in the sector make it difficult for employees to participate in life-long learning and up-skilling. Although this is recognised by a significant number of countries, only a few (*e.g.* Egypt, Box 3.5) have implemented a deliberate localised training programme, *i.e.* taken the training directly to the place of work of employees without disrupting the workflow inside the establishments. Others (*e.g.* Czech Republic, Ireland) are opting for electronic teaching support through the Internet, television and/or DVDs to allow workers to access training from geographically dispersed areas or at times that are more convenient to them.
- **Up-skilling of educators:** Too often the instructors themselves lack up-to-date competencies, especially in intercultural and diversity issues, experience with new source markets and contemporary themes such as sustainability, and are not familiar

Box 3.5. **Egyptian Tourism Workforce Development Program**

Over the last three decades, inbound tourism has grown at an average rate of 8.5% per annum, while Egypt's lodging capacity grew at more than 9.6% per annum. Consequently, the challenge of providing skilled labour became an acute problem, made more difficult by the fact that the workforce is stretched over hundreds of kilometres in areas where no training facilities exist and most establishments did not provide any internal training.

This led the Ministry of Tourism to draw up a comprehensive strategy for developing tourism human resources. One pillar of this strategy called for training of 100 000 workers from various specialisations and functional levels of the tourism sector within three years, and provide them with basic professional skills (theoretical and practical), necessary to perform jobs. This programme has employed non-traditional methods and modern techniques to reach its overall objective through implementing the following schema:

1. Dividing tourism governorates in Egypt into four main training regions and other sub-regions.
2. Relying on groups of internationally Certified Hospitality Trainers (CHT) residing in these regions throughout the programme duration.
3. Using some distinct hotels as temporary training centers in hotel cluster areas.
4. Making use of Regional Hospitality Mobile Trainer to train employees at workplaces.
5. Using up-to-date scientific training programs used around the world.
6. Implementing the training programmes (practical and theoretical) through on-the-job training method.
7. Utilising the latest training methods applied internationally according to the concept of Competency Based Training.
8. Using the modern training aids.
9. Successful trainees get internationally accredited certificates.
10. Implementing the training programmes in a way which does not affect workflow inside the establishments.

Source: Ministry of Tourism of Egypt.

enough with best practice in industry. A very interesting and innovative approach to address this problem has been adopted by Fáilte Ireland. A small part of its budget is earmarked for research into education and training. Examples of where this research activity was turned into actionable programmes include an Educator's Development Programme, which provided an in-career professional development opportunity for lecturers in colleges. Research on e-learning resulted in a series of seminars for educators on how ICT technology could best be applied to tourism education.

- **Insufficient ties with industry:** The OECD Tourism Committee's study pointed to the long-standing communication barriers between the education and industry communities to ensure the delivery of degrees and qualifications that industry values. As well, in many regions there is insufficient co-operation from businesses to arrange for high quality placements, indispensable for workers to obtain practical work experience.

- **Curriculum revisions:** In many of the more vocational programmes, there appears to be a lack of focus on management and business skills, especially business start-ups, self-employment and entrepreneurship, as well as the development of soft skills, which help to ensure excellent customer care but also to cope with pressure (time, complaints, etc.). Also, the quantity and quality of language training is an issue for many countries, and Portugal, for one, has deliberately strengthened the number of hours devoted to linguistic components in all courses. Administrators and instructors are sometimes seen as reluctant to revise curricula, develop more responsive approaches to teaching, and provide new delivery models with greater flexibility.
- **Prior learning assessment:** With so much of the training happening on the job, educational institutions must find a way to better recognise the existing learning and skills of students, and develop accelerated career pathways. In Spain, the government has decided to implement an accreditation programme for competencies acquired through work experience, while the Portuguese National System of Recognition, Validation and Certification of Professional Skills addresses the reality of adults with no professional qualifications being able to achieve these through structured life-long learning.

Improving the connection between education and the tourism industry

The gap between jobs available in the sector and the worker qualifications are of increasing concern to governments as well as leading academics. Governments tend to try and influence how training and education is offered, to whom and under what modalities. Some different approaches can be highlighted through the French, Irish and Canadian experiences:

- In the French Alsace region, a "job objectives contract" (*contrat d'objectifs des métiers*) has been signed for the hospitality sector. This contract is meant to rationalise the utilisation of all forms of education and training, to adjust the education and training offered to the job realities, to increase the competencies of all workers and promote their employability and equality.
- Fáilte Ireland has gone a step further; to ensure that instructors have up-to-date skills, they have cancelled some scheduled training courses at their permanent centres, and in so doing, freed up a small group of instructors to work directly in industry over a three-month period. This work has involved on-site training in front-office and customer service skills, culinary advice on menu design and more recently training support to the Galway Volvo stopover.
- The Canadian Tourism Human Resource Council's Ready-to-Work employment bridging programme is a national, industry-based, internship programme that assists individuals by preparing them for the world of work. The Ready-to-Work programme leverages regional/provincial training funding to prepare participants for the workplace by providing them with the essential workplace skills, attitudes and experience required for long-term stable employment in tourism through a mix of classroom and on-the-job training. With the labour force's changing demographics, the programme focuses on youth and under-represented labour markets such as new immigrants, Aboriginal peoples, social assistance recipients, disabled persons, and mature workers.

Perhaps the most ambitious undertaking is that by Egypt, since so much of its workforce in the tourism industry is underqualified to provide the level of quality its national strategy for the industry demands. This led the Ministry of Tourism to draw up a three-pronged human development and training strategy of the Egyptian tourism sector. Aside from assuring the up-skilling of the existing workforce as well as new graduates, the Ministry is also actively intervening in the development of hospitality education. Through assistance from external experts, it has established national standards for a number of professions in the field of tourism.

Another important initiative is led by a group of leading academics from around the world looking at changes to the hospitality and tourism curricula from 2015 to 2030. This group – the Tourism Education Futures Institute (TEFI) – is developing a value-based approach to educating the future leaders of the industry. Common principles for successful industry-university partnerships – beyond the traditional internship or co-operative education initiatives and consultations on curriculum development – include notably *i*) the need to establish long-term arrangements between partners and the need to ensure continuity among partners; *ii*) the willingness for both industry and academic representatives to learn from each other; *iii*) the understanding that the building of such a partnership requires experiments, and a step by step approach; and *iv*) the importance of the link with the local community.

Skills and productivity issues in tourism

The labour-intensive nature of the tourism industry and its business cycles (seasonal with daily and weekly demand fluctuations) force it to employ a significant part-time, seasonal and casual workforce. This labour intensity, as well as the manner and conditions in which people deliver tourism services, has been shown to put a significant strain on businesses to attract a skilled workforce, and even more to retain and develop them over the long term. It also has a direct impact on the productivity of the industry, which already tends to be lower than some other services (Box 3.6). It can be argued that this is the case due to the lower skill levels which lead to lower salary, and therefore higher staff turnover and a greater reliance on migrant workers. But the reverse also holds true: that the lower salary, stressful and irregular working conditions, and precarious employment make it a less attractive sector in which to build a career. Hence it is people who have fewer skills to offer, are at the beginning of their working lives, or need a job that supplements their income, that are drawn, for a short while, to work in accommodation and food services. Knowing that many of these employees will not stay, employers tend to be reluctant to invest in their training and education, all but ensuring that these workers will continue to be less productive, and indeed, search for careers elsewhere.

By not valuing the education and training of their employees, employers indirectly send the message that they do not value the employees themselves. This is particularly problematic with the latest generation to enter the workplace – Generation Y or the Millennials – who are characterised by a strong focus on self development, thriving on ongoing learning and constant challenges, and have a strong sense of self worth and self interest (Ng, Schweitzer and Lyons, 2010). For this generation, and those preceding them in the workplace, the major factor contributing to the high turnover rate is the low prestige, and the low salaries paid in this sector.

Box 3.6. **How should productivity be measured for tourism?**

In the service sector, the traditional definition of productivity (output: input ratio) must be expanded to include the quality aspect:

Service Productivity = (Quantity of Output + Quality of Output)/(Quantity of Input + Quality of Input)

The problems of measuring productivity in tourism are compounded by four factors: *i)* the intangible service nature; *ii)* simultaneous production and consumption of the services; *iii)* their perishability; and *iv)* their heterogeneity.

This leads to three difficulties in measuring productivity: *i)* the identification of the appropriate inputs and outputs; *ii)* the appropriate measures of those inputs and outputs; and *iii)* the appropriate ways of measuring the relationship between inputs and outputs (Anderson, 1996 as quoted in Li and Prescott, 2008). To measure the quality aspects of both the inputs and outputs in tourism labour productivity, the input ratios would have to include the measures for human capital, that is to say the level of education, training and experience attained by workers, while the output ratios would have to include the measures for service quality and the customer lifetime value.

To convince employers of the value of dollars invested in training, the Canadian Tourism Human Resource Council developed a tool that can be used for planning or to forecast the return on investment that can be expected from training employees in any department or occupation in the sector (*http://cthrc.ca/en/research_publications/training_and_retention.aspx*). The tool looks at six performance measures: sales, upselling, staff turnover, customer satisfaction, employee competence, and cost savings, clearly demonstrating the benefits achieved in increased sales, guest satisfaction, and productivity.

While training at the lower levels of tourism-related organisations ensure some productivity gains, it is training at the managerial level that is critical to ensure appropriate human resource management strategies, policies and supervision within businesses. Where countries have focused on upgrading the skills of employers – managers and owners, *e.g.* Australia, Ireland (Box 3.7), there has been demonstrated success in improving the overall training culture, somewhat. In addition, employer networks have shown themselves to be particularly powerful tools to change attitudes at that senior level. For instance, Fáilte Ireland launched a new business support service for small and medium-sized enterprises called "Tourism Learning Networks" in 2006. Since the network's members set its agenda, learning is driven by real business needs. A different approach has been adopted by France where the development of employer networks aims to help offer employees of seasonal businesses, employment contracts of indefinite duration. Thereby encouraging access to continued education, as well as raising the employers' awareness of the need for more and better training of their employees to improve service quality.

Box 3.7. **Improving productivity at the level of the firm in Irish tourism**

As part of its mandate to guide and promote the evolution of tourism as a leading indigenous component of the Irish economy, Fáilte Ireland, the National Tourism Development Authority, developed the Optimus programme in 2004, in partnership with the tourism industry. Its aim is to support tourism businesses to achieve improved productivity, increased competitiveness, increased levels of customer loyalty and repeat business, lower staff turnover, cost reductions, and increased profitability. Through the process of continuous improvement, Optimus focuses businesses on achieving excellence in all areas of their business.

The Optimus programme comprises three levels, each assessed, accredited and branded, so businesses can progress through the programme, building their capabilities:

1. Level One: Service Excellence (focus on the customer)

   Service Excellence forms the foundation of the Optimus approach and supports management teams in setting, implementing, monitoring and measuring service standards.

2. Level Two: Best Practice (focus on the operation)

   This operational improvement programme enables organisations to compare their processes against the best in industry, identify what makes the leading companies successful and apply these formulas to their business. It focuses on key management aspects of the business under the headings of management, operations and standards.

3. Level Three: Business Excellence (focus on the business)

   To achieve this award, businesses need not only a deep commitment to continual improvement and superior performance, but also a proactive attitude to the changing social, economic and market conditions in which they operate.

Conclusions

The tourism industry is dominated by small and micro-enterprises that for the most part have low entry thresholds in terms of both capital and skills requirements. In many countries tourism has been growing faster than the economy as a whole, in spite of periodic setbacks, and worldwide, international tourist arrivals have increased about one percentage point faster than global GDP in real terms.

Impending labour and skills shortages in most developed countries will aggravate this situation further: such shortages will encourage employers to look for lesser skilled workers both domestically and abroad, to the detriment of the quality of the experience being delivered. According to the International Labour Organization (2010b), "the sector often crosses the fluid boundaries between the informal economy and the formal economy, with a number of formal establishments offering black market jobs".

Major research and information gaps hinder effective analysis of the employment and social environment in the tourism industry worldwide. The industry continues to operate in what might be called an "information fog" with respect to areas such as gender balance and roles within its sectors across countries and regions; the role of tourism-related foreign direct investment and its impact on the enhancement of employment and social responsibility; and the likely long-term impact of demographic and consumer attitudinal and behavioural change on employment and social responsibility (ILO, 2010a, 63-64).

Within such an environment, it is imperative that governments assume a greater leadership role in shaping the training and education agenda. In far too many countries, jobs remain vacant for lack of appropriately skilled workers. This problem has been raised by countries such as Austria, the Czech Republic, Finland, France, Germany and Slovenia.

It is noteworthy that in countries where the national body responsible for tourism promotion is also responsible for some of the education and training and/or is able to directly influence the education agenda (*e.g.* Ireland and Portugal), there seems to be a much greater ability to bridge industry development, quality enhancement of the product and services, as well as knowledge, skills and competencies required to deliver on the goals. In essence, these organisations can drive all aspects of a national tourism strategy, ensuring sufficient and appropriately skilled workers as the industry expands and changes.

Even in countries where responsibility for tourism is spread among a variety of organisations and/or ministerial departments, a long-term national growth strategy for the tourism industry is essential. Such a strategy must be developed in partnership with other levels of governments, public and private sector employers, sector-specific trade unions, and educational organisations, and needs to guide a comprehensive approach to skills development. The outcome of such a social dialogue is the alignment of industry needs with detailed competency development in post-secondary education. The gap between what the industry needs and the education provided on a vocational, technical, academic and experiential level is an issue in many countries. To close it requires overhauling of curricula, up-skilling of educators, quality experiential learning opportunities, preferably in the workplace, and better linkages between vocational training and higher educational levels, to ensure that progressive paths of study are clear and open.

Through tripartite partnerships between governments, industry and education, three tracks should be pursued:

- the revision of curricula;
- the development of more responsive approaches to teaching; and
- the provision of new delivery models with greater flexibility, especially for life-long learning and up-skilling of workers.

However, financial resources must be made available to assist educational institutions with this work. Unfortunately, very few countries have a mandated responsibility that employers financially contribute to ongoing professional training of their workforce, and voluntary contributions will likely be significantly less, especially among SMEs.

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Chapter 4

Country Profiles: Tourism Trends and Policies

Fifty-one policy and statistical profiles, including all OECD and EU member countries, are represented in this chapter. On average, tourism in OECD countries directly accounted for 4.2% of GDP and 5.4% of employment in 2010 (4.4% and 5.7% for EU members); however, there are wide variations within these figures. The current economic difficulties and fiscal austerity affecting many countries are also affecting the tourism sector. In several countries, the perceived risks and weaknesses in international tourism demand, have led to a re-emphasis on domestic tourism on the part of tourism planners and managers. Most governments now regard tourism as an indispensable part of their economies, contributing substantially to employment, value added, foreign currency earnings, regional development and social cohesion. As a consequence, there is a growing understanding of the need to incorporate tourism thoroughly across all arms of government in policy formulation and execution, domestically and internationally.

Introduction to country profiles

This chapter presents policy and statistical profiles relating to the tourism sector in 51 countries – including all OECD and EU members. Eleven emerging tourism economies are also included: Albania, Argentina, Brazil, Croatia, Egypt, Former Yugoslav Republic of Macedonia, India, Indonesia, Montenegro, Serbia and South Africa.

The policy profiles focus on the key issues of tourism in the economy; tourism organisation; tourism budget; and tourism-related policies and programmes. They show that the profile of tourism policy continues to rise. Governments increasingly appreciate that tourism, properly and rationally developed, is an economic activity with the capacity to stimulate economies and help to achieve many national economic objectives. Partly as a result of publications such as this one, international experience of tourism and the exchange of best practice information are creating a greater awareness of tourism's importance. The mounting evidence of tourism's ability to deliver a wide range of economic benefits is resulting in better and more detailed policy responses in support of the industry.

The statistical profiles in this chapter focus primarily on international tourism (inbound and outbound), where possible, providing information on tourism enterprises, employment and contribution to GDP. It also includes some partial data on domestic tourism based on Tourism Satellite Account sources and national surveys. The measurement of domestic tourism, in terms of the number of tourist trips taken each year, is not generally provided by most countries on a consistent basis and does not readily lend itself to aggregations and international comparisons.

Annex 4.A.1 describes basic methodological references, while further information on countries, including the main websites for national tourism administrations, national tourism organisations and other important tourism-related organisations, are available at Annex 4.A.2.

Statistical summary

OECD member countries play a leading role in international tourism, representing 66% of global arrivals in 2010, while EU member countries accounted for 50.2%. In 2010, total international arrivals in all countries reached 940 million, 6.7% above the 2009 figure, with most growth taking place in Asia and the Pacific. International arrivals to the OECD area increased by 4% and by 2.7% for the EU zone. Over a longer term period, 2006-2010, average annual growth in international arrivals to both the OECD (0.8%) and EU (–0.1%) were well below the global average of 2.9%. A breakdown of international tourist arrivals by country and zone (OECD and EU), is provided in Table 4.1.

The UNWTO estimates that international travel receipts and expenditure reached USD 919 billion worldwide in 2010, up from USD 851 billion in 2009. In 2010, OECD countries accounted for approximately 61% of world travel receipts and 58.7% of world travel expenditure. Table 4.2 provides a summary of international travel receipts, expenditure, and balance, by country and zone (OECD and EU).

Table 4.1. **International tourist arrivals, 2006-10**

	Type of indicator[1]	2010/2006 Average annual growth %	2010/2009 %	2010 million
WORLD		**2.9**	**6.7**	**940.0**
EU27		**–0.1**	**2.7**	**471.9**
OECD		**0.8**	**4.0**	**620.7**
Australia	VF	1.6	5.4	5.9
Austria	THS	2.2	4.0	17.2
Belgium	THS	0.6	5.9	5.8
Canada	TF	–3.2	1.8	15.9
Chile	TF	5.2	0.4	2.8
Czech Republic	TCE	–0.2	5.0	6.3
Denmark	TCE	–1.9	3.3	4.4
Estonia	TCE	2.5	13.3	1.6
Finland	VF	3.9	8.6	6.2
France	TF	–0.2	0.5	77.1
Germany	TCE	3.5	11.0	26.9
Greece	TF	–3.1	0.6	15.0
Hungary	VF	1.0	–1.8	39.9
Iceland	TCE	4.0	–1.0	0.5
Ireland	TF	–5.7	–12.8	6.0
Israel[2]	TF	12.1	20.8	2.8
Italy	TF	2.5	2.1	73.2
Japan	VF	5.5	26.8	8.6
Korea	VF	9.4	12.5	8.8
Luxembourg	TCE	–3.7	–1.7	0.8
Mexico	TF	1.1	3.8	22.3
Netherlands	TCE	0.5	9.7	10.9
New Zealand	VF	1.1	2.7	2.5
Norway	TF	3.5	7.6	6.6
Poland	VF	–2.4	8.4	58.3
Portugal	TCE	1.7	4.9	6.8
Slovak Republic	TCE	–3.7	2.2	1.3
Slovenia	TCE	3.9	2.5	1.9
Spain	TF	–2.3	1.0	52.7
Sweden	TCE	1.5	5.8	5.0
Switzerland	THS	2.4	4.0	8.6
Turkey	TF	9.8	5.7	28.6
United Kingdom	VF	–2.3	–0.3	29.8
United States	TF	4.2	8.8	59.8
Non-OECD economies				
Albania	VF	26.8	30.2	2.4
Argentina	TF	6.9	23.6	5.3
Brazil	TF	0.8	7.5	5.2
Bulgaria		3.0	6.4	8.4
Croatia	TCE	3.4	4.8	9.1
Cyprus[3, 4]	TF	–2.3	1.5	2.2
Egypt	TF	14.8	17.6	14.7
Former Yugoslav Republic of Macedonia		4.5	1.2	0.3
India	TF	7.0	11.8	5.8
Indonesia	TF	9.6	10.7	7.0
Latvia	TF	–2.0	3.8	1.4
Lithuania		–0.9	1.8	4.1
Malta	TF	4.7	12.6	1.3

Table 4.1. **International tourist arrivals, 2006-10** *(cont.)*

	Type of indicator[1]	2010/2006 Average annual growth %	2010/2009 %	2010 million
Montenegro	THS	–4.3	5.1	0.5
Romania	VF	6.8	–1.0	7.5
Serbia	TCE	11.7	5.7	0.7
South Africa	TF	0.5	15.1	8.1

1. TF: Arrivals of non-residents tourists at frontiers.
   VF: Arrivals of non-residents visitors at frontiers.
   TCE: Arrivals of non-resident tourists in all types of accommodation establishments.
   THS: Arrivals of non-resident tourists in hotels and similar establishments.
2. 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.
3. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".
4. Note by all the European Union member states of the OECD and the European Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Sources: Country and UNWTO data, OECD data processing.

StatLink http://dx.doi.org/10.1787/888932628722

Table 4.2. **International travel receipts and expenditure, 2009-10**

Million USD

	Travel receipts		Travel expenditure		Travel balance	
	2009	2010	2009	2010	2009	2010
World	**851 000**	**919 000**	**851 000**	**919 000**		
EU27	**337 700**	**333 947**	**335 419**	**329 604**	**2 281**	**4 343**
OECD	**541 564**	**560 268**	**522 247**	**539 185**	**19 318**	**21 083**
Australia	25 384	30 103	17 575	22 368	7 809	7 735
Austria	19 327	18 645	10 761	10 221	8 566	8 425
Belgium	10 202	10 235	20 432	18 679	–10 230	–8 444
Canada	13 621	15 723	24 262	29 570	–10 641	–13 847
Chile	1 574	1 580	1 137	1 237	437	343
Czech Republic	6 564	5 948	4 055	3 544	2 509	2 403
Denmark	5 619	5 706	8 971	9 086	–3 352	–3 380
Estonia	1 090	1 065	606	630	484	435
Finland	2 809	2 899	4 357	4 240	–1 548	–1 340
France	49 333	46 514	38 219	38 493	11 114	8 021
Germany	34 593	34 700	80 855	79 068	–46 262	–44 368
Greece	14 448	12 729	3 381	2 854	11 067	9 875
Hungary	5 942	5 727	5 638	5 386	304	341
Iceland	579	601	630	647	–52	–46
Ireland	4 737	3 942	7 603	6 902	–2 866	–2 960
Israel[1]	2 746	3 710	2 913	3 416	–167	294
Italy	40 089	38 749	27 806	27 039	12 283	11 710
Japan	10 260	13 218	25 114	28 373	–14 855	–15 155
Korea	9 782	10 321	11 040	14 292	–1 258	–3 971
Luxembourg	4 176	4 107	3 612	3 517	564	590
Mexico	11 278	11 758	7 133	7 283	4 145	4 475
Netherlands	12 319	12 983	20 603	19 611	–8 284	–6 627
New Zealand	4 586	4 906	2 521	3 033	2 066	1 873

Table 4.2. **International travel receipts and expenditure, 2009-10** *(cont.)*

Million USD

	Travel receipts		Travel expenditure		Travel balance	
	2009	2010	2009	2010	2009	2010
Norway	4 153	4 707	12 043	13 672	–7 890	–8 966
Poland	8 913	9 587	5 777	7 441	3 135	2 146
Portugal	9 597	10 080	3 768	3 911	5 829	6 169
Slovak Republic	2 341	2 228	2 098	1 944	243	284
Slovenia	2 506	2 563	1 268	1 223	1 238	1 341
Spain	52 965	52 475	16 791	16 771	36 175	35 704
Sweden	10 258	11 094	11 918	13 274	–1 660	–2 180
Switzerland	14 158	14 967	10 908	11 149	3 250	3 818
Turkey	21 249	20 807	4 146	4 825	17 103	15 982
United Kingdom	30 176	32 386	50 189	49 979	–20 013	–17 593
United States	94 191	103 505	74 118	75 507	20 073	27 998
Non-OECD economies						
Albania	1 827	1 613	1 585	1 362	242	251
Argentina	4 476	4 942	4 494	4 878	–18	64
Brazil	5 305	5 919	10 898	16 422	–5 593	–10 503
Bulgaria	3 728	3 571	1 750	1 232	1 978	2 339
Croatia	8 850	8 217	1 006	833	7 845	7 383
Cyprus[2, 3]	2 169	2 137	1 293	1 120	876	1 018
Egypt	10 487	11 584	2 708	2 313	7 780	9 270
Former Yugoslav Republic of Macedonia	218	197	92	112	126	85
India	11 354	141 909	9 315	10 633	2 039	131 276
Indonesia	6 298	7 603	4 939	5 796	1 359	1 807
Latvia	675	630	801	695	–126	–65
Lithuania	1 007	1 029	1 124	793	–117	236
Malta	889	1 078	288	311	602	768
Montenegro	659	660	49	46	610	613
Romania	1 228	1 139	1 457	1 641	–229	–502
Serbia	857	801	953	959	–96	–158
South Africa	7 624	9 085	4 151	5 595	3 473	3 490

1. 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.
2. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".
3. Note by all the European Union member states of the OECD and the European Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Sources: Country and UNWTO data, OECD data processing.

StatLink http://dx.doi.org/10.1787/888932628741

Table 4.3 provides an analysis of internal (domestic and inbound) tourism consumption for selected OECD and non-member economies in 2010 (or latest available year). On average, domestic tourism consumption, as a proportion of internal tourism consumption, is much higher for OECD member countries (60.9%), than for non-members (47.5%). For six OECD countries, namely Chile, Germany, Japan, Mexico, the United Kingdom and the United States, domestic tourism consumption represents more than 80% of internal consumption, demonstrating the significance of domestic tourism to many members.

Table 4.3. **Tourism Satellite Account: Internal tourism consumption**

2010 (or latest available year)

		Internal tourism consumption (ITC)	Domestic tourism consumption	Inbound tourism consumption
		Billion USD,[1] current prices	*As a percentage of ITC*	*As a percentage of ITC*
OECD				
Australia	2009-10	85.49	76.0	24.0
Austria	2010	39.04	46.7	53.3
Canada	2004	54.92	70.1	29.9
Chile	2008	11.53	82.4	17.6
Czech Republic	2010	11.22	47.0	53.0
Denmark	2010	13.28	60.3	39.7
Estonia	2006	1.66	24.3	75.7
Finland	2007	15.00	71.0	29.0
France	2010	182.21	68.5	31.5
Germany	2010	341.52	85.8	14.2
Hungary	2008	6.69	36.7	63.3
Ireland	2007	9.28	46.3	53.7
Israel[2]	2010	9.27	52.4	47.6
Japan	2009	262.15	95.2	4.8
Korea	2004	25.77	69.5	30.5
Mexico	2009	100.51	85.7	14.3
Netherlands	2010	41.58	76.6	23.4
New Zealand	2011	18.09	57.5	42.5
Norway	2009	16.78	71.1	28.9
Poland	2008	16.45	38.7	61.3
Portugal	2006	14.72	42.8	51.0
Slovak Republic	2008	5.28	46.3	53.7
Slovenia	2006	3.50	40.9	59.1
Spain	2007	133.88	51.8	48.2
Sweden	2010	35.32	65.8	34.2
Switzerland	2005	24.44	60.5	39.5
United Kingdom	2008	206.23	85.5	14.5
United States	2009	699.10	82.9	17.1
Non-OECD economies				
Croatia	2007	10.11	16.3	83.7
Cyprus[3, 4]	2007	2.29	15.7	84.0
Egypt	2009	16.57	18.4	81.6
India	2002-03	37.11	81.8	18.2
Indonesia	2010	24.07	68.8	31.2
Lithuania	2009	1.76	51.2	48.8
Montenegro	2009	0.83	88.6	11.4
Romania	2007	25.13	76.5	23.5
South Africa	2010	19.96	54.1	45.9

1. The conversion from national currency data to data in US dollars has been calculated using annual average exchange rates for the corresponding year.
2. 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.
3. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".
4. Note by all the European Union member states of the OECD and the European Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Sources: National Tourism Satellite Accounts, OECD data processing.

StatLink http://dx.doi.org/10.1787/888932628760

The direct contribution of tourism in OECD countries was on average 4.2% of GDP and 5.4% of employment in 2010 (4.4% and 5.7% for EU members), although there is considerable variation within these figures (Figure 0.1 – for metadata, see online version). Notably, some of the world's largest tourist destination countries such as France (7.1%) and Spain (10.2%) exceed this average by a large margin. Also, some smaller destination countries such as Portugal (9.2%), Mexico (8%) and Iceland (6%) show a substantial reliance on tourism for value added, employment and balance of payments benefits.

Non-members covered in this chapter have an average of 5.3% of their GDP accounted for by the tourism sector, again with wide variations between countries. While in aggregate these countries accounted for only 8.9% of global international arrivals in 2010, the rate of growth in arrivals between 2009 and 2010, at 10.1%, was considerably above that for global arrivals (6.7%), and OECD (4%) and EU member countries (2.7%).

Key policy issues

Against this background, it is unsurprising that governments increasingly regard tourism as an area for which the development and application of supportive policies is important, and an area where the potential benefit of government intervention should not be overlooked. The country profiles included in this edition contain a wealth of detail on the issues, policies and concerns that occupy the minds of governments when considering their tourism sectors. The main issues that emerge from these profiles are summarised below.

Managing negative externalities

The dominant concern of those responsible for the development of tourism in 2011-12 remains the international financial and economic crisis and the relatively poor outlook for many national economies. Within Europe, the largest region for international tourism in the world albeit a region whose market share is experiencing a modest but steady decline, countries such as Greece, Ireland, Italy, Portugal and Spain, are facing fiscal austerity and rising unemployment capable of adversely affecting their international tourism activities. Any serious weakening in these countries' international origin markets could result in falling demand for tourism services that in turn could exacerbate national weaknesses such as those affecting the labour market.

Within the limits of what national authorities can do to counteract negative international trends, it is noticeable that many of the countries covered in this chapter are placing greater emphasis on, and taking additional supportive measures to encourage domestic tourism. There is a growing recognition that domestic tourism is as capable of supporting employment and adding local value as international tourism, with governments increasingly reflecting this shift in tourism policy development.

Some countries have also had to deal with the consequences of major natural disasters – such as the tsunami in Japan and the earthquake in New Zealand – or political upheaval such as that experienced in a number of Middle Eastern and Mediterranean countries. In response to such events, tourism sector managers can draw on extensive international experience in areas such as the dissemination of accurate information to travellers and to the travel trade, in an effort to minimise potential adverse effects.

Plans and strategies

Governments in recent years have increasingly recognised the economic and social importance of tourism. Tourism's ability to create employment, stimulate capital markets, attract foreign investment, earn foreign currency and add value nationally, regionally and locally has been generally accepted. This has led to the development of a range of policies and programmes in which government intervention in the stimulation and support of the tourism sector has increased.

One manifestation of this is the emphasis placed in many countries on medium-term strategic development plans for the tourism sector. Such plans, often led by the ministry responsible for tourism, may also involve cross-cutting initiatives involving other ministries, such as those dealing with infrastructure, transport and especially human resources. Increasingly, tourism is seen as a whole-of-government responsibility to be advanced and supported in the national interest. The development of well considered and integrated strategies sets tourism firmly in the context of national development policy, and positions the industry alongside the more traditional sectoral concerns of government, such as agriculture and industry.

In parallel to national planning is a growing realisation that the responsibility for the development of tourism should also involve regional and local government. Examples of the devolution of responsibility for tourism, to decentralised levels of government, can be found in many of the country profiles that follow. Part of the motivation for decentralising the tourism activities of the public sector is of course practical – such as the specific tourism endowments of coastal regions which cause an inevitable concentration of tourism activities in such regions. However, the ability of tourism to sustain rural populations and communities in sometimes non-traditional tourism regions is also more widely appreciated, and is attracting the attention of policy makers who can recognise, for example, that direct support for tourism initiatives in rural communities can have concrete benefits.

Quality and product development

An analysis of country profiles indicates an increasing understanding on the part of policy makers and regulatory authorities, of the importance of quality tourism products and services. This may take a number of forms and be reflected in a variety of programmes and initiatives. Areas such as the grading of accommodation and attractions; the training and certification of staff; the diversification and constant renewal of tourism products; the development of new, often specialised types of tourism (*e.g.* medical tourism); and monitoring industry performance; all require action on standards and quality on the part of those responsible for managing the industry.

An increasingly important aspect of tourism quality to which many countries now pay direct attention is the sustainability of the industry in its broadest sense. Conventionally, the concept of sustainability relates to the environmental integrity of tourism activities. High environmental standards are becoming integral to the success of any tourism sector, in line with the changing expectations of many tourism markets, for more environmentally friendly products, services and experiences.

The concept of sustainability, however, is also more widely interpreted in terms of the longer-term profitability of the sector, its ability to provide satisfying and well-remunerated careers, the contribution that tourism can make to the maintenance of viable

communities, often in remote areas, and the social cohesion that tourism is able to create. Countries that fail to consider and address these wider issues may find that their tourism sector is less able to deliver potential benefits, and is therefore less successful in the long-term than otherwise might be the case.

Diversification plays an important role in increasing the sustainability of the sector, including the provision of new types of tourism experiences and facilities to attract new markets (*e.g.* cycle trails, eco-tourism resorts or special interest activities). Seasonality is a significant problem for many destination countries, and product diversification can also help to address this issue by lengthening the tourist season and/or spreading the peak demand period. For example, labour market problems often exist as a result of the concentration of demand for tourism services in a few, typically summer months. If this demand can be spread through a greater part of the year, there are many benefits to be had in terms of the sustainability of employment and the industry's social and economic yields.

Human resources and competitiveness

A primary area of public intervention in tourism is in the development of human resource capacity. As a labour-intensive economic activity, the provision of tourism services is both a key area of economic benefit and also a directly influential factor in product quality. Professional services provided by well-trained staff are important in defining the industry standards. Governments frequently take direct action to set labour standards and provide the appropriate training as this is an area of common market failure. Governments in most countries are aware of the importance of labour market policy to the tourism sector, and as a consequence address these issues directly.

Governments also appreciate more clearly than in the past that their tourism sectors operate in highly competitive markets, demonstrated clearly by the differential in performance between many mature and emerging tourism economies in recent years. Countries around the Mediterranean Basin, for example, have found that tourists switch from one broadly similar destination to another quite readily, in response either to issues such as those relating to security and the political situation, or to issues such as the price competitiveness of one country compared to another. The need to maintain and improve the tourism industry's competitiveness is an obvious area of concern. It can be addressed through policy actions in areas such as labour market professionalism, product development, or the application of minimum standards in addition to macroeconomic management that is central to a country's international competitiveness.

Sharing costs

The current period of fiscal austerity affecting many countries has made it more difficult for governments to finance tourism initiatives. Economic weaknesses and budgetary difficulties can present governments with a dilemma in tourism development. On the one hand, there is a case for promoting tourism more vigorously in order to counteract unemployment and poor economic growth, while on the other, countries' budgetary pressures can make the allocation of additional funds to tourism development more difficult to justify and achieve. One approach to alleviating such pressures is that of public/private partnerships, which have become more common in many countries. Often at the request of governments, industry stakeholders are being encouraged to co-finance tourism development initiatives, such as quality- or product-improvement programmes, or

marketing initiatives such as international promotional campaigns and attendance at key tourism fairs and events.

In some cases (*e.g.* the Czech Republic, Hungary, Poland and the Slovak Republic), cost sharing and co-operative international marketing has been undertaken as a means of promoting broadly similar or neighbouring destinations at major industry trade fairs or as part of major international marketing campaigns. While such initiatives are still relatively rare, there is some evidence that financial pressures in individual nations are giving rise to such co-operative actions as a means of achieving greater financial efficiencies.

OECD Member Countries

Australia

Tourism in the economy

In 2010-11, tourism generated about AUD 34.6 billion, an increase of 2.5% on the previous 12-month period. Australian tourism GDP is also 6.7% higher compared to the pre-global financial crisis period in 2007-08. However, tourism's share of Australia's GDP has fallen slightly from 2.7% from in 2007-08 to 2.5% in 2010-11. Tourism in Australia employed 513 700 people, approximately 4.5% of total employment in Australia in 2010-11.

Total tourism consumption in Australia was worth AUD 95.7 billion in 2010-11, with the domestic visitor consumption worth AUD 72 billion or around approximately three-quarters of total tourism consumption.

Domestic tourism consumption in Australia increased by 2.1% in 2010-11 (compared to the previous 12-month period), with domestic trips increasing by 3.8%, while the number of domestic visitor nights rose 0.5%.

In 2010-11, there was a record 5.9 million foreign visitor arrivals, an increase of 3.8% on 2009-10. International visitors spent AUD 23.7 billion while in Australia in 2010-11, up 4.4% on the previous year. Growth from key international markets to Australia were mixed in 2010-11: New Zealand (up 5.3%), the United Kingdom (down 3.1%), the United States (down 4.7%), China (up 27%), and Japan (up by only 0.1%).

Tourism organisation

The Australian Government Department of Resources, Energy and Tourism seeks to maximise tourism's net economic contribution. The department is the primary source of tourism policy advice to the government, covering a wide range of areas including: bilateral and multilateral tourism relations; visas and passenger processing; transport and security; taxation; labour and skills issues affecting the tourism industry; sustainable tourism; Indigenous tourism development; industry quality; and tourism industry development (Figure 4.1).

The Australian government has developed the National Long-Term Tourism Strategy in conjunction with all state and territory governments and the tourism industry. Launched in December 2009, the strategy aims to maximise the net economic benefit of tourism activity to the Australian economy through addressing critical supply-side reforms. These reforms include removing regulatory barriers to encourage new investment in tourism infrastructure, addressing labour and skills shortages, improving aviation access and implementing a national tourism research agenda.

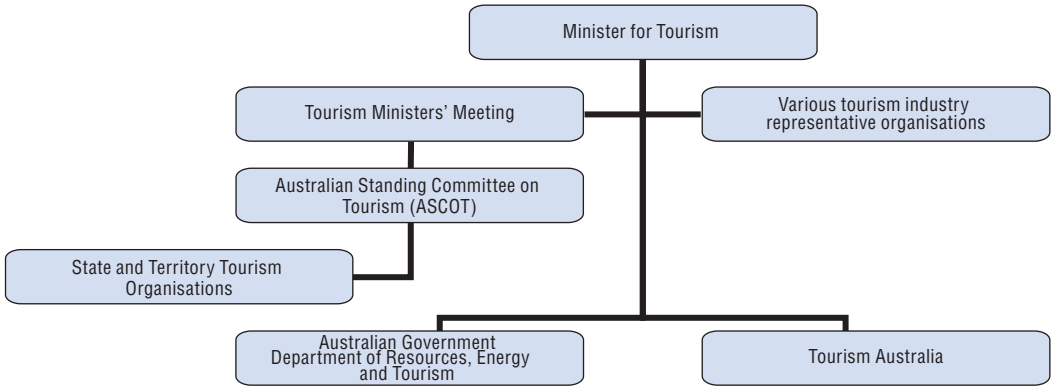
Tourism Australia is the Australian government body responsible for international and domestic tourism marketing and market development, events and business tourism development and key research and forecasting functions. All state and territory governments

in Australia incorporate tourism into relevant areas of portfolio responsibility to ensure effective international and domestic tourism promotion, and tourism industry development.

Tourism Research Australia (part of the Department of Resources, Energy and Tourism) manages tourism surveys that cover the inbound, domestic and outbound markets. Key information collected from travellers includes expenditure, places visited, activities, accommodation, transport and demographics. Tourism Research Australia also develops forecasts of tourism activity on behalf of the Tourism Forecasting Committee (part of Tourism Australia), and models regional expenditure and employment.

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

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



Source: OECD, adapted from Department of Resources, Energy and Tourism, 2012.

Tourism budget

Tourism Australia (TA) is the Australian Government's tourism marketing agency responsible for attracting international visitors to Australia and encouraging Australians to travel domestically. It is an independent statutory authority governed by the Tourism Australia Act 2004 and the Commonwealth Authorities and Companies Act 1997.

In addition to TA, the Australian Government funds a number of programmes and initiatives, including:

- committing AUD 6 million over four years from 2010-11 towards implementing the National Long-Term Tourism Strategy;
- committing AUD 5.5 million over four years to support the implementation and operation of T-QUAL Accreditation (Box 4.1); and
- announcing in May 2010 an additional AUD 4.1 million over four years in funding for the China Approved Destination Status (ADS) scheme.

Box 4.1. **T-QUAL Grants**

In 2010, the Australian Government announced that AUD 40 million would be allocated towards the T-QUAL Grants programme over four years from 1 July 2011. T-QUAL Grants is a competitive merit-based grants programme aimed at increase Australia's supply of quality tourism products and experiences. T-QUAL Grants are offered in two separate programmes:

- *Strategic Tourism Investment Grants* – funding for up to AUD 1 million to support a small number of larger scale projects to support Indigenous tourism, economic development and tourism employment
- *Tourism Quality Projects* – funding of up to AUD 100 000 for smaller-scale projects to support collaborative tourism industry development projects, particularly those which stimulate private sector investment.

Source: More information is available at *www.ret.gov.au/tqual*.

Tourism-related policies and programmes

The Australian Government recognises the significance of the tourism industry to Australia's economy. Along with education, tourism remains Australia's leading services export earner, worth AUD 23 billion in 2009-10.

The principal policies and programmes in place to promote continued growth in the Australian tourism sector are summarised below.

The National Long-Term Tourism Strategy and Tourism 2020

Tourism 2020 was launched on 6 December 2011 as an update to the National Long-Term Tourism Strategy (the "Strategy"), building on the previous framework for strengthening the supply side of the tourism industry. Tourism 2020 provides the industry with the tool it needs to remain competitive in an ever-changing global economy and take advantage of the opportunities that Asia presents, with the aim of doubling overnight expenditure to AUD 140 billion by 2020. Under Tourism 2020, the Commonwealth and State and Territory Governments are working with industry to focus on six strategic areas including:

1. Growing demand from Asia.
2. Building competitive digital capability.
3. Encouraging investment and implement the regulatory reform agenda.
4. Ensuring tourism transport environment supports growth.
5. Increasing supply of labour, skills and Indigenous participation (Box 4.2).
6. Building industry resilience, productivity and quality (Box 4.3).

Australia's National Landscapes Programme

Australia recognises the need to pursue green innovation in tourism and has a number of policies and programmes in place to support these at all levels of government and through the tourism industry. Australia's National Landscapes Programme is an innovative and unique partnership between Parks Australia and Tourism Australia, inspired by the need to make Australia's wealth of over 9 000 national parks, protected areas and reserves, more attractive for domestic and international visitors. This national strategic approach to nature-based tourism seeks to differentiate Australia's iconic natural and cultural

Box 4.2. **Labour and Skills Working Group**

The Labour and Skills Working Group (Working Group) was formed under the National Long-Term Tourism Strategy to progress the tourism and hospitality industry's ability to attract and retain labour through better workforce planning, innovative recruitment initiatives, improving labour mobility and training and career opportunities.

A major component of the Working Group's two-year forward work plan is the development of regional tourism employment plans. The regional plans will be rolled out from December 2011, and will support industry needs by matching existing government programmes with potential employees through the support of a regional co-ordinator.

The development of the regional tourism employment plans is informed by an independent nationwide survey to identify the labour and skills impediments for the tourism and hospitality industry at the national, state and territory, and regional level. The regional employment profile was commissioned by the Working Group and is the largest survey of its type on labour and skills development for the Australian tourism and hospitality industry. The report estimates that there are currently over 35 000 unfilled vacancies in tourism and hospitality across Australia. By 2015, an additional 56 000 people will be needed to fill vacancies (including 25 000 in skilled positions).

In addition, the Tourism Minister announced the expansion of the Pacific Seasonal Workers Pilot Scheme (PSWPS) to include tourism, on 8 September 2011. The Australian Government is conducting this Pilot to examine whether a seasonal worker programme could contribute to the development objectives of East Timor and also assist Australian employers. The expanded Pilot offers workers from East Timor the opportunity to undertake seasonal work in Broome for four to six months in tourism enterprises that can demonstrate that they are unable to source sufficient labour locally to meet seasonal demands. Workers will be employed in accordance with Australian work standards and will be supported through pastoral care.

Box 4.3. **T-QUAL Accreditation**

T-QUAL Accreditation is Australia's national tourism accreditation framework, identifiable by a national symbol of quality, the T-QUAL Tick. The T-QUAL Tick identifies the tourism businesses and operators in Australia that have been endorsed as meeting the quality standards of T-QUAL Accreditation, and provides one national symbol for consumers to be able to recognise quality products and services easily.

Applications for T-QUAL Accreditation are open to quality assurance schemes; this includes accreditation programmes and large tourism organisations that apply a quality standard to their operations, businesses or related business entities.

Quality assurance schemes, along with their operators or related business entities, can co-brand with the T-QUAL Tick, allowing them to take advantage of the increased exposure and recognition through T-QUAL Accreditation.

Seven accreditation programmes and one large tourism organisation have received T-QUAL Accreditation which means around 12 800 operators are eligible to sign up to use the T QUAL Tick. These are: Accor Hotels Quality Standard; AAA Tourism's STAR Rating Program; Tourism Accreditation Board of Victoria's Australian Tourism Accreditation Program (ATAP); Ecotourism Australia Ltd's (EA) Eco Certification, Ecotourism Australia Ltd's Respecting Our Culture Program, EC3 Global's EarthCheck Certified Program, Caravan and RV Accommodation Industry of Australia's Ltd (CRVA) National Accreditation Program and Restaurant and Catering Industry Association of Australia (R&C) Savour Plate Rating Scheme.

destinations and improve the delivery of quality visitor experiences throughout protected areas and surrounding regions. By highlighting Australia's natural tourism assets, the programme aims to promote and support the conservation of some of the world's most distinct and rich environments.

Queensland Tourism Industry Support Package

The Australian Government, in partnership with the Queensland Government, has delivered a AUD 12 million Tourism Industry Support Package to provide assistance to Queensland tourism operators to address holiday cancellations and a decrease in bookings following natural disasters (flooding and Cyclone Yasi) in late 2010 and early 2011. The majority of the funding (AUD 10 million) was allocated for marketing. The package also comprised various industry development projects, including a series of workshops for operators to ensure they are prepared for, and attractive to, the Chinese market. A number of "Recovery Forums" were also held, providing information on assistance available to operators. The Support Package reflects the importance of tourism activity to the Queensland economy, contributing AUD 9.2 billion per annum to that state's economy and employing more than 120 000 people. The regions of Queensland affected by flooding in early 2011 accounted for around 56% of Queensland's tourism gross state product and 53% of its tourism employment.

Statistical profile

Table 4.4. **Australia: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	73 564	73 800	70 491	66 077	67 402
Number of visitor nights	Thousands	285 661	288 603	271 778	256 680	259 541

Source: Tourism Research Australia, National Visitor Survey.

StatLink http://dx.doi.org/10.1787/888932628779

Table 4.5. **Australia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	5 532	5 644	5 586	5 585	5 885	5 874
Top 5 markets							
New Zealand	Thousands	1 076	1 138	1 113	1 110	1 162	1 173
United Kingdom	Thousands	734	689	672	664	647	608
United States	Thousands	456	460	454	480	472	456
China	Thousands	308	358	356	366	454	542
Japan	Thousands	651	573	457	355	398	333
Tourism-related service credits	Million AUD	27 502	30 545	33 232	35 459	34 998	32 157

Sources: Australian Bureau of Statistics (ABS), Overseas Arrivals and Departures (ABS Cat. No. 3401.0); and ABS Balance of Payments and International Investment Position (ABS Cat. No. 5302.0).

StatLink http://dx.doi.org/10.1787/888932628798

Table 4.6. **Australia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010	2011
Total short-term resident departures	Thousands	4 941	5 462	5 808	6 285	7 111	7 795
Tourism related service debits (imports)	Million AUD	21 817	24 276	28 890	27 514	29 910	32 674

Sources: Australian Bureau of Statistics (ABS), Overseas Arrivals and Departures (ABS Cat. No. 3401.0); and ABS Balance of Payments and International Investment Position (ABS Cat. No. 5302.0).

StatLink http://dx.doi.org/10.1787/888932628817

Table 4.7. **Australia: Employment in tourism**[1]

	Units	Employment					
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Tourism characteristic and connected industries							
Accommodation	Thousands	73.9	72.7	73.4	68.9	71.4	70.5
Cafes, restaurants and takeaway food services	Thousands	114.4	117.3	119.1	124.9	128.2	137.7
Clubs, pubs, taverns and bars	Thousands	24.1	24.6	23.9	23.4	26.2	24.2
Rail transport	Thousands	2.8	2.6	2.8	4.3	4.4	4.5
Road transport and transport equipment rental	Thousands	19.6	20.5	21.0	21.6	20.2	19.7
Air, water and other transport	Thousands	35.9	35.7	36.0	36.8	34.8	36.4
Travel agency and tour operator services	Thousands	25.9	27.2	31.3	28.6	31.9	31.9
Cultural services	Thousands	8.8	8.6	9.2	9.2	9.2	8.8
Casinos and other gambling services	Thousands	2.2	1.9	2.2	2.3	2.4	2.6
Other sports and recreation services	Thousands	19.1	18.5	18.5	19.6	18.7	19.6
Retail trade	Thousands	96.8	96.2	99.4	98.3	95.9	99.0
Education and training	Thousands	30.0	29.7	31.4	31.9	32.8	34.2
Total characteristic and connected industries	Thousands	453.5	455.5	468.2	470.0	476.1	488.9
All other industries	Thousands	21.8	22.6	23.2	23.6	24.1	24.8
Total tourism related	Thousands	475.3	478.1	491.4	493.6	500.2	513.7
All industries Australia	Thousands	10 139.9	10 441,	10 759.7	10 947.1	11 084.7	11 413.6
Tourism industries share of total (%)	Percentage	4.7	4.6	4.6	4.5	4.5	4.5

1. All figures are year-ended June.

Sources: Australian Bureau of Statistics (ABS), Tourism Satellite Account, Australian National Accounts (ABS Cat. No. 5249.0).

StatLink http://dx.doi.org/10.1787/888932628836

Table 4.8. **Australia: Tourism in the national economy**

2009-10	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption
Tourism characteristic products				
Accommodation services	Million AUD	7 101	3 099	10 201
Actual and imputed rent on dwellings	Million AUD	2 968	700	3 668
Takeaway and restaurant meals	Million AUD	11 768	2 398	14 166
Taxi fares	Million AUD	540	263	803
Local area passenger transportation	Million AUD	333	341	675
Long distance passenger transportation	Million AUD	10 185	4 406	14 591
Motor vehicle hire and lease	Million AUD	1 080	379	1 459
Travel agency and tour operator services	Million AUD	2 444	211	2 655
Recreational, cultural and sporting services	Million AUD	3 074	433	3 507
Gambling and betting services	Million AUD	1 016	293	1 310
Total tourism characteristic industries	***Million AUD***	***40 511***	***12 524***	***53 036***
Tourism-connected products				
Shopping (including gifts and souvenirs)	Million AUD	9 823	2 776	12 600
Food products	Million AUD	5 539	1 822	7 361
Alcoholic beverages and other beverages	Million AUD	3 201	1 063	4 263
Motor vehicles, caravans, boats, etc.	Million AUD	1 684	420	2 104
Fuel (petrol, diesel)	Million AUD	6 948	396	7 344
Repair and maintenance of motor vehicles	Million AUD	319	30	350
Education services	Million AUD	268	2 730	2 998
Total tourism connected industries	***Million AUD***	***27 782***	***9 238***	***37 020***
Other tourism goods and services	Million AUD	2 220	924	3 144
Total	**Million AUD**	**70 513**	**22 686**	**93 199**
Share of total tourism consumption	Percentage	76	24	100

Sources: Australian Bureau of Statistics (ABS), Tourism Satellite Account, Australian National Accounts (ABS Cat. No. 5249.0).

StatLink http://dx.doi.org/10.1787/888932628855

Table 4.9. **Australia: Other economic indicators**[1]

	Units	2006	2007	2008	2009	2010	2011
Total tourism characteristic industries	**Million AUD**	**18 613**	**20 165**	**21 493**	**21 544**	**22 196**	**23 109**
Total tourism connected industries	**Million AUD**	**5 224**	**5 623**	**5 948**	**6 261**	**6 373**	**6 335**
All other industries	Million AUD	1 969	2 085	2 120	2 120	2 232	2 051
Direct tourism GVA	Million AUD	25 806	27 873	29 560	29 924	30 802	31 495
Net taxes on tourism products	Million AUD	2 423	2 644	2 868	2 860	2 940	3 100
Direct tourism GDP	Million AUD	28 229	30 517	32 428	32 784	33 742	34 595
All Industries GDP	Million AUD	994 803	1 083 060	1 175 949	1 252 218	1 293 380	1 401 168
Tourism share of GDP	Percentage	2.8	2.8	2.7	2.6	2.6	2.4

1. All figures are year-ended June.

Sources: Australian Bureau of Statistics (ABS), Tourism Satellite Account, Australian National Accounts (ABS Cat. No. 5249.0).

StatLink http://dx.doi.org/10.1787/888932628874

Austria

Tourism in the economy

In 2011, the number of international tourist arrivals in hotels and similar establishments (including commercial holiday dwellings), in Austria was 18 million (+3.7% compared to 2010). One of the fastest growing source markets in 2011 was the Russian Federation, with a total of 400 400 arrivals (an increase of 31% on the previous year), while nights spent increased by 25.6% to 1.5 million.

Domestic tourist arrivals in paid accommodation totalled 11.6 million (+2%) in 2011, and a record of 35.3 million nights was registered. Record highs in regard to total arrivals were also reached for th e winter (November 2010 to April 2011) and summer seasons (May to October 2011), of 15.7 million (+2%) and 18.8 million (+4.7%), respectively.

On 31 May 2011, 65 200 accommodation establishments (excluding campsites) and 1.09 million beds (excluding extra beds) were listed in Austria. While the number of accommodation establishments fell by 1.5% compared to 2010, the number of beds in four- and five-star categories increased by 2%.

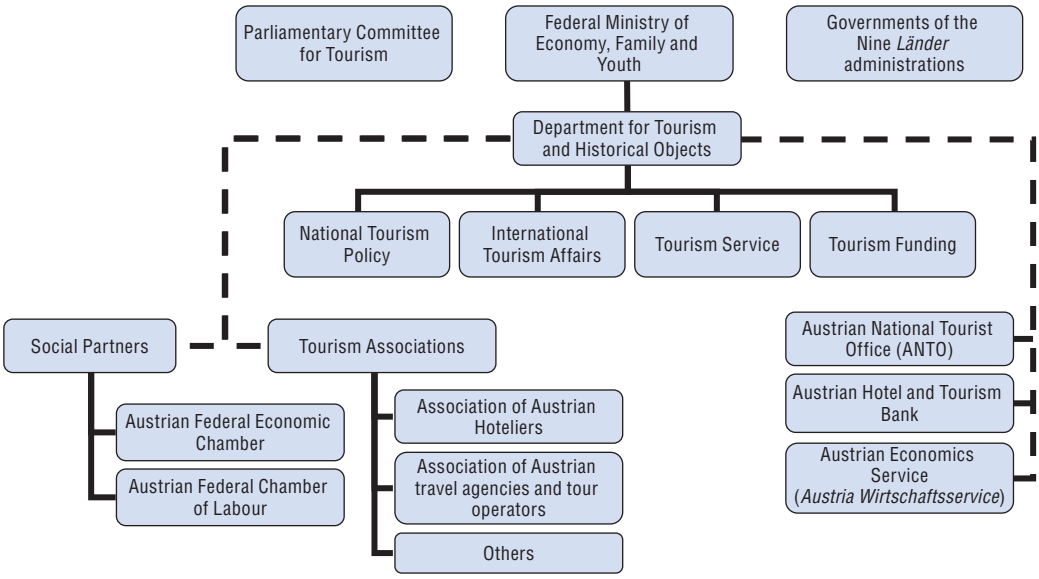
According to the Tourism Satellite Account (TSA), the direct value-added effects of tourism in 2010 amounted to EUR 16 billion, or 5.6% of GDP. About 312 000 jobs (254 000 full-time equivalents) could be directly attributed to tourism characteristic industries in 2010, contributing 7.4% and 7.3% to overall employment in Austria.

Tourism organisation

Under the Austrian Constitution, legislative authority in tourism affairs is vested not in the federal government, but in the nine Länder (states). Nevertheless, as tourism is a typical cross-cutting sector, both federal and European laws impinge on it. In 2006, the Austrian Parliament established the Parliamentary Committee for Tourism. At the national level, tourism policy lies within the purview of the Federal Minister of Economy, Family and Youth (the "Ministry") (Figure 4.2). In 2010, the ministry put in place a new tourism strategy with the objective of a close and strategic co-ordination of tourism issues. The strategy also strengthens co-ordination between the national level and the level of the Länder (see below).

The Austrian National Tourist Office (ANTO or Österreich Werbung) is the country's national tourism marketing organisation. The ministry contributes to 75% of ANTO's budget and the Austrian Federal Economic Chamber to 25%. ANTO also receives funding from the Austrian tourism trade's partnership contributions for marketing services (*e.g.* tourist boards of the Länder, destinations and tourism businesses). Core competencies are the development of the brand "Holidays in Austria" (emotional added value of a stay in Austria), innovative and modern marketing, both domestic and international, and acting as a platform for tourism networking and information sharing (up-to-date expert

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



Source: OECD, adapted from Austrian Federal Ministry of Economy, Family and Youth, 2012.

knowledge on trends, markets, product development). In its international strategy, it focuses on increasing Austria's market share in the most promising international markets.

Tourism budget

In 2011, the national tourism administration dispensed a budget of EUR 61.9 million. Of this total, EUR 29.1 million were dedicated to the financial support of SMEs, administered by the Austrian Bank for Tourism Development, and subject to regular evaluation based on a range of key indicators; EUR 24.1 million were directed to the annual budget of ANTO; and EUR 8.5 million were disbursed by the ministry in the form of individual subsidies for co-financing tourism projects. Also, EUR 43.4 million in European Recovery Programme (ERP) 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 in order to support their specific tourism development programmes.

Tourism-related policies and programmes

National Tourism Strategy

The National Tourism Strategy (Box 4.4) identifies five key issues: marketing, innovation, focused subsidies, infrastructure, and business environment. Examples of measures in these areas are:

- Marketing: within the new strategy, marketing will emphasise Austria's unique selling propositions (USPs). Closer co-operation between ANTO, the nine tourism organisations of the Länder, and destinations, will streamline marketing activities and enhance efficiency.
- Subsidies: the ministry continues the strong public/private partnerships with the Austrian Bank for Tourism Development, a private institution which handles SME funding programmes. The ministry's objectives for such funding programmes range

from encouraging investment, improving the quality and size of tourism enterprises, and upgrading the quality of software and training, to enhancing co-operation, optimising enterprises' financial structure, and encouraging new business start-ups.

Also, from 2010 onwards there has been a stronger focus on Austria's USPs, on sustainability-related topics (such as bicycle tourism and energy efficiency) as well as the better use of new information and communication technologies by SMEs. The newly installed *Förderpyramide* – a co-ordination instrument for funding projects at national level or at the level of the Länder – defines competences more effectively, reflects the importance and size of projects and helps to increase transparency for SMEs.

- Innovation: examples of measures in this area include a bi-annual award, organised in co-operation with the Länder, dedicated to innovative best practice in tourism from 2012 onwards; product-innovation workshops organised by ANTO; and increased subsidies for innovation. One such subsidy is *Innovationsmillion*, which supports innovative tourism projects based on stakeholder co-operation at the destination level, and for which the ministry, together with the Länder, provides EUR 1 million per year. The selection of projects under this scheme follows a call for proposals, which are evaluated by a jury of experts.
- Infrastructure: examples of infrastructure development include strengthening infrastructure for summer and off-season tourism; enforcing co-operation among regions and municipalities especially for financing infrastructure; further developing alpine infrastructure (the Austrian government has been supporting the sustainable renovation of, and the modification of existing facilities at alpine huts for many years – also to minimise energy consumption and to contribute to the climate balance); increasing mobility via public transport to, from and within tourism regions; supporting initiatives and projects for setting the framework conditions and giving an impetus to facilitating tourism and leisure activities for everyone ("Tourism for All" – in particular barrier-free tourism – special subsidies for hotels or similar establishments, financial contributions to the online platform on barrier-free travel, the publication of brochures and the organisation of events).
- Business environment: actions here have included ensuring a competitive business environment by keeping the administrative burden low, especially for SMEs. The ministry attaches great importance to the favourable development of the tourism labour market and an improved image and competitiveness of jobs in tourism (*e.g.* support of information and image campaigns, workshops in a great number of Austrian schools, and financial support of internships abroad for apprentices in the tourism sector).

Statistics and economic evaluation of tourism

In Austria, tourism statistics and studies of the economic development of tourism, trends in tourism and specific topics (quality, special interest tourism, *e.g.* health tourism, labour market issues such as integration) are regularly made available to the tourism industry as a basis for strategic decision-making. For example, studies by the ministry are made available free-of-charge via the *studien.at* platform.

A national Tourism Satellite Account (TSA) has been produced annually since 2001, providing economic analysis of the tourism sector, supplemented by data on employment effects, and including a regional breakdown for three Länder (Vienna, Upper Austria, Lower Austria).

In 2004, T-MONA (Tourism Monitor Austria), an innovative guest monitoring system was launched as a web-based management information system, gathering travel

Box 4.4. **National Tourism Strategy increases co-operation**

In February 2010, the Federal Minister of Economy, Family and Youth initiated a new Tourism Strategy in close collaboration with the nine Länder and all relevant tourism stakeholders. A key element is the focus on Austria's USPs, in particular with regard to marketing: the Alps, the river Danube and the great number of lakes, cities and culture. The new tourism strategy is rather a process than an adopted strategy document. It is reviewed and adapted to international and national developments on a yearly basis by a high-level Tourism Conference which took effect from 2011. The conference is co-ordinated and accompanied by a steering committee consisting of high-ranking representatives from the ministry and the nine Länder. In addition, an independent expert advisory group (scholars) was set up, reporting to the conference on recent trends, current challenges and giving recommendations for future action.

behaviour and socio-demographic data, and providing an up-to-date picture of domestic and foreign tourists in Austria at destination, Länder, and national level.

TourMIS (Tourism Marketing-Information-System) established in 2000, provides information and decision support for the tourism industry and scholars. It contains online tourism survey data, as well as various tools to transform data into valuable management information. TourMIS is open to all authorised tourism organisations, societies, tourism consultants, companies, tourism training centres, pressure groups, etc., in Austria and abroad. In 2010, the system had 16 000 registered users and answered more than 190 000 enquiries. TourMIS is financially supported by ANTO, European Cities Marketing and the European Travel Commission.

Networking, research and product development

The ministry promotes research, networking and innovation in the tourism industry and brings together stakeholders with the aim of deepening and sharing knowledge on key issues, and supporting innovative product development. Examples of networking initiatives in the area of cultural tourism include the foundation of the groups "Imperial Austria Residences"*(www.imperial-austria.at)*, and "Creative Austria" (*www.creativeaustria.at*). The development of similar initiatives in other areas is ongoing, including national and nature parks, mobility, bicycle tourism, tourism ethics and Corporate Social Responsibility.

For the past several years, sustainable tourism and responding to the challenges of climate change have been priorities in the ministry's tourism policy, with the overall aim of fostering quality tourism and addressing seasonality. In order to inform actors in the tourism industry about the implications of climate change and possible adaptation strategies, the ministry supports awareness-raising and information measures in co-operation with other important stakeholders. Examples include:

- a publication on best practices, contact points and opportunities for subsidies for the tourism industry in the areas of clean energy, water, construction and mobility, together with the Federal Ministry of Agriculture, Forestry, Environment and Water Management and other partners;
- a special publication on the practical implementation of energy-saving measures for the sector;

- the dedication of the Austrian National Award for Tourism 2009, to the subject of energy efficiency; and
- commissioning several studies on the effects of climate change on tourism, in line with the national research programme on climate change and its effects (StartClim).

Acting as a mediator within the tourism industry

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

Enhancing international and cross-border co-operation

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

Statistical profile

Table 4.10. **Austria: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011
Number of overnight stays[1]	Thousands	9 874	10 367	10 681	10 961	11 385	11 617
Number of nights spent	Thousands	32 130	33 008	33 880	34 443	35 024	35 297

1. Only arrivals in paid accommodation are included.
Source: Statistics Austria.

StatLink http://dx.doi.org/10.1787/888932628893

Table 4.11. **Austria: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	15 771	16 231	17 053	16 513	17 179
Top 5 markets						
Germany	Thousands	7 332	7 453	7 822	7 751	7 887
Netherlands	Thousands	1 000	1 031	1 082	1 072	1 044
Switzerland and Liechtenstein	Thousands	826	860	853	885	941
Italy	Thousands	971	922	902	918	930
United Kingdom	Thousands	714	755	726	614	641
International travel receipts	Million EUR	13 255	13 641	14 676	13 912	14 078
International passenger transport receipts	Million EUR	1 889	1 844	1 836	1 478	1 632

1. Include arrivals at hotels and similar establishments including holiday dwellings.
Source: Statistics Austria.

StatLink http://dx.doi.org/10.1787/888932628912

Table 4.12. **Austria: Outbound tourism – International departures and expenditure**[1]

	Units	2006	2007	2008	2009	2010	2011
Number of tourism trips	Thousands	10 042	9 876	9 677	10 121	9 882	9 874
of which:							
Holiday trips	Thousands	7 684	7 558	7 468	8 178	8 402	8 154
Business trips	Thousands	2 357	2 317	2 209	1 943	1 480	1 720
International travel expenditure	Million EUR	7 642	7 699	7 721	7 746	7 717	. .
International passenger transport expenditure	Million EUR	1 667	1 652	1 736	1 399	1 577	. .

1. Data concerns only outbound trips with at least one overnight stay.
Source: Statistics Austria.

StatLink http://dx.doi.org/10.1787/888932628931

Table 4.13. **Austria: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and similar establishments	Thousands	. .	14.65	14.49	14.80	14.86
Restaurants and similar establishments	Thousands	. .	31.39	31.90	30.13	29.23
Railways	Thousands	. .	0.03	0.03	0.02	0.02
Other land transport	Thousands	. .	12.07	12.38	12.17	11.81
Water transport	Thousands	. .	0.08	0.09	0.07	0.08
Air transport	Thousands	. .	0.16	0.15	0.16	0.16
Supporting and auxiliary transport activities	Thousands	. .	0.45	0.46	0.49	0.49
Activities of travel agencies	Thousands	. .	2.32	2.38	2.35	2.35
Cultural and entertainment activities	Thousands	. .	8.31	9.35	9.73	9.42
Sporting activities	Thousands	. .	3.85	4.50	4.51	4.37
Total tourism industry	**Thousands**	**. .**	**73.31**	**75.73**	**74.43**	**72.79**
In % of total economy	Percentage	. .	21	21	21	19

Source: Statistics Austria.

StatLink http://dx.doi.org/10.1787/888932628950

Table 4.14. **Austria: Employment in tourism**

	Units	2006		2007		2008		2009		2010	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Hotels and similar establishments	Thousands	. .	. .	30.74	55.21	27.91	50.90	25.87	47.29	26.40	48.54
Restaurants and similar establishments	Thousands	. .	. .	46.59	68.99	44.38	65.96	42.07	62.29	45.39	65.29
Railways	Thousands	. .	. .	4.55	0.35	6.82	0.63	7.78	0.78	7.56	0.78
Other land transport	Thousands	. .	. .	21.94	4.07	31.15	5.74	37.4	7.05	38.00	7.06
Water transport	Thousands	. .	. .	0.03	0.01	0.03	0.01	0.04	0.01	0.04	0.01
Air transport	Thousands	. .	. .	2.44	2.55	3.05	3.24	3.00	3.13	3.02	3.08
Supporting and auxiliary transport activities	Thousands	. .	. .	0.87	0.11	0.89	0.14	1.16	0.18	0.63	0.10
Activities of travel agencies	Thousands	. .	. .	17.91	15.81	18.35	16.28	17.83	16.00	18.03	16.00
Cultural and entertainment activities	Thousands	. .	. .	6.72	6.36	7.85	7.50	8.45	8.12	10.40	10.22
Sporting activities	Thousands	. .	. .	3.96	2.90	4.86	3.50	5.34	3.76	6.86	4.91
Total tourism industry	**Thousands**	**. .**	**. .**	**135.75**	**156.36**	**145.29**	**153.90**	**148.94**	**148.61**	**156.33**	**155.99**
In % of total economy	Percentage	. .	. .	6.0	8.3	6.3	8.0	6.6	7.6	6.9	7.9

Source: Statistics Austria.

StatLink http://dx.doi.org/10.1787/888932628969

Table 4.15. **Austria: Tourism in the national economy – Tourism Satellite Account**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption	Tourism GDP[1]
Accommodation services	Million EUR	2 524	5 872	8 396	10 967
Food and beverage serving services	Million EUR	3 471	4 141	7 612	
Passenger transport services	Million EUR	2 993	1 632	4 625	1 014
Travel agency, tour operator and tourist guide services	Million EUR	8	. .	8	477
Cultural services[2]	Million EUR				
Recreation and other entertainment services[2]	Million EUR	1 321	1 830	3 151	1 562
Other services[2]	Million EUR				
Goods[3]	Million EUR	3 453	2 235	5 688	2 016
Total	**Million EUR**	**13 770**	**15 710**	**29 480**	**16 036**

1. Tourism industries.
2. For cultural services, recreation, other entertainment services and other services, only a total is available.
3. Tourism-connected and non-specific products and services, including distribution margin.

Source: Statistics Austria, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932628988

Table 4.16. **Austria: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal tourism consumption share of final consumption	Percentage	20.6	20.4	20.8	19.8	19.4
Tourism share of GDP	Percentage	5.1	5.2	5.3	5.4	5.6

Source: Statistics Austria.

StatLink http://dx.doi.org/10.1787/888932629007

Belgium

Tourism in the economy

In Belgium, tourism is an exclusive competency of the three regions. This section provides a national overview of tourism in the country, as does the statistical annex. The profile also presents the governance and policy initiatives of the Flanders and the Walloon regions.

In 2010, Belgium received 5.77 million foreign overnight tourists in hotels and similar establishments, of whom 2.8 million visited the Flanders region, 0.8 million the Wallonia region and 2.2 million the city of Brussels. In aggregate, foreign tourists to Belgium in 2010 showed an increase of 5.9% on 2009. Since 2004, the average annual rate of growth in foreign tourist arrivals has been 1.2%. In Flanders, foreign tourist numbers in 2010 were 7% above 2009, while in Wallonia the increase was 6.5%, and in Brussels it was 4.2%.

Nationally, in 2010, the five leading origin markets in order of size were the Netherlands, providing 20% of all foreign tourists, France with 16.7%, the United Kingdom with 13.8%, and Germany with 11.1%. For the Flanders region the leading origin markets were the Netherlands, the United Kingdom, France, Germany and the United States; for Wallonia they were France, the Netherlands, the United Kingdom, Germany and Italy; and for Brussels they were France, the United Kingdom, the Netherlands, Germany and Spain.

Belgium has seen strong growth in domestic overnights in recent years, reaching a total of 6.17 million in 2010, 10% above 2009 and 50.8% above 2004, an average annual increase since that year of 7.1%.

The accommodation establishments surveyed at the federal level represented 3 680 units in Belgium in 2010, of which 2 273 were in Flanders, 1 218 in Wallonia and 189 in Brussels. The majority of these (58%) were hotels, followed by accommodation for groups, campsites and holiday villages.

Flanders Region

Tourism organisation

In 2010 the Flemish Minister for Tourism approved the restructuring of the tourist office, *Toerisme Vlaanderen* (Figure 4.3). The implementation of this restructuring took place between October 2010 and the end of 2011. *Toerisme Vlaanderen's* key responsibilities now focus more closely on delivering the following:

- Acting as a centre for knowledge and innovation: The tourist office now collects much more relevant information than in the past and ensures that this is made available to entrepreneurs and governments, notably in order to stimulate innovation.
- Promotion of destination Flanders and contribution to the region's image: The promotion of Flanders needs to be based on a strategic vision, taking into account the

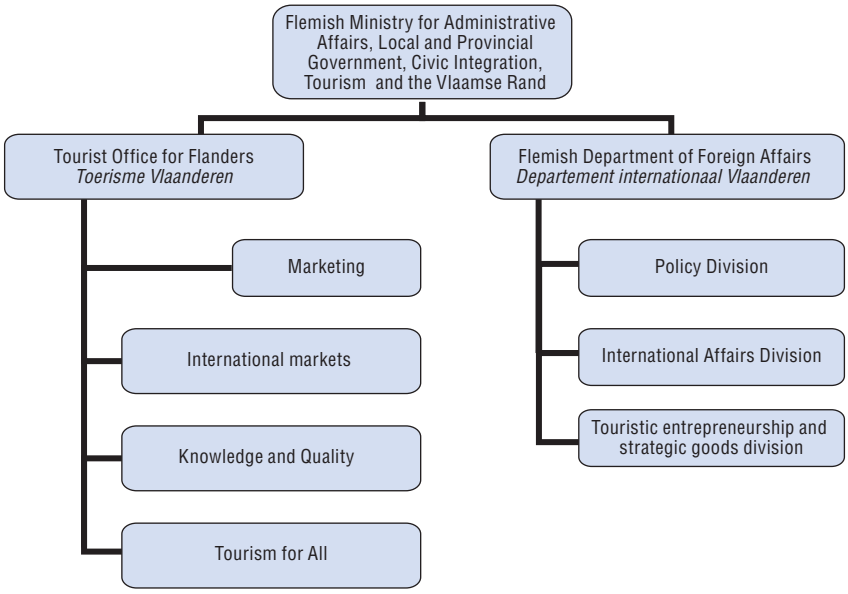
needs of the sector, the evolution of markets and of marketing itself. *Toerisme Vlaanderen* consults with the different actors involved and has increased the transparency and level of communication on activities carried out and on the choices to be made. New agreements have been made with the Flemish provinces to define the role that the Flemish government should play in marketing Flanders domestically. Promotion is spread over two divisions: marketing and international markets (including offices abroad and account managers) and marketing development.

- Customer-orientated service in the implementation of Flemish government measures: All instruments to support and incentivise tourism actors, including subsidies and financial support mechanisms, have been brought together in the tourist office and all internal support services concentrated in a support division.
- The staff division has the overview over all divisions and is responsible to follow-up on strategic matters, which involve the whole of the agency. The *Strategic Tourism Policy Plan 2020* for tourism in Flanders-Brussels and a policy paper from the Flemish Minister for Tourism entitled *Tourism 2009-14* set out the guidelines for all activities.

The implementation of regulations, the issuing of licences for travel agencies and tourist accommodation, and the classification and enforcement of regulations have been moved to the Flemish Department of Foreign Affairs. The Advisory Committee of *Toerisme Vlaanderen* has been transformed into a strategic discussion platform, the activities of which include monitoring the objectives of the *Strategic Tourism Policy Plan 2020*. The membership of the Advisory Committee has been revised to reflect the changes.

Toerisme Vlaanderen has integrated its support services (accounting, staff, logistics, ICT) into the management support organisation MOD DAR-iV of the Flemish government. The data systems of the Flemish Support Centre for Tourism and Recreation have been transferred to *Toerisme Vlaanderen*.

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



Source: OECD, adapted from Flemish Ministry for Administrative Affairs, Local and Provincial Government, Civic Integration, Tourism and the Vlaamse Rand, 2012.

Tourism budget

For 2010, the total tourism budget was EUR 161.2 million, of which EUR 90.1 million were for the Flemish Department of Foreign Affairs and EUR 71 million for *Toerisme Vlaanderen*. Within the total budget there are two one-off contributions, EUR 57.2 million for the renovation of the *Koningin Elisabethzaal*, and EUR 15 million for investment in the remembrance of World War I infrastructure.

Tourism-related policies and programmes

Strategic planning

The Flemish tourism sector, both public and private, has recently completed a very important and comprehensive exercise that will determine the development of tourism in Flanders in the next decade. The new Strategic Policy Plan 2020 for Tourism in Flanders-Brussels sets out the strategic framework for Flemish tourism, and defines the desired position of tourism in Flanders by 2020, and how this can be achieved.

The Plan recognises that the integrated and co-ordinated development of tourism is a challenge in many countries, given the diversity of the issues and actors involved. Its aim is to respond to these challenges and to develop an umbrella tourism strategy for all the actors. More than 150 organisations were involved in the Plan's development, including the provinces, the Flemish art cities, private sector associations, representatives from other policy areas such as transport, heritage and education, and social tourism organisations.

Each of these actors will have their own specific roles in the Plan's implementation. For that reason it includes a Tourism Pact, whereby all actors explicitly subscribe to the strategic framework and indicate by their signature their commitment to its implementation. The Plan will both increase the competitiveness of the destination and help to raise the profile of tourism as an important (economic) sector.

Research

The research centre of the Flemish government is currently working on Tourism Satellite Accounts for Flanders (Tables 1, 2, 4, 5 and 6). The results are expected in February 2012. The aim is to provide a limited yearly update of these tables and a more detailed update every three years. Tables 7 and 9 will be developed starting from 2012.

WALLOON REGION

Tourism organisation

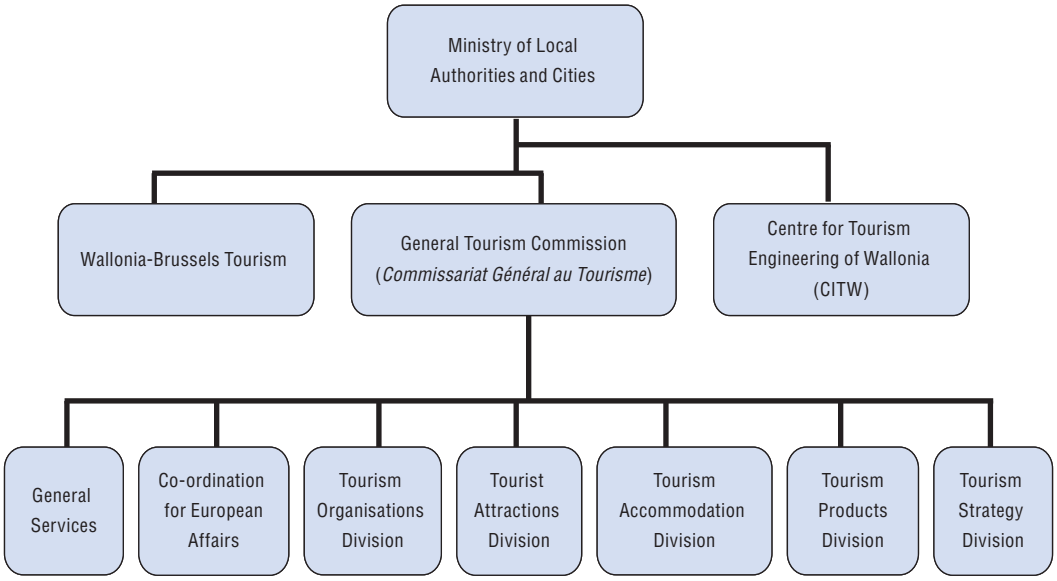
The General Tourism Commission (CGT) is the agency responsible for implementing the Walloon government's overall tourism policy (Figure 4.4). Since 2008, when the CGT became a public body, it has taken a more proactive approach to management that has allowed it to respond more appropriately to changes in the industry. The CGT is organised as follows:

- Tourism Organisations Division;
- Tourist Attractions and Infrastructures Division, in charge, among other things, of social tourism;
- Tourism Accommodation Division;
- Tourism Products Division, in charge, among other things, of the development of the Walloon tourism web portal (*www.tourismewallonie.be*); and
- Tourism Strategy Division, monitors the implementation of Destination 2015 and is in charge of the Walloon Tourism Observatory.

The second institutional player in Walloon tourism, Wallonia-Brussels Tourism Bureau (formerly *Office de Promotion du Tourisme*, OPT) has the chief responsibility of promoting Wallonia and Brussels as tourist destinations in Flanders and abroad. In this context, it has four principal objectives:

1. To focus investment on high-potential tourist origin markets, namely:
   - priority markets for Wallonia and selective actions for Brussels, aimed at Flanders;
   - priority markets for Wallonia and for Brussels, aimed at the Netherlands, France, Germany and the United Kingdom;
   - priority markets for Brussels and selective actions for Wallonia, aimed at Spain, Italy, and the United States; and
   - diversification markets: Poland, Japan, Québec and China.
2. Boosting the image, reputation and visibility of Wallonia as a destination, by forming partnerships with the Walloon Export and Foreign Investment Agency (AWEX), Bruxelles Export and Wallonie-Bruxelles International (WBI) to boost the visibility of Wallonia and via promotional activities in markets further afield, organised in collaboration with other European destinations.
3. Innovating and improving the balance of supply and demand, by market. For each market, Wallonia-Brussels Tourism (WBT) implements annual communication action plans (advertising and marketing), promotion (press and professional trade fairs) and direct marketing (prospecting and forging partnerships with tour operators and carriers), to promote both leisure and business tourism. Training courses are also improving knowledge of markets on the part of tourism service providers.
4. Partnering public and private investments to promote Wallonia as a destination and its tourism products. The WBT's three Walloon promotion clubs, each of which is chaired by a private sector representative, engage in co-operative marketing to pool public and

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



Source: OECD, adapted from Walloon General Tourism Commission, 2012.

private investments in partnership with the principal tourism industry associations in Wallonia: Club Détente-Découverte Excursions, Club Détente-Découverte Séjours, and Club MICE Wallonie.

Lastly, with support from European funds, the Walloon Tourism Engineering Centre (*Centre d'Ingénierie Touristique de Wallonie,* CITW), a joint economic and tourism development undertaking of Walloon municipalities, has been organising and implementing "tourism engineering policies" in Wallonia, pooling responsibilities and co-ordinating actions at the Walloon territorial level, as well as co-ordinating more generally the studies performed by specialised consultants.

A new dynamic has emerged in Wallonia in recent years, based on the principles of good governance. This is becoming increasingly important, with most of the networks and platforms mentioned having been established in the last two years. While the strategic plans are of longer duration, their implementation has become effective only in the last two or three years. This movement is still young and has far to go, but the principles of good governance are being increasingly applied.

Tourism budget

The 2012 budget of the CGT is EUR 51.5 million, of which EUR 8.59 million is earmarked for operations. The budget does not take into account the funds granted for projects co-financed by the European Commission (the overall budgets approved for the programming period 2007-13 amount to some EUR 97 million).

Tourism-related policies and programmes

In 2010, a meeting with over 1 000 tourism industry stakeholders was held to launch, and examine the planned implementation of Destination 2015 which was designed as a tool to plan the activities of the Tourism Department (Box 4.5).

Destination 2015 was intended to establish a five-year strategic plan containing the main "tourism" points from the Regional Policy Declaration of 2009 and transform them into concrete projects. Destination 2015 is a discussion and consultation document. It has been envisaged as a programme to be followed flexibly, and its implementation requires that a number of demand- and supply-side issues are taken into account:

- on one hand, it is recognised that the results of tourism activities depend on broad trends such as holiday schedules and their spacing (in proximity markets), which influence the number of overnight tourism visits; the weather, which influences visits to tourist attractions; and the financial crisis and rising living and transport costs, which also influence tourist behaviour;
- on the other hand, the human and financial resources available for implementing the programme within the CGT and the WBT need to be considered.

In February 2012, a second meeting was organised to present Destination 2015 "Review and prospects", including a mid-term evaluation of its implementation.

A specific project to promote tourism in the Ardennes forest

This project is being implemented on the basis of a strategic study prepared by the CGT and DGO3 (Directorate of Nature and Forests, DNF) in co-operation with the University of Louvain. The project brings together, in a forest territory, all the stakeholders necessary to the construction of a tourism product. It therefore involves multi-faceted co-ordination: horizontal

Box 4.5. **Destination 2015: Strategic tourism plan for the Walloon Region**

Destination 2015 involves the pursuit of seven objectives, each of which is broken down into key themes and a series of specific action proposals:

- to measure the importance of the tourism economy;
- to promote balanced tourism development;
- to encourage "proximity tourism";
- to reflect on tourism diversity;
- to consider Wallonia's image and reputation for quality in foreign tourism markets;
- to work with tourist operators and expand partnerships; and
- to share knowledge.

Lastly, Destination 2015 looks to the future, as the CGT moves away from a project management culture towards a culture of planning and evaluation, and the adoption of a multi-year programming approach.

Further details can be found at *www.printempsdutourisme.be*.

(between the two competent administrations, CGT and DGO3-DNF) and vertical (between the two administrations and the local authorities, as well as private and public stakeholders in the region). Its objective is to promote the Walloon forests from a perspective of nature preservation and local initiative.

Networking

A new approach to networking at several levels has been implemented in Wallonia:

- Tourism department: a working group comprising representatives of the Minister of Tourism, the CGT and the Wallonia-Brussels tourism office has been established to address projects such as the preparation of the Strategic Plan Destination 2015, and the organisation of the *Années des Saveurs* gastronomy promotion.
- "Strategies" network: a working group comprising the CGT, WBT, CITW and the Forem tourism skills centre has been established to address common concerns such as training needs in the sector, and the introduction of a quality initiative.
- Public-private partnerships: several partnerships have been established, such as collaborative working groups between the CGT and consultants from Walloon universities (scientific support for various projects) or the private sector (operational studies); between the CGT and tourism professional associations (Horeca, Gîtes de Wallonie, Accueil Champêtre, CAWAB, MSW, etc.).

Recently established inter-governmental platforms

- A working group has been set up on "leisure zones" comprising the CGT, DGO4 (local development planning) and the CITW to develop a concerted Walloon approach to a land-use policy from the viewpoint of tourism development, and to identify areas suitable for designation as "leisure zones" under the procedure stipulated in the CWATUPe (Walloon Code on Land Use, Urban Development, Heritage and Energy).
- Collaboration with DGO4 (local development planning) and the CPDT (Standing Conference on Local Development) in the context of updating the regional development plan in order to review the role that tourism should play in this local development instrument.

- A platform of reflection on "Tourism and Culture", divided into working groups organised according to horizontal themes (heritage, museums, economy, statistics, etc.), bringing together the Wallonia-Brussels Federation, the CGT, WBT, the Walloon Heritage Institute (IPW), DGO4 Heritage, etc.
- A platform of reflection on "Tourism and Heritage" comprising Walloon government agencies responsible for the preservation and promotion of the region's built heritage: CGT, DGO4 Heritage and IPW, to co-ordinate policies, subsidies and activities for promoting the Walloon heritage.

Statistical profile

Table 4.17. **Belgium: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays/arrivals[1]	Thousands	2 595	2 876	3 082	3 218	3 602
Flanders Region	Thousands	1 513	1 711	1 851	1 895	2 086
Walloon Region	Thousands	763	783	815	850	925
Brussels Region	Thousands	319	382	416	473	591
Number of nights spent[1]	Thousands	4 733	5 220	5 422	5 606	6 169
Flanders Region	Thousands	2 838	3 233	3 357	3 401	3 673
Walloon Region	Thousands	1 303	1 305	1 339	1 377	1 482
Brussels Region	Thousands	592	682	726	828	1 014

1. Hotels and similar establishments.
Source: Directorate-General of Statistics and Economic Information (DGSIE).

StatLink http://dx.doi.org/10.1787/888932629026

Table 4.18. **Belgium: Inbound tourism – International arrivals**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	**Thousands**	**5 667**	**5 714**	**5 820**	**5 452**	**5 772**
Number of nights spent	Thousands	10 639	10 977	11 120	10 337	10 854
Flanders Region						
Total international arrivals[1]	Thousands	2 824	2 757	2 777	2 583	2 765
Top 5 markets						
Netherlands	Thousands	699	703	740	741	800
United Kingdom	Thousands	577	559	543	443	447
France	Thousands	385	322	345	341	360
Germany	Thousands	326	325	325	318	346
United States	Thousands	127	120	103	95	105
Walloon Region						
Total international arrivals[1]	Thousands	748	777	775	722	769
Top 5 markets						
France	Thousands	210	215	207	195	206
Netherlands	Thousands	152	158	153	145	145
United Kingdom	Thousands	92	95	91	78	88
Germany	Thousands	71	78	84	81	84
Italy	Thousands	44	42	42	36	42
Brussels Region						
Total international arrivals[1]	Thousands	2 095	2 179	2 268	2 147	2 238
Top 5 markets						
France	Thousands	317	325	352	385	398
United Kingdom	Thousands	339	329	320	263	261
Germany	Thousands	182	205	213	209	211
Netherlands	Thousands	193	203	210	203	210
Spain	Thousands	134	150	156	153	181

1. Hotels and similar establishments.
Source: Directorate-General of Statistics and Economic Information (DGSIE).

StatLink http://dx.doi.org/10.1787/888932629045

Table 4.19. **Belgium: Outbound tourism – Number of trips**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	8 845	9 867	10 474	11 123	12 076
Flanders Region	Thousands	5 002	5 617	6 268	6 908	7 058
Walloon Region	Thousands	2 508	3 044	2 850	2 769	3 262
Brussels Region	Thousands	1 335	1 206	1 356	1 446	1 756
International travel expenditure	Million EUR	5 554	6 156	6 346	6 614	7 254

Source: Directorate-General of Statistics and Economic Information (DGSIE).

StatLink http://dx.doi.org/10.1787/888932629064

Table 4.20. **Belgium: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Total Belgium	**Establishments**	**3 488**	**3 517**	**3 536**	**3 696**	**3 680**
Flanders Region						
Hotels	Establishments	1 129	1 210	1 221	1 329	1 352
Campsites	Establishments	250	253	248	247	248
Holiday villages	Establishments	27	18	16	15	14
Accommodation for groups	Establishments	563	565	618	658	659
Total Flanders Region	**Establishments**	**1 969**	**2 046**	**2 103**	**2 249**	**2 273**
Walloon Region						
Hotels	Establishments	666	639	617	629	608
Campsites	Establishments	299	284	270	263	258
Holiday villages	Establishments	46	46	44	44	44
Accommodation for groups	Establishments	338	331	322	324	308
Total Walloon Region	**Establishments**	**1 349**	**1 300**	**1 253**	**1 260**	**1 218**
Brussels Region						
Hotels	Establishments	162	164	171	176	178
Campsites	Establishments	. .	. .	1	. .	. .
Holiday villages	Establishments	. .	. .	. .	. .	. .
Accommodation for groups	Establishments	8	7	8	11	11
Total Brussels Region	**Establishments**	**170**	**171**	**180**	**187**	**189**

Source: Directorate-General of Statistics and Economic Information (DGSIE).

StatLink http://dx.doi.org/10.1787/888932629083

Canada

Tourism in the economy

Tourism (domestic and international) contributes approximately 1.9% of Canada's GDP and accounted for 34.2% of national employment in 2010. The sector's contribution in both these measures has remained broadly stable over the past five years. Tourism generated 1.7 million jobs in 2010, an increase of 1.8% on 2009.

In 2010, tourism spending increased by 6.7% on 2009, reaching CAD 73.4 billion. Spending by Canadians on tourism in Canada grew by 6.9% and accounted for 80% of total tourism expenditure. International tourists visiting Canada increased spending by 4.2% reaching over CAD 16.2 billion.

The number of visitors from Canada's most important international market, the United States, which accounts for 82% of all inbound visitors, increased by 0.7% reaching 11.7 million (includes same-day visitors). Total arrivals from the United States declined in 2010 by 1.6% on 2009. Trips of one night or more increased by 0.6% while day trips declined by 4.4%.

In terms of purpose of visit, a high proportion of overnight international tourists (50%) come to Canada for leisure purposes (including outdoor activities and sports), followed by visiting friends and relatives (26%), with business travel (including meetings, conventions, trade shows and other work) taking third place (15%).

Tourism organisation

In Canada, the federal government, the ten provincial governments and three territorial governments, as well as municipalities, all have a role in supporting tourism (Figure 4.5). Co-ordination between the federal and provincial/territorial levels of government is facilitated by the Canadian Council of Tourism Ministers.

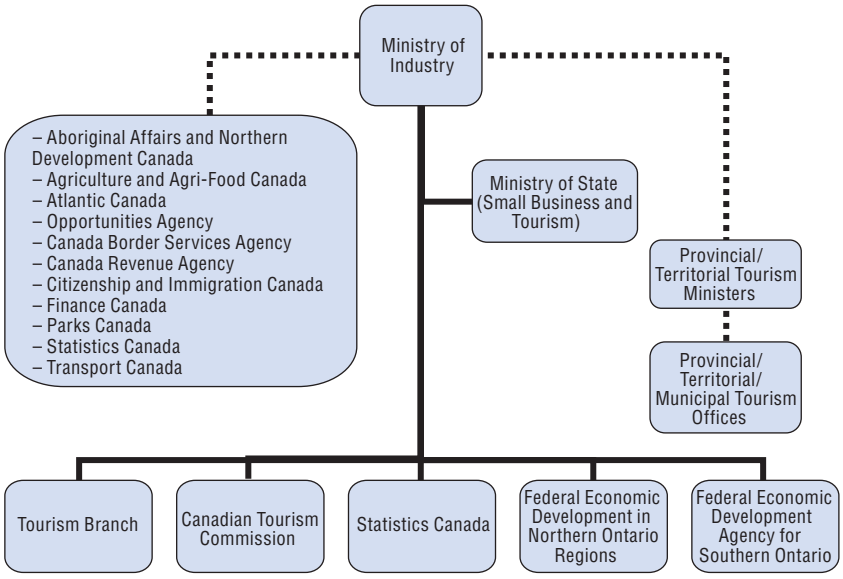
Within the federal government, the Minister of Industry has the lead responsibility for tourism, as part of a mandate to foster a fair, efficient and competitive marketplace, an innovative economy, a competitive industry and sustainable communities. In addition, the Minister of State (Small Business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

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

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

Several provincial, territorial and municipal governments have established agencies with a focus on tourism marketing in Canada and in select markets abroad.

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



Source: OECD, adapted from Industry Canada, 2012.

Tourism budget

In 2008-09, the federal government invested more than CAD 530 million in direct support to the tourism sector. This included more than CAD 360 million in product development and tourism infrastructure, such as convention centres, and CAD 113 million in tourism marketing. An additional CAD 782 million were spent largely on artistic, cultural and sports-related activities that have an indirect impact on tourism. The government also made significant infrastructure investments, such as in roads and bridges, in support of the industry.

In addition to this ongoing support, Canada's Economic Action Plan (the "Plan") provided economic stimulus to the visitor economy through direct funding for marquee tourism events, national parks, cruise infrastructure and marketing. Under the Plan, billions of dollars were also invested in transport and community infrastructure and in economic development that will provide enduring benefits to the sector.

The CTC plays an important role with a budget of CAD 76 million in 2011, which it uses to promote Canada in eleven global markets around the world, conduct market research and studies, and promote product and industry development. Additional one-time funding was allocated to leverage opportunities associated with the 2010 Winter Olympic and Paralympic Games and raise global awareness of Canada.

Tourism-related policies and programmes

Federal, provincial and territorial ministers responsible for tourism adopted a National Tourism Strategy framework in 2006 (Box 4.6). Several of Canada's provinces have their own tourism strategies, which complement the national framework. In October 2011 the government of Canada launched its Federal Tourism Strategy to guide investments and bring greater coherence to federal activities in support of tourism.

Box 4.6. **Canada's Federal Tourism Strategy**

Canada's Federal Tourism Strategy sets out a new approach to strengthening Canada's tourism sector and to continue supporting it in making tourism a significant contributor to the economy. The objective is to implement a whole-of-government approach to enhance the federal government's role as an effective partner with industry and other levels of government in support of an internationally competitive tourism sector.

The federal government is a major player in the visitor economy. Some 15 federal departments and agencies are responsible for a wide range of policies and programmes important to tourism. Through these departments and agencies, the government provides significant support to the tourism sector.

The strategy contains a number of initial measures to build momentum in the four following priority areas:

- increasing awareness of Canada as a premier tourist destination;
- facilitating ease of access and movement for travellers while ensuring the safety and integrity of Canada's borders;
- encouraging product development and investment in Canadian tourism assets and products; and
- fostering an adequate supply of skills and labour to enhance visitor experiences through quality service and hospitality.

Source: A full copy of Canada's Federal Tourism Strategy is available at *www.tourism.gc.ca*.

Tourism and transportation

Since its adoption in 2006, Canada's Blue Sky international air policy has been producing results. Canada now has new or expanded air transport agreements with more than 50 countries including the United States, South Korea, Brazil, and the 27 member states of the European Union. In addition, Canada has a flexible regime for charter air services, offering a powerful instrument to the tourism industry to deal with the challenge of developing markets.

Tools for evaluation and monitoring

Key federal departments and agencies are surveyed annually to report on tourism-related expenditure, demonstrating that the federal government makes a substantial investment in tourism on many fronts.

In 2007, the CTC started conducting an annual tracking study, the Global Tourism Watch, to gather information on each of its core markets. The research provides intelligence on travellers' perceptions and awareness levels of Canada across key markets in a consistent way.

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

More information on these tools, how they are used and the resulting data they produce are available at *http://en-corporate.canada.travel/research*.

Statistics and economic evaluation of tourism

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

Drawing on data from the surveys mentioned above, Statistics Canada generates two major products for the macroeconomic evaluation of tourism: the Tourism Satellite Account (TSA) and the National Tourism Indicators (NTIs).

In addition, Statistics Canada produces estimates of government revenues attributable to tourism. According to the most recent study, tourism generated CAD 19.2 billion of revenue for all three levels of government combined in Canada in 2009.

Statistics Canada is currently undertaking a pilot project to develop investment data for the tourism sector that is intended to provide a picture of economy-wide investment in tourism-specific fixed assets and infrastructure. Governments at all levels require a strong knowledge base to meet the increasingly complex challenges facing the tourism industry. Data on investment will allow governments and the private sector to manage assets more effectively and to support their allocation of capital.

A project has also been started to develop the Human Resource Module of the Canadian TSA further. The aim is to develop quarterly estimates of jobs in tourism industries, hours of work and earnings. Quarterly estimates will also be provided of the jobs, hours and earnings directly attributable to tourism and directly attributable to tourism exports.

Statistical profile

Table 4.21. **Canada: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	86 644	88 541	87 647	91 386	92 143
Number of nights spent	Thousands	259 158	263 110	261 873	265 659	271 869

Source: Statistics Canada, Culture, Tourism and Centre for Education Statistics Division.

StatLink http://dx.doi.org/10.1787/888932629102

Table 4.22. **Canada: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	18 128	17 775	16 997	15 585	15 866
Top 5 markets						
United States	Thousands	13 856	13 376	12 503	11 667	11 749
United Kingdom[2]	Thousands	842	894	837	686	661
France[3]	Thousands	361	360	405	389	408
Japan	Thousands	364	311	259	180	215
Germany	Thousands	298	299	315	292	316
Same-day trips to Canada	Thousands	15 262	12 598	10 373	9 110	8 803
International travel receipts	Million CAD	16 458	16 578	16 544	15 547	16 198
International passenger transport receipts	Million CAD	2 587	2 531	2 692	2 097	3 152

1. Overnight trips to Canada.
2. Also includes Gibraltar.
3. Also includes Andorra and Monaco.

Source: Statistics Canada, Culture, Tourism and Centre for Education Statistics Division.

StatLink http://dx.doi.org/10.1787/888932629121

Table 4.23. **Canada: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	22 731	25 163	27 034	26 204	28 680
International travel expenditure	Million CAD	23 316	26 511	28 629	27 692	30 464
International passenger transport expenditure	Million CAD	6 185	6 936	7 062	6 889	7 461

Source: Statistics Canada, Culture, Tourism and Centre for Education Statistics Division.

StatLink http://dx.doi.org/10.1787/888932629140

Table 4.24. **Canada: Enterprises in tourism**[1]

	Units	2006	2007	2008	2009	2010
Transportation	Thousands	25.1	22.8	24.0	24.9	26.5
Accommodation	Thousands	17.1	16.9	16.5	16.7	16.5
Food and beverage services	Thousands	74.9	73.4	69.3	69.5	69.7
Recreation and entertainment[2]	Thousands	34.4	31.0	29.6	30.5	30.2
Travel services[3]	Thousands	6.8	6.6	6.1	6.2	6.0
Total tourism industries	Thousands	158.3	150.7	145.6	147.8	149.0

1. Estimates are for number of enterprises classified to tourism industries as defined in the TSA, as of December.
2. Includes enterprises in cultural services industries.
3. Includes travel agencies and tour operators.

Source: Statistics Canada, Business Register Division.

StatLink http://dx.doi.org/10.1787/888932629159

Table 4.25. **Canada: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010
Transportation	Thousands	68.8	71.7	70.9	70.5	68.6
Accommodation	Thousands	160.8	161.8	158	150.0	151.1
Food and beverage services	Thousands	147.5	147.2	152.6	152.9	151.4
Recreation and entertainment[2]	Thousands	68.7	69.3	70.3	72.0	71.0
Travel services[3]	Thousands	42	42.4	44.9	41.8	39.0
Total tourism industries	Thousands	487.8	492.4	496.8	487.4	481.2
Other industries[4]	Thousands	120.3	121.2	120.6	113.9	113.3
Total tourism activities	Thousands	608.1	613.6	617.4	601.2	594.5
Total employment	Thousands	16 750	17 105	17 365	17 068	17 369
Tourism share of total jobs	Percentage	3.63	3.59	3.56	3.52	3.42

1. Employment is based on an estimate of "jobs" rather than "hours of work", thus someone who works 10 hours a week counts for as much, by this measure, as someone who works 50 hours a week.
2. Includes cultural services industries.
3. Includes travel agencies and tour operators.
4. Includes non-tourism industries that benefit from tourism (*e.g.* retail trade). These industries produce some commodities bought by tourists.

Source: Statistics Canada, *National Tourism Indicators*.

StatLink http://dx.doi.org/10.1787/888932629178

Table 4.26. **Canada: Tourism in the national economy**

2004	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP[1]
Accommodation services	Million CAD	5 032	4 142	5 894
Food and beverage serving services	Million CAD	6 024	2 871	3 035
Passenger transport services[2]	Million CAD	8 987	3 568	4 098
Travel agency, tour operator and tourist guide services[3]	Million CAD	2 824	185	1 762
Cultural services[4]	Million CAD	2 343	2 056	2 184
Recreation and other entertainment services				
Other services[5]	Million CAD	1 229	637	1 025
Goods[6]	Million CAD	14 652	4 079	5 910
Total	**Million CAD**	**41 091**	**17 539**	**23 908**

1. GDP is at basic prices.
2. Vehicle fuel, repairs and parts are included in Goods; vehicle rental is in Other services.
3. Consumption corresponds to the commissions of travel agencies and tour operators.
4. Included with recreation and other entertainment services.
5. Vehicle rental, convention fees and urban transit and parking.
6. Tourism GDP for "goods" includes GDP of non-tourism industries that produce goods and services bought by tourists including tourism single-purpose consumer durable goods, groceries, alcoholic beverages from stores, motor vehicle

Source: Statistics Canada, *Tourism Satellite Account*, 2004.

StatLink http://dx.doi.org/10.1787/888932629197

Table 4.27. **Canada: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Domestic tourism consumption share of final consumption	Percentage	4.6	4.5	4.5	. .	. .
Tourism share of GDP[1]	Percentage	1.96	1.94	1.92	1.92	1.92
Government revenue from tourism[2]	Million CAD	18 946	19 714	19 884	19 157	. .
Tourism exports as % of exports of services	Percentage	23.7	23.2	21.8	20.0	20.3

1. GDP is at basic prices.
2. Tax and non-tax revenue that is directly attributable to tourism spending.

Source: Statistics Canada, *National Tourism Indicators*.

StatLink http://dx.doi.org/10.1787/888932629216

Chile

Tourism in the economy

Tourism in Chile has shown strong growth in recent years, with international arrivals rising on average by 5.2% a year over the past ten years to reach 2.8 million visitors in 2010. International tourism receipts, expressed in US dollars, have tended to grow more rapidly, by 6.1% a year on average between 2004 and 2010, and by an average of 7.4% a year in the last ten years.

It is estimated that tourism accounts for around 3% of GDP, around the world average (but below that of the countries used by Chile as benchmarks). Tourism accounts for a similar percentage of employment (direct tourism jobs), and for 3.4% of total exports or around 23% of services exports.

Tourism organisation

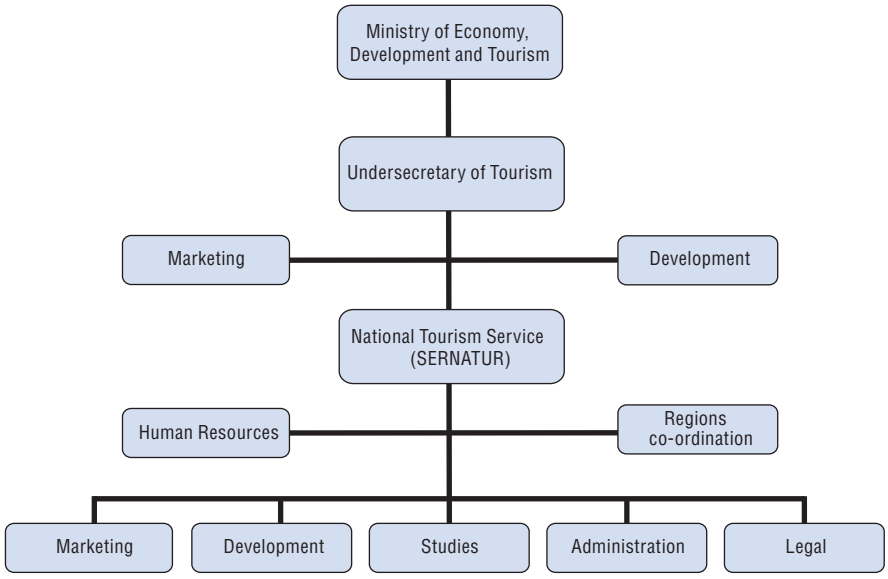
Tourism comes under the Ministry of Economy, Development and Tourism (Figure 4.6). With the existing National Tourism Service (SERNATUR) reporting to the Undersecretary of Economy, the post of Undersecretary of Tourism has been established to act as the direct link between the minister and SERNATUR. This strengthens the position and importance of tourism within the government and establishes a clear definition of responsibilities between organisations, with the Undersecretary of Tourism in charge of the national tourism strategies and policies, and SERNATUR in charge of the implementation of these policies. The Undersecretary also has a monitoring responsibility for SERNATUR's performance.

A Ministerial Committee has also been created to ensure the correct level of co-ordination and to improve efficiency within government. This committee is composed of seven ministries: Economy, Development and Tourism; Culture; Infrastructure; Agriculture; National Assets; Housing and Urban Development and Environment.

SERNATUR has a regional director in every region (state) of the country in charge of developing the tourism industry regionally. There is also a "Mirror Committee" for the Ministerial Committee with a regional representative of every ministry.

Every year, seven industry associations are elected to become part of the Public-Private Tourism Promotion Committee, which also involves seven government organisations. This committee is in charge of developing promotional strategies.

Figure 4.6. **Chile: Organisational chart of tourism bodies**



Source: OECD, adapted from National Service of Tourism (SERNATUR), 2012

Tourism budget

The budget allocated by the government directly to tourism through the Secretariat of Tourism and National Tourism Service (SERNATUR) totalled USD 36.3 million in 2011. In addition, regional governments have allocated USD 37.3 million for 2011-13, to be administered by SERNATUR. Other entities also spend part of their budget on the promotion of Chile; this has an impact on tourism and is equivalent to USD 38 million.

There are two programmes of the Chilean Development Corporation (*Corporación de Fomento*) with funding for tourism projects. One is a subsidy for feasibility studies for tourism projects in the pre-investment stage; between 2010 and 2011, 30 projects received funding from this source to the value of USD 1 million. The second programme is aimed at supporting investment in fixed assets in remote areas; this has led to 105 initiatives between 2010 and 2011 and has amounted to USD 5 million. In addition there is an English Language Grant programme that is expected to benefit 2 000 people during 2011; this has an investment budget of USD 1.7 million.

Funding for tourism comes from the general budget. However, there are also mechanisms for private initiatives such as tax savings in labour costs, tax credits for investments in fixed capital in certain areas and discounts on investment in remote areas.

Tourism-related policies and programmes

National Tourism Strategy

There are six "pillars" in the national tourism strategy (promotion, investment, competitive development, sustainability, quality and market research), each of which has a working group with the private sector to develop policies and strategies.

The National Tourism Strategy to 2020 has been released in January 2012. This has been produced by the Undersecretary of Tourism with inputs from both the private and

public sector and is based on the six pillars of the strategy mentioned above. Its main objectives are:

- Increase the importance of tourism in the national economy, with tourism's contribution rising from 3.2% of GDP to 6% by 2020.
- Create 40 000 new direct jobs and 160 000 new indirect jobs by 2020, promoting the creation of small and medium-sized enterprises, especially in regions.
- Reach 4 million foreign tourists by 2014 and 5.4 million by 2020, raising the average expenditure per tourist by 50% between 2012 and 2020.

Legislation

A new Tourism Law No. 20.423 was introduced in 2010, creating the Ministry and Undersecretariat of Tourism. During 2011, a new bill was sent to congress to enable cruise ships to open casinos within national waters, to encourage the arrival of more cruise ships. The Undersecretary of Tourism is also working on a new law governing the working regulations in the industry.

International co-operation

Chile has signed an agreement with Argentina to promote tourism in both countries. This includes initiatives covering joint promotional activities to develop specific shared destinations and tourism routes. Also, Argentina, Brazil, Chile, Paraguay, and Uruguay, through Mercosur, have consolidated a joint promotional effort for long distance tourism promotional activities. These countries will participate together in international fairs in distant markets. Chile is currently working on a Memorandum of Understanding with Colombia.

Other issues

A new promotional campaign has been created to promote domestic tourism (*www.chileestuyo.cl*) as well as a new digital strategy for Internet promotion (*www.chile.travel*). These have become the leading governmental web portals in terms of the number of visits they receive.

Three pilot destinations within Chile have been chosen for programmes aimed at sustainable destination development, and a new tourism labour law was sent to Congress in December 2011.

Chile uses Tourism Satellite Account as an instrument to measure the size of the activity, to describe the major economic transactions performed by economic agents related to tourism and to deliver basic indicators to government authorities and producers of travel services for decision-making.

Statistical profile

Table 4.28. **Chile: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	2 274	2 629	2 710	2 759	2 771
Top 5 markets						
Argentina	Thousands	667	843	961	1 098	1 084
Peru	Thousands	237	249	251	261	306
Bolivia	Thousands	231	274	302	300	294
Brazil	Thousands	177	234	261	215	239
United States	Thousands	166	225	182	183	157
International travel receipts	Million USD	1 149	1 455	1 617	1 574	1 580

1. Overnight visitors.
Source: National Tourism Service.

StatLink http://dx.doi.org/10.1787/888932629235

Table 4.29. **Chile: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	1 887	2 047	1 900	1 909	2 240
International travel expenditure	Million USD	871	993	959	1 137	1 237

1. Since 2000 a new methodology was applied.
Source: National Tourism Service.

StatLink http://dx.doi.org/10.1787/888932629254

Table 4.30. **Chile: Enterprises and employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and similar accommodations[1]	Thousands	3.5	3.6	3.7	4.1	4.1
Restaurants	Thousands	3	3.1	2.9	3.2	3.3
Passenger transport	Thousands	. .	. .	. .	. .	. .
Travel agencies and similars	Thousands	1	0.9	0.9	1.2	1.2
Other industries	Thousands	. .	. .	. .	. .	. .
Total	**Thousands**	**7.4**	**7.6**	**7.5**	**8.5**	**8.6**

1. Campsites are not included.
Source: National Tourism Service.

StatLink http://dx.doi.org/10.1787/888932629273

Table 4.31. **Chile: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Total tourism consumption	**Million USD**	**8 723**	**10 098**	**11 525**	**. .**	**. .**
of which:						
Foreign visitors	Million USD	1 514	1 895	2 031[1]	1 978[1]	2 040[1]
Domestic visitors	Million USD	7 209	8 203	9 494	. .	. .
Domestic tourism consumption share of final consumption	Percentage	71	79	92	. .	. .
Total added value of tourism activities	**Million CLP[2]**	**1 821[3]**	**1 932[3]**	**2 010[3]**	**. .**	**. .**
Tourism share of GDP	Percentage	3.05	3.12	3.18	3.24	3.23
Tourism share of employment	Percentage	2.2	. .	. .	. .	. .
Tourism share of service exports	Percentage	19	21	19	23	19

1. New methodology.
2. Base 2003.
3. Estimated.
Source: National Tourism Service.

StatLink http://dx.doi.org/10.1787/888932629292

Czech Republic

Tourism in the economy

The share of tourism in the Czech Republic's GDP in 2009, calculated by the Tourism Satellite Account (TSA) method, was 2.9% and domestic tourism consumption amounted to EUR 3 937 million according to the latest available data. The number of people employed in tourism was 239 500 in 2009 and the sector's share of total employment has remained relatively stable at around 4.6% in recent years.

The total number of foreign visitor arrivals was 20.9 million in 2010, approximately 39% of whom were tourists. Non-resident arrivals in 2011 totalled 6.8 million, compared with 6.4 million in 2006, representing a 6.1% growth over the five-year period.

In 2010, foreign currency revenues from tourism reached EUR 5 045 million, with tourism's share of total export revenues amounting to 5.3%. Tourism-related expenses in foreign currencies amounted to EUR 3 075 million and the balance on the tourism account was EUR 1 970 million in the same year. Tourism's share of GDP increased slightly from 2.8% to 2.9% in 2009, and due to the positive trends in Czech tourism in 2010 further modest growth is expected

Tourism organisation

At national level, the tourism industry comes under the Tourism Department of the Ministry for Regional Development (Figure 4.7). Within its legislative powers, the ministry proposes and implements measures aimed at strengthening international co-operation in the field of tourism, and participates in preparing relevant legislation, in procuring and analysing statistical information, in developing tourism in the regions and in activities targeted at raising the quality and structure of tourism services.

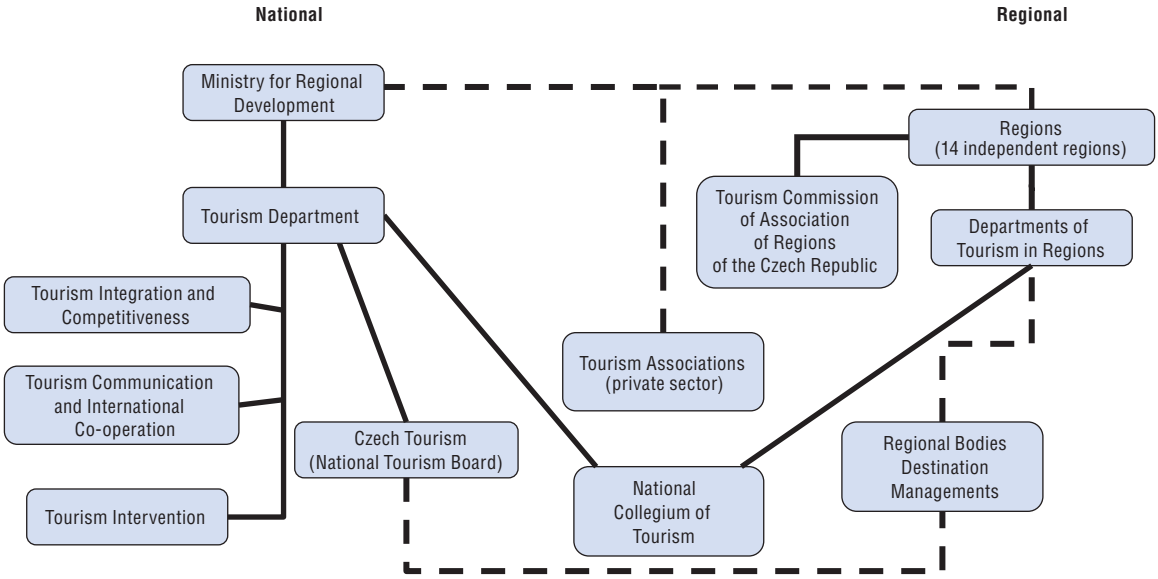
The Czech National Tourism Board – CzechTourism – is a grant-aided organisation supported by the Ministry for Regional Development. Its principal mission is to create systematic awareness of the Czech Republic as a country with wide tourism potential. To this end, CzechTourism takes part in tourism actions and exhibitions abroad, has overseas offices in 26 countries, and is responsible for the editorial content of advertising material.

The Czech Republic's administrative system of 14 self-governing regions (NUTS 3), which came into effect in 2000, has influenced the organisation of tourism in the country. Regions and individual communities are represented by public institutions.

Tourism budget

The Ministry for Regional Development is responsible for the support of tourism at the national level, which includes the financing of the Czech National Tourism Organisation – CzechTourism – and the National Support Program for Tourism. The budget of

Figure 4.7. **Czech Republic: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for Regional Development, 2012.

CzechTourism in 2010 was EUR 17.48 million, an increase of 8.9% on the previous year. In 2010, EUR 2.9 million were allocated for the implementation of the National Support Programme for Tourism 2010-13 (Box 4.7).

Box 4.7. **National Support Programme for Tourism 2010-13**

The Czech Republic is implementing the National Support Programme for Tourism 2010-13. Grants under this programme cover a maximum of 50% of project funding with the balance coming from the applicant's own resources.

A sub-programme "Tourism for All" was announced in 2010, which, in addition to including the above-mentioned target groups in tourism activities, covers the development of new products aimed at reducing the seasonality of tourism, and the creation of conditions to provide jobs throughout the calendar year. The sub-programme focuses on creating new products for the domestic tourism sector including marketing support for, and the implementation of, newly created products (*e.g.* wheelchair access, children's playrooms, playgrounds, mobile swimming pools, equipping classrooms for school camps).

In addition to funding from the Ministry for Regional Development, tourism in the Czech Republic is funded from a number of various financial sources, including other ministries, regions, cities and municipalities. However, the main source for support of tourism in the 2007-13 period comes from the EU Structural Funds. Financial assistance provided to tourism is allocated via several operational programmes:

- The Integrated Operational Programme (IOP) – assistance provided through this programme is used in national and system interventions in tourism, focused generally on service quality, improvement of statistical information and national marketing. The

total tourism allocation amounts to EUR 77.5 million from EU, 15% of which is funded from national sources.

- Regional Operational Programmes (ROP) – the Czech Republic has a total of seven regional operational programmes (NUTS 2). Activities funded within these programmes are focused on the construction or renovation of basic and ancillary tourism infrastructure, and on tourism marketing at the regional level. The total tourism allocation amounts to EUR 981.9 million from EU, 15% of which is funded from national sources.
- Rural Development Programme – this programme promotes activities related particularly to rural tourism and the support of agro-tourism. The total tourism allocation amounts to EUR 144.8 million from EU, 15% of which is funded from national sources.

Tourism-related policies and programmes

Medium to long-term tourism strategy

The State Tourism Policy Concept in the Czech Republic, 2007-13 (the "Concept") is the current medium-term tourism strategy document, and was approved by the government in November 2007. The strategic part of the Concept is encapsulated in the statement "Destination Czech Republic – number one in the heart of Europe".

The four priorities of the Concept are:

- the competitiveness of national and regional tourism products;
- expanding and increasing the quality of tourism infrastructure and services;
- tourism marketing and human resources development; and
- the creation of an appropriate organisational structure for tourism.

The success of the Concept depends on the proper and precise implementation of defined strategic projects. This required the development of an Implementing Document to the Concept, which specified the individual projects to be included. This document was approved by the government in July 2008 and constitutes an action plan containing a detailed description of how to carry out the individual activities stipulated in the Concept.

Statistics and performance evaluation

The Czech Statistical Office published the latest results of the Tourism Satellite Account (TSA).

The Ministry for Regional Development, in co-operation with the Czech Statistical Office, is currently implementing several projects regarding tourism statistics aimed at improving and expanding statistical information on tourism. These projects are co-financed from EU Structural Funds (85% of total amount), and include surveys of inbound tourism (TSA demand side), collective and private accommodation establishments in tourism, tour-operators and travel agencies in the Czech Republic, and a survey of the Meetings, Incentives, Conferences and Exhibitions sector (TSA supply side).

The ministry is currently preparing a project for the implementation of a survey of food and beverage establishments which complements the survey of tourism sector accommodation, and thereby offers a comprehensive overview of the hospitality sector. Projects relating to tourism statistics will provide comprehensive information on the tourism sector that will, among other things, improve the quality of source data for the compilation of the TSA system.

Statistical profile

Table 4.32. **Czech Republic: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011
Number of overnight stays	Thousands	6 289	6 281	6 186	5 954	5 878	6 080
Number of nights spent	Thousands	21 357	20 221	19 296	18 915	18 543	18 335

Source: Ministry for Regional Development, Statistical Office.

StatLink http://dx.doi.org/10.1787/888932629311

Table 4.33. **Czech Republic: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	6 435	6 680	6 649	6 032	6 334	6 831
Average length of stay in collective accommodation	Nights	3.12	3.09	3.01	2.94	2.90	2.91
Top 5 markets							
Germany	Thousands	1 617	1 549	1 476	1 393	1 348	1 422
Russian Federation	Thousands	240	322	418	327	415	570
Poland	Thousands	274	299	377	341	351	374
Slovak Republic	Thousands	282	309	299	288	307	347
Italy	Thousands	399	413	375	357	333	344
Same-day visitors	Thousands	15 564	16 581	16 509	14 437	13 312	. .
International travel receipts[1]	Million CZK	141 500	146 120	136 524	125 051	113 479	. .
International passenger transport receipts	Million CZK	25 032	26 870	25 377	24 192	24 953	. .

1. Inbound tourism consumption.

Source: Statistical Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932629330

Table 4.34. **Czech Republic: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010	2011
Number of tourism trips[1]	Thousands	3 949	4 525	4 987	4 541	4 323	4 252
International travel expenditure[2]	Million CZK	70 181	81 225	87 336	77 251	67 624	. .
International passenger transport expenditure[2, 3]	Million CZK	13 945	16 117	17 268	15 192	13 128	. .

1. Only trips of four and more nights of residents aged 15 or more years.
2. Outbound tourism consumption.
3. Including costs on fuel.

Source: Statistical Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932629349

Table 4.35. **Czech Republic: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants	Establishments	61 097	55 094	57 188	63 488	61 063

Source: Statistical Office, Business Register.

StatLink http://dx.doi.org/10.1787/888932629368

Table 4.36. **Czech Republic: Employment in tourism**[1]

	Units	2006		2007		2008[2]		2009[2]		2010[2]	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Hotels and similar establishments	Thousands	17.4	23.5	15.6	25.9	19.1	25.0	18.3	24.0	16.5	21.8
Restaurants and similar establishments	Thousands	34.1	32.2	34.1	31.9	33.9	32.3	34.7	33.1	36.0	35.2
Railway passenger transport	Thousands	11.7	4.9	10.3	4.8	10.9	3.9	10.6	3.8	10.4	3.7
Road passenger transport	Thousands	10.9	1.3	11.6	1.3	11.5	1.5	11.2	1.5	10.9	1.5
Water passenger transport	Thousands	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Air passenger transport	Thousands	3.1	2.8	3.4	2.2	4.1	2.4	4.1	2.4	3.0	1.7
Passenger transport supp. services	Thousands	1.7	0.3	1.8	0.4	2.1	0.4	2.1	0.4	2.2	0.4
Passenger transport equipment rental	Thousands	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Travel agencies and similar	Thousands	5.4	9.4	4.9	9.0	5.2	9.5	4.7	9.1	4.9	10.0
Cultural services	Thousands	4.5	7.8	5.4	7.4	4.9	7.8	5.0	8.1	4.4	6.8
Sporting and recreational services	Thousands	1.5	1.1	1.9	1.0	1.8	1.1	1.8	1.2	1.6	1.0
Tourism-characterictic industries	Thousands	90.4	83.3	89.1	83.8	93.7	84.1	92.7	83.5	89.9	82.1
Tourism-connected industries	Thousands	19.0	39.9	19.4	40.2	19.7	40.2	19.5	40.3	19.0	41.2
Tourism non-specific industries	Thousands	2.2	1.2	2.2	1.2	2.3	1.2	2.2	1.2	2.1	1.2
Total	**Thousands**	**111.5**	**124.4**	**110.8**	**125.3**	**115.7**	**125.5**	**114.5**	**125.0**	**111.0**	**124.6**

1. Annual average number of people employed in main job.
2. Preliminary data.

Source: Statistical Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932629387

Table 4.37. **Czech Republic: Tourism in the national economy**[1]

2010	Units	Inbound tourism consumption[2]	Domestic tourism consumption	Internal tourism consumption	Domestic supply[3]	Tourism ratio on domestic supply (%)
Specific products	Million CZK	113 479	100 536	214 016	4 001 174	5.3
Characteristic products	Million CZK	71 567	67 470	139 038	514 809	27.0
Accommodation services	Million CZK	23 076	15 841	38 917	49 086	79.3
Food and beverage serving services	Million CZK	19 739	19 874	39 614	121 667	32.6
Passenger transport services	Million CZK	24 953	17 091	42 045	105 308	39.9
Travel agency, tour operator and tourist guide services	Million CZK	462	6 092	6 554[4]	57 229[5]	100.0
Culture services	Million CZK	2 486	5 357	7 843	32 447	24.2
Recreation and other entairtainment services	Million CZK	850	2 411	3 261	66 194	4.9
Miscellaneous tourism services	Million CZK		804	804	82 878	1.0
Connected products	Million CZK	41 912	33 066	74 978	3 486 365	2.2
Non-specific products	Million CZK				8 085 131	0.0
Total	**Million CZK**	**113 479**	**100 536**	**214 016**	**12 152 176**	**1.8**

1. Preliminary data.
2. Includes expenses paid in the country by non-residents.
3. Purchaser's prices.
4. Includes the margins of the travel agencies and tour operators and the value of offered products and services.
5. Includes the margins of the travel agencies and tour operators.

Source: Statistical Office, Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/888932629406

Table 4.38. **Czech Republic: Other economic indicators**

	Units	2005	2006	2007	2008[1]	2009[1]	2010[1]
Tourism output (basic prices)	Million CZK	226 932	241 595	250 407	251 543	238 257	238 634
Tourism gross value added (basic prices)	Million CZK	81 683	84 494	86 234	86 427	88 442	87 362
Tourism taxes	Million CZK	17 396	15 462	16 845	17 024	15 851	12 891
Tourism GDP	Million CZK	99 079	99 956	103 079	103 451	104 293	100 253
Tourism share of GDP	Percentage	3.3	3.1	2.9	2.8	2.9	2.7

1. Preliminary data.

Source: Statistical Office, Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/888932629425

Denmark

Tourism in the economy

The contribution of the tourism sector to Denmark's gross value added is given as 3.3% when both direct and indirect effects are taken into account, and 2.1% taking into account the direct effects only. There is a substantial deficit on the tourism account, with payments by Danes travelling abroad exceeding travel receipts from foreign tourists by some DKK 19 billion in 2010.

Tourist arrivals from abroad staying in commercial accommodation (inbound tourism) totalled 4.4 million in 2010, 8.2% below the peak of 4.8 million recorded in 2007, but 3.3% above 2009. The top five origin markets for Denmark in 2010 were Germany, Sweden, Norway, Netherlands and the United Kingdom which together accounted for 77.6% of all arrivals, with Germany by far the leading market, supplying 1.8 million visitors, 40.6% of the total. Over the last two decades inbound tourism decrease can be mainly attributed to weaknesses in the important German and Swedish markets. Domestic tourism has increased in recent years, and nights spent in accommodation reached 24.3 million in 2010.

Outbound trips, which have been on a rising trend for some years, totalled 7.3 million in 2010, and 67% more than in 2004.

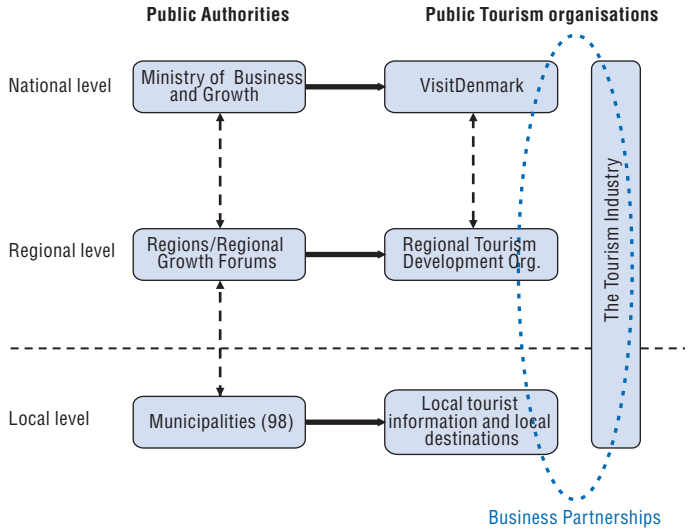
Tourism employed 47 300 people in 2009 (the latest year for which figures are available), accounting for 2.2% of total employment. In 2009, Denmark had almost 13 000 tourism enterprises of which 1 527 were hotels and 11 419 were restaurants.

Tourism organisation

In 2010, a new legislation altered the structure of the public promotion of tourism. Under the new law, all policy and agency-related tourism matters were transferred from VisitDenmark (the NTO), to the Ministry of Business and Growth (Figure 4.8). The ministry is now responsible for the co-ordination of Danish tourism policy and for international policy issues related to the European Union. It also co-operates with a number of other Danish authorities, such as the Ministry of the Environment (including the Danish Forest and Nature Agency – *Naturstyrelsen*), and the Agency for Spatial and Environmental Planning.

After the implementation of the new law VisitDenmark's primary task is the international promotion of Denmark as a tourist destination. In order to create a coherent marketing of Denmark as a tourist destination, all public activity (be it regional or local) related to the international promotion of Denmark as a tourist destination has to be co-ordinated with VisitDenmark. In addition, VisitDenmark also makes annual tourism analyses and generates knowledge. Due to new funding opportunities, local and regional authorities are now taking a very active role in the development of tourism at local and regional levels.

Figure 4.8. **Denmark: Organisational chart of tourism bodies**



Source: OECD, adapted from the Ministry of Economic and Business Affairs, 2012.

Tourism budget

State funding for VisitDenmark in 2012 is DKK 128.9 million while the total budget for VisitDenmark, including funding from the private sector, is DKK 253 million. The overall tourism funding under the Ministry of Economic and Business Affairs in 2012 is DKK 133 million.

Tourism-related policies and programmes

Tourism strategies

On 22 December 2008, the board of directors of VisitDenmark adopted a joint strategy for the development of Danish tourism to 2015. This has been developed on behalf of all tourism stakeholders, including regional and local authorities and development organisations as well as private organisations and businesses (more than 600 persons have been involved in the process).

The key aims of the strategy are to:

- create increased growth and competitiveness;
- recapture market shares;
- generate increased turnover and value creation in the tourism industry;
- stimulate closer co-operation between tourism actors in relation to product development and marketing;
- stimulate a more professional approach to the development of Danish tourism; and
- attract more Danish and foreign investments to the tourism industry, thereby improving the tourism offer.

International and intra-regional activities

Action Plan for the Global Marketing of Denmark

In 2007 an agreement was reached between the government and the Danish parliament on an Action Plan for the Global Marketing of Denmark. The aim is to strengthen a clear and positive image of Denmark abroad in the widest sense, and to ensure that the country is able to compete for creative and competent workers, students, tourists, investment and global market share.

The Action Plan focuses on four main issues: innovation and creativity; tourism; global talents; and export and investments. For 2007-12 the Action Plan has an implementation budget of DKK 622 million, much of which is being spent on cross-cutting activities and initiatives.

The Action Plan is based on the concept of public/private initiatives. Four Danish ministries are directly responsible for its implementation: the Ministry of Economic and Business Affairs (which acts as Chairman); the Ministry of Foreign Affairs; the Ministry of Education; and the Ministry of Culture. Also, since the task of marketing Denmark globally neither can nor should be exclusively the government's responsibility, the various initiatives in the Action Plan are carried out on the basis of a comprehensive dialogue with a wide range of both public and private actors.

The Branding Denmark Fund – a central cross-cutting initiative

As part of the Action Plan a fund has been established with the clear purpose of boosting international awareness of Denmark's strengths and competences, especially by supporting public/private partnerships and larger-scale activities with good potential (such as events, campaigns and conferences that generate publicity about Denmark).

Both public and private institutions may apply for assistance from the Branding Denmark Fund. The fund has an independent executive board, and a cross-ministerial task force acts in a secretarial capacity. The fund has its own website, *www.mfonden.dk* (in Danish only).

Industry issues

There is a range of issues being discussed in the Danish tourism industry – most has to do with the decline in foreign bednights outside Copenhagen. These issues concern competitiveness, price levels, productivity, Denmark's strength and weaknesses as a tourist destination, the tourist's satisfactions level with the Danish tourist-product, etc. There are also ongoing discussions about general issues like the tax-level, how to increase the co-ordination in the industry and between local destinations and what can be done to increase the attractiveness of the Danish tourism product.

Statistical profile

Table 4.39. **Denmark: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	24 500	25 070	25 427	24 382	24 282

Sources: Statistics Denmark, VisitDenmark, Tourism Satellite Account, 2012.

StatLink http://dx.doi.org/10.1787/888932629444

Table 4.40. **Denmark: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009[4]	2010[4]
Total international arrivals[1]	Thousands	4 742	4 770	4 503	4 241	4 382
Top 5 markets						
Germany	Thousands	1 893	1 939	1 825	1 786	1 778
Sweden	Thousands	878	858	801	694	747
Norway	Thousands	667	692	658	633	647
United Kingdom	Thousands	238	236	214	206	209
Netherlands	Thousands	198	205	205	190	192
Number of same-day visitors[2]	Thousands	17 306	17 306	17 306	17 306	17 306
International travel receipts[3]	Million DKK	33 074	32 544	32 023	30 112	32 078

1. Tourists in all commercial accommodation.
2. Estimate, based on border control report.
3. Including business; 2007-10 figures revised.
4. Preliminary figures.

Sources: Statistics Denmark, VisitDenmark.

StatLink http://dx.doi.org/10.1787/888932629463

Table 4.41. **Denmark: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	6 129	6 564	6 347	. .	7 726
International travel expenditure	Million DKK	44 517	48 070	49 443	48 077	51 079

Sources: Statistics Denmark, VisitDenmark.

StatLink http://dx.doi.org/10.1787/888932629482

Table 4.42. **Denmark: Enterprises and employment in tourism**

	Units	2006	2007	2008	2009	2010
Number of enterprises	Establishments	12 776	13 156	12 895	12 946	. .
Hotels	Establishments	1 541	1 620	1 572	1 527	. .
Restaurants	Establishments	11 235	11 536	11 323	11 419	. .
Full-time employees	Employees	45 041	47 983	49 980	47 304	. .
Hotels	Employees	13 297	14 215	14 469	13 234	. .
Restaurants	Employees	31 744	33 768	35 511	34 070	. .
Tourism share of employment	Percentage	2	2.1	2.2	2.2	. .
Employees' gender share						
Male	Percentage	53	53	53	53	52
Hotels	Percentage	41	41	41	42	43
Restaurants	Percentage	46	46	46	48	48
Female	Percentage	47	47	47	47	58
Hotels	Percentage	59	59	59	58	57
Restaurants	Percentage	54	54	54	52	52

Sources: Statistics Denmark, VisitDenmark.

StatLink http://dx.doi.org/10.1787/888932629501

Table 4.43. **Denmark: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Direct tourism gross value added	Total tourism gross value added
Accommodation services	Million DKK	11 875	2 326	4 630	4 744
Food and beverage serving services	Million DKK	3 352	4 772	2 828	3 260
Passenger transport services	Million DKK	11 095	2 008	3 262	4 057
Travel agency, tour operator and tourist guide services	Million DKK	1 679	976	4 802	5 268
Recreation and other entertainment services	Million DKK	2 476	1 047	1 616	2 228
Other services	Million DKK	3 475	6 703	6 702	22 253
Goods	Million DKK	11 055	11 792	7 020	11 884
Total	**Million DKK**	**45 010**	**29 624**	**30 860**	**53 694**

Sources: Statistics Denmark, VisitDenmark, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932629520

Table 4.44. **Denmark: Other economic indicators**

	Units	2006	2007	2008	2009	2010[1]
Internal domestic tourism consumption share of final consumption	Percentage	1.9	. .	. .	. .	1.6
Tourism share of GVA – direct	Percentage	1.9	. .	. .	. .	2.1
Tourism share of GVA – total	Percentage	3.9	. .	. .	. .	3.3

1. New methodology; 2006 and 2010 figures are not comparable.

Sources: Statistics Denmark, VisitDenmark.

StatLink http://dx.doi.org/10.1787/888932629539

Estonia

Tourism in the economy

In 2011, 1.8 million foreign tourists stayed overnight at the accommodation establishments of Estonia. In addition, about 0.7 million stayed with friends or relatives or at their own apartments.The total estimated number of foreign overnight visitors in 2011 was therefore about 2.5 million (+16% compared with 2010). The number of nights spent was 3.75 million (17% up on 2010). Thus, in 2011 inbound tourism to Estonia increased significantly compared with 2010 which was already a record year for Estonia. The driving force behind the increase was the creation of new transport connections with many European target markets (especially low-cost flights). Also, Tallinn's status as the European Capital of Culture, abundance of cultural events, and long-term co-operation of the entrepreneurs, the state and municipalities in developing tourism services and promoting Estonia in various target markets, have increased Estonia's attractiveness as a tourist destination. Overnights on holiday trips increased by 20% and overnights on business trips increased by 25% while overnights on other trips decreased by 3%.

In 2011, 918 000 domestic tourists stayed overnight in the accommodation establishments of Estonia. Their number increased by 10% over 2010. The number of nights spent was 1.65 million (10% up on the same period of 2010). Overnights on holiday trips increased by 11% and overnights on business trips by 15%.

Estonia's tourism receipts (including travel receipts) amounted to EUR 1.2 billion in 2011. This was 12% or EUR 131 million more than in 2010 and 8% more than in 2008 (which was the previous record level). Travel receipts (foreign visitors' expenditure in Estonia) amounted to EUR 897 million. This was 11% more than a year ago. Fare receipts (foreign visitors' payments to Estonian transport companies) amounted to EUR 306 million or 17% more than a year ago. Sea transport receipts increased by 13% and air transport receipts by 35%.

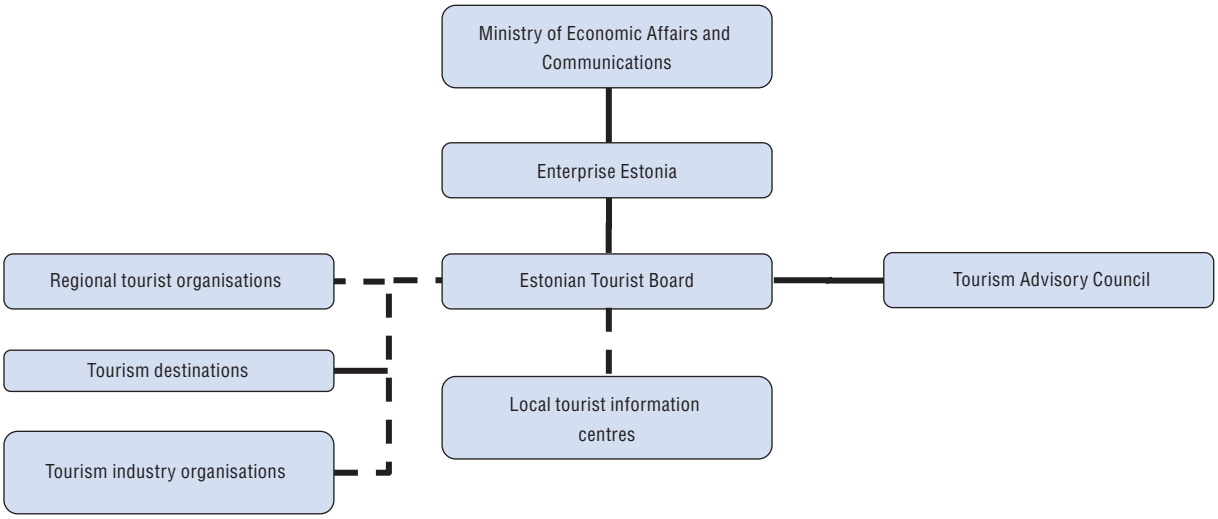
Tourism organisation

National tourism policy and development activities are implemented by the Estonian Tourist Board which comes under the Enterprise Estonia Foundation which in turn is administered by the Ministry of Economic Affairs and Communication (Figure 4.9).

The activities of the ministry in the field of tourism include:

- setting tourism policies and programmes and overseeing their implementation;
- applying funding for tourism development programmes and projects from the state budget and from the EU;
- drafting tourism-related legislation and regulations; and
- participating in the activities of international tourism organisations.

Figure 4.9. **Estonia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economic Affairs and Communications, 2012.

The Estonian Tourist Board:

- markets Estonia as a tourist destination;
- undertakes domestic tourism marketing;
- engages in product development;
- carries out market research in the main target markets;
- develops and administers the national tourist information system; and
- participates in the work of international organisations.

The Estonian Tourist Board (ETB) has an advisory council, consisting of representatives of the tourism industry, namely: Estonian Association of Travel Agents, Estonian Hotel and Restaurant Association, Estonian Spa Association, the non-profit organisation Estonian Rural Tourism, South-Estonian Tourism Foundation, Tallinn City Government, and Estonian Air. The ETB co-ordinates the network of regional tourist information centres (TICs). TICs are established in each of the 15 counties of Estonia, and in the main border towns (Tallinn, Narva, Valga).

Other bodies and organisations that are involved at the national level are:

- Estonian Association of Travel Agents
- Estonian Hotel and Restaurant Association
- Non-Profit Organisation Estonian Rural Tourism
- South-Estonian Tourism Foundation
- North-Estonian Tourism Foundation
- West-Estonian Tourism Foundation
- Estonian Spa Association
- Estonian Convention Bureau (A non-profit organisation established jointly by the public and private sectors. ECB members include the cities of Tallinn and Tartu, the national

airline Estonian Air, DMCs, professional conference organisers and conference hotels. The ECB is co-financed by Enterprise Estonia.)

Tourism budget

The overall budget for tourism development is stated in the National Tourism Development Plan for 2007-13 as approximately EUR 206 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. There are no specific tourism taxes. All the measures and activities of the Estonian Tourist Board are evaluated through measurable indicators which are set in the National Tourism Development Plan for 2007-13 and its implementation plan.

The budget of Estonian Tourist Board in 2011 was EUR 8.2 million of which EUR 4.4 million were allocated for the promotion of Estonia as travel destination.

Tourism-related policies and programmes

Legislation

In 2011, the minimum requirements for accommodation establishments were renewed. In addition to general updates a minimum requirements for spa services in the accommodation establishments will be introduced.

To increase the visitor expenditure, tax free minimum purchase rate was reduce to EUR 38.

In 2011, the new classification system for hotels and motels was approved by the Ministry of Economic Affairs and Communications. The classification system is administered by the Estonian Association of Hotels and Restaurants and is part of the European star grading system – Hotelstars Union.

International passenger transport

In 2011, the Tallinn Airport was one of the fastest growing airports in Europe; the number of passengers grew 38.2% to 1.9 million and 11 new routes were launched.

The number of passengers in the Port of Tallinn also grew to a record high of 8.7 million in total.

Destination marketing

In order to maximise the impact of the Estonian capital Tallinn's status as the European Capital of Culture in 2011, the focus of its destination marketing was on culture tourism. The priority theme was reflected in the Estonian tourism homepage (*visitestonia.com*) and in all promotional activities and in all target markets.

International events and conferences support programme

In 2011, the Estonian Tourist Board supported the organisation of 27 international culture and sport events and conferences held in Estonia.

Development of visitor attraction and sights

In order to develop a more regionally balanced and diversified tourism offer, over 75 new visitor attractions and sights were supported in the period of 2008-11.

Destination management

In 2012, the Estonian Tourist Board will launch an extensive destination management training programme which aims to increase the international competitiveness and sustainability of Estonia as a tourist destination. The training programme will consist of three modules: strategic planning and co-operation; product development and quality; and destination marketing.

Statistical profile

Table 4.45. **Estonia: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011
Residents in hotels and similar establishments	Thousands	571	676	658	560	612	668
Residents in other collective accommodation establisments[1]	Thousands	260	287	286	207	226	250
Total number of residents in accommodation establishments	**Thousands**	**832**	**963**	**944**	**767**	**838**	**918**
Nights spent by residents in hotels and similar establishments	Thousands	989	1 174	1 120	944	1 025	1 117
Nights spent by residents in other collective accommodation establisments[1]	Thousands	534	584	550	438	472	534
Total number of nights spent by residents in accommodation establishments	**Thousands**	**1 523**	**1 759**	**1 670**	**1 382**	**1 497**	**1 651**

1. Tourist campsites, holiday dwellings, other collective accommodation.
Source: Statistics Estonia.

StatLink http://dx.doi.org/10.1787/888932629558

Table 4.46. **Estonia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Number of non-residents in hotels and similar establishments	Thousands	1 330	1 286	1 353	1 308	1 487	1 703
Top 5 markets							
Finland	Thousands	720	679	708	730	811	813
Russian Federation	Thousands	64	54	79	89	136	192
Germany	Thousands	80	78	83	68	77	94
Sweden	Thousands	101	87	84	75	79	83
Latvia	Thousands	51	62	68	60	64	75
Number of non-residents in accommodation establisments[1]	Thousands	1 428	1 380	1 433	1 381	1 564	1 808
Top 5 markets							
Finland	Thousands	749	707	728	751	833	841
Russian Federation	Thousands	67	56	82	94	142	203
Germany	Thousands	90	87	92	76	84	104
Sweden	Thousands	106	90	86	77	81	86
Latvia	Thousands	66	75	80	68	73	85
International travel receipts	Million EEK	12 692	11 792	12 637	12 209	12 661	. .
International passenger transport receipts	Million EEK	4 182	4 329	4 758	3 973	4 115	. .

1. Including tourist campsites, holiday dwellings and other collective accommodation.
Source: Statistics Estonia, Bank of Estonia.

StatLink http://dx.doi.org/10.1787/888932629577

Table 4.47. **Estonia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	2 097	2 094	2 054	1 649	1 706
International travel expenditure	Million EEK	7 267	7 618	8 607	6 775	7 435
International passenger transport expenditure	Million EEK	1 490	1 539	1 377	1 015	1 045

Sources: Statistics Estonia, Bank of Estonia.

StatLink http://dx.doi.org/10.1787/888932629596

Table 4.48. **Estonia: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels, camping sites and other provision of short-stay accommodation	Establishments	517	517	498	572	615
Restaurants, bars, canteens and catering	Establishments	1 242	1 292	1 087	1 346	1 503
Travel agencies and tour operators	Establishments	328	339	345	334	356

Source: Statistics Estonia.

StatLink http://dx.doi.org/10.1787/888932629615

Table 4.49. **Estonia: Employment in the tourism**

	Units	2006	2007	2008	2009	2010	2011
Hotels, camping sites and other provision of short-stay accommodation	Thousands	5.7	6.4	6.3	5.7	5.5	. .
Restaurants, bars, canteens and catering	Thousands	12.5	13.8	13.3	12.3	12.6	. .
Travel agencies and tour operators	Thousands	1.8	1.7	1.7	1.6	1.5	. .
Employed persons in accommodation and food service activities[1]	Thousands	22.0	22.3	23.6	20.1	19.4	19.2
Accommodation	Thousands	7.3	6.5	8.0	7.4	7.1	6.1
Food service activities	Thousands	14.8	15.8	15.7	12.8	12.2	13.1
Share of accommodation and food service activities in total employment	Percentage	3.4	3.4	3.6	3.4	3.4	3.1
Accommodation	Percentage	1.1	1.0	1.2	1.2	1.3	1
Food service activities	Percentage	2.3	2.4	2.4	2.1	2.1	2.1

1. According to the Labour Force Survey.

Source: Statistics Estonia.

StatLink http://dx.doi.org/10.1787/888932629634

Table 4.50. **Estonia: Tourism in the national economy**

	Units	2004	2005	2006
Accommodation services[1]	Million EUR	217	235	233
Food and beverage serving services	Million EUR	195	214	222
Passenger transport services[2]	Million EUR	210	243	291
Travel agency and tour operator services	Million EUR	49	61	77
Recreational, cultural and sporting activities	Million EUR	36	33	34
Renting of machinery and of household goods	Million EUR	. .	. .	. .
Tourism-connected industries	Million EUR	42	38	41
Non-specific industries	Million EUR	360	400	423
Total	**Million EUR**	**1 108**	**1 224**	**1 321**

1. Including letting of own residential buildings.
2. Including supporting transport activities.

Source: Statistics Estonia, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932629653

Table 4.51. **Estonia: Other economic indicators**

	Units	2004	2005	2006
Tourism share of GDP – direct effects	Percentage	5.5	5.3	4.7
Tourism share of GDP – direct and indirect effects	Percentage	8.2	7.8	7.2
Internal domestic tourism consumption	Million EUR	243	293	322
Inbound tourism consumption	Million EUR	866	932	1 000
Internal domestic tourism consumption share of final consumption	Percentage	3.4	3.6	3.4
Internal tourism consumption	Million EUR	1 108	1 224	1 321
Internal tourism consumption share of final consumption	Percentage	15.5	15.1	13.8

Source: Statistics Estonia.

StatLink http://dx.doi.org/10.1787/888932629672

Finland

Tourism in the economy

The global economic crisis has had some negative effects on the tourism sector in Finland, and international tourism flows declined in 2009. However, 2010 saw an improvement in both the number of travellers and tourism receipts.

Total domestic overnight trips rose to 34.5 million in 2010 (up 11.3% from 2009), of which travel for leisure purposes represented 30.7 million overnight trips (up 11.5% on 2009). In addition, Finland received 6.2 million foreign visitors in that year (+9% or nearly half a million more visitors), of which 2.56 million visitors were from the Russian Federation, 41% of the total. Of the total 6.2 million foreign visitors, 3.7 million were overnight tourists (+7%). However, 41% of trips to Finland did not include an overnight stay, with day trips rising by 11% on 2009.

International travel receipts (excluding passenger fares) rose to EUR 2.2 billion in 2010, an increase of 8.3% on 2009. Outbound travel rose to 7.5 million trips. With international travel expenditure of EUR 3.2 billion, the deficit on the tourism account was EUR 1 billion.

Tourism organisation

The responsible ministry for tourism policy is the Ministry of Employment and the Economy (MEE), founded in 2008 (Figure 4.10). The ministry is responsible for the general development of the tourism sector, for the co-ordination of support measures, drafting tourism-specific laws, and maintaining international relations within the tourism sector. MEE works in close collaboration with other actors representing different administrative branches in tourism related issues.

The Finnish Tourist Board (FTB) is a national tourism organisation that works under the ministry. It focuses on operational functions, with its main task being the promotion of Finland's image and, as a supporting task, the promotion of tourism products in foreign markets. The Finland Convention Bureau, operating nationally in the meetings and events industry, was merged into the Finnish Tourist Board at the beginning of 2011.

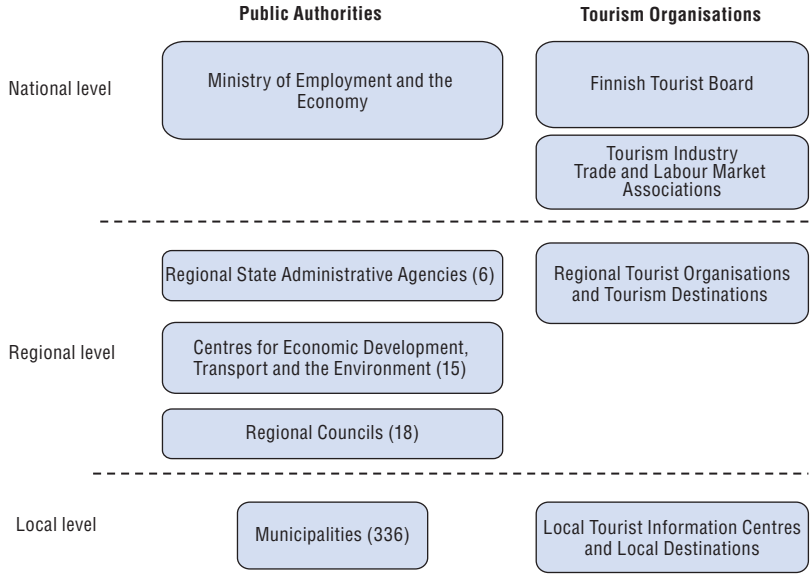
Tourism industry trade and labour market associations support the Finnish tourism industry by supervising the interests of their members. For example, the Finnish Hospitality Association (MaRa) is a trade and labour market association. Its members operate in the fields of accommodation, restaurants, and travel and adventure services. MaRa serves over 2 400 member companies representing 80%-90% of the total turnover of the sector in Finland.

At the territorial level, there are various public authorities handling local tourism affairs, together with other tasks. As part of the Reform Project for Regional Administration, many of the former regional authorities were phased out, and their tasks

reorganised and streamlined. As a result, two new regional state administrative bodies were established at the beginning of 2010: the Regional State Administrative Agencies and the Centres for Economic Development, Transport and the Environment (ELY). These agencies foster regional parity by executing all legislative implementation, steering and supervisory functions in the regions, while ELY-centres manage the regional implementation and development tasks of the state administration, offering financing, advisory, consulting and training services for tourism companies' business development.

In addition, Regional Councils, as joint municipal authorities, are in charge of regional planning and look after regional interests, including the development of the tourism sector. The councils draw up plans and programmes in co-operation with state and local government, and with businesses and organisations within the region. Regional Councils provide funding for extensive travel destination development projects. There are also about 30 regional tourist organisations in Finland that have varied objectives, tasks and ownership structures. Locally, tourism issues are handled by municipalities and local tourist information centres.

Figure 4.10. **Finland: Organisational chart of tourism bodies**



Source: OECD, adapted from the Ministry of Employment and the Economy, 2012.

Tourism budgets

There is no separate budget for tourism development in the Ministry of Employment and the Economy (MEE). One person in the Ministry's Innovation Department is in charge of tourism affairs. The public funding for the Finnish Tourist Board was reduced to EUR 9.8 million in 2010 from the previous year's EUR 14.8 million. The budget for 2011 is EUR 10.3 million, in addition to which the private sector's input into the marketing activities of FTB was EUR 1.4 million in 2011.

According to an MEE report issued in 2011, public spending on tourism projects in Finland is approximately EUR 60 million annually. Most projects are co-financed by the EU.

In 2010, these projects received EUR 48 million of public financial support. Purely nationally funded projects received EUR 9 million of public funding in that year.

Public support for tourism development is mainly granted regionally, by the Centres for Economic Development, Transport and the Environment and Regional Councils, through which most of the EU co-funding is also allocated. Some ministries (MEE, Education and Culture, Agriculture and Forestry, Environment) have minor scope to offer funding for tourism projects. Other organisations granting public financing are the Finnish Funding Agency for Technology and Innovation (Box 4.8), and Finnvera, financing company owned by the State of Finland, which offers loans and guarantees.

Box 4.8. **Tekes' Tourism and Leisure Services, 2006-12**

The Finnish Funding Agency for Technology and Innovation (Tekes) is the main public funding organisation for research, development and innovation in Finland. It has a programme called Tourism and Leisure Services 2006-12, within which it offers funding for tourism projects.

The programme encourages R&D activities by companies producing leisure services. Development focuses on new service concepts, new ways of producing services and the creation of new spatial concepts, such as those utilising virtual technology. The central aim of the programme is to develop innovative, customer-oriented service concepts. Companies and research organisations are eligible to apply for funding. Between 2007 and 2010, Tekes financed tourism projects for 22 companies and 11 research organisations to the value of EUR 3.8 million, primarily in the form of direct financial support, supplemented by loans to individual companies.

Tourism-related policies and programmes

Medium to long-term tourism strategy and intra-regional programmes

Finland's *Tourism Strategy to 2020* was updated in 2010. The objectives and measures in the strategy are divided into three categories:

- the development of the tourism sector;
- strengthening of the image of Finland as a tourist destination; and
- improvement of the prerequisites for entrepreneurship in the tourism sector by enhancing the general industrial policy base.

A particular goal is to increase international demand for tourism.

The MEE is about to appoint a working group comprising representatives of the tourism industry to monitor the implementation of the tourism strategy. Updates to the strategy will remain valid for four years at a time. Based on the revised strategy, the latest *Government Resolution on Finnish Tourism Policy* was adopted in March 2011. The Finnish Tourist Board also has its own revised strategy for 2010-15 that concentrates on operational measures.

Regional policy is closely connected to the development of tourism. Tourism is a significant industry for regional development, particularly in the less developed areas of Eastern and Northern Finland. The MEE has responsibility for two regional network programmes promoting the development of tourism in Finland: the Centre of Expertise Programme and the Regional Cohesion and Competitiveness Programme. The latter

started work in 2010. In addition, projects co-ordinated nationwide include those to develop rural tourism, cultural tourism, an electronic databank for tourism, and a tourism portal, all of which received public funding in 2010.

Statistics and performance evaluation

The next Tourism Satellite Account release will be in 2012. In the future, Statistics Finland will make these releases approximately every three years.

There is a need to evaluate the effectiveness of the state's investments in tourism in Finland. A survey commissioned by MEE will be conducted to clarify this by assessing the work and results of the Finnish Tourist Board. Another aim will be to create new indicators for the Finnish Tourist Board to enable the efficiency of the organisation to be evaluated in the long term.

Box 4.9. **Culture Finland – a national programme for cultural tourism**

Culture Finland is a national umbrella programme for cultural tourism which began in January 2011. The programme is funded by the Ministry of Education and Culture and is steered by the Finnish Tourist Board. In 2011, the programme was administered by Finland Festivals, an organisation concentrating on collaborative activities in the culture and tourism sectors.

The main goal of the programme is to generate greater co-operation between the different actors in the culture and tourism sectors, and to create a functioning national network for cultural tourism. The aim is to promote the development of quality tourism products and services based on Finnish culture and art, and strengthen international coverage of Finnish culture. Culture Finland follows the strategic alignments established in Finland's *Tourism Strategy: Action Programme 2009-11*, promoting product development for the purpose of cultural tourism, and in the *Cultural Tourism Development Strategy for Foreign Markets 2009-13*.

Statistical profile

Table 4.52. **Finland: Domestic overnight tourism**[1]

	Units	2006	2007	2008	2009	2010[2]
Number of overnight trips, total	Thousands	28 245	30 633	31 091	31 015	34 531
Holiday, leisure trips	Thousands	25 043	26 974	27 138	27 523	30 694
Business trips	Thousands	3 202	3 659	3 953	3 492	3 837
Number of nights spent, total	Thousands	73 700	76 718	77 674	80 557	88 289
Holiday, leisure trips	Thousands	67 616	70 132	70 559	74 271	81 382
Business trips	Thousands	6 084	6 586	7 115	6 286	6 907

1. Trips and overnight stays in non-rented accommodation included.
2. Due to a change in the survey methodology the data for 2010 are not totally comparable to the previous years.

Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629691

Table 4.53. **Finland: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Number of arrivals at borders, visitors	Thousands	5 345	5 736	6 072	5 695	6 182
Top 5 markets						
Russian Federation	Thousands	1 737	2 070	2 331	2 192	2 561
Sweden	Thousands	779	768	765	753	712
Germany	Thousands	369	350	376	332	636
Estonia	Thousands	503	561	522	583	561
United Kingdom	Thousands	317	312	316	267	263
Number of same-day visitors	Thousands	1 970	2 217	2 489	2 272	2 512
International travel receipts	Million EUR	1 891	2 070	2 181	2 022	2 189
International passenger transport receipts	Million EUR	896	1 056	1 114	951	1 113

Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629710

Table 4.54. **Finland: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourist trips	Thousands	6 428	6 413	6 565	6 693	7 486
Holiday, leisure trips	Thousands	5 171	5 065	5 175	5 597	6 129
Business trips	Thousands	1 257	1 348	1 390	1 096	1 356
Number of overnight tourist trips	Thousands	4 164	4 320	4 474	4 473	5 080
Holiday, leisure trips	Thousands	3 147	3 230	3 328	3 596	3 974
Business trips	Thousands	1 017	1 090	1 146	877	1 106
Number of same-day visits and cruises[1]	Thousands	2 264	2 093	2 091	2 220	2 405
Holiday, leisure trips	Thousands	2 024	1 835	1 847	2 001	2 155
Business trips	Thousands	240	258	244	219	250
International travel expenditure	Million EUR	2 723	2 908	3 053	3 136	3 201
International passenger transport expenditure	Million EUR	533	604	701	598	727

1. Including cruises with overnight on board only with or without a visit ashore in the destination country.
Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629729

Table 4.55. **Finland: Enterprises in tourism**

	Units	2006	2007	2 008[1]	2009[1]	2010[1]
Hotels and similar	Establishments	1 857	1 917	1 950	1 940	1 895
Restaurants and similar	Establishments	12 110	12 298	12 425	12 615	12 573
Railways passenger transport	Establishments	119	147	68	56	62
Road passenger transportation	Establishments	9 040	9 208	9 234	9 331	9 223
Water passenger transportation	Establishments	243	240	207	200	189
Air passenger transportation	Establishments	91	99	102	79	80
Passenger transport supporting services	Establishments	518	539	509	503	522
Passenger transport equipment rental	Establishments	450	472	414	428	402
Travel agencies and similar	Establishments	1 370	1 431	1 557	1 566	1 534
Cultural services	Establishments	753	827	1 373	1 346	1 414
Sporting and other recreational services	Establishments	1 240	1 377	2 655	2 933	2 990
Total	**Establishments**	**27 791**	**28 555**	**30 494**	**30 997**	**30 884**

1. Years 2008-10 according to NACE Rev. 2 classification.
Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629748

Table 4.56. **Finland: Employment in tourism**

	Units	2006	2007	2008[1]	2009[1]	2010[1]
Hotels and similar	Employees	11 932	12 111	11 858	11 357	11 124
Restaurants and similar	Employees	46 177	47 199	47 253	48 233	48 856
Railways passenger transport	Employees	5 748	5 985	3 295	3 069	2 947
Road passenger transportation	Employees	22 970	23 637	18 447	19 094	18 853
Water passenger transportation	Employees	5 128	4 787	4 948	4 416	4 336
Air passenger transportation	Employees	4 322	4 478	4 774	4 406	4 181
Passenger transport supporting services	Employees	7 090	7 745	8 339	8 033	8 138
Passenger transport equipment rental	Employees	828	943	845	826	809
Travel agencies and similar	Employees	4 689	4 741	4 984	4 599	4 265
Cultural services	Employees	2 396	2 704	2 253	2 055	2 385
Sporting and other recreational services	Employees	3 624	4 170	6 668	7 203	7 549
Total	**Employees**	**114 904**	**118 500**	**113 664**	**113 291**	**113 443**

1. Years 2008-10 according to NACE Rev. 2 classification.
Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629767

Table 4.57. **Finland: Tourism in the national economy**

2007	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million EUR	1 103	441
Food and beverage serving services	Million EUR	1 103	600
Passenger transport services	Million EUR	2 283	1 064
Travel agency, tour operators and tourist guide services	Million EUR	381	2
Cultural services	Million EUR	122	62
Recreational and other entertainment services	Million EUR	174	130
Other services	Million EUR	141	69
Goods	Million EUR	2 525	758
Total[1]	**Million EUR**	**7 832**	**3 126**

1. Domestic tourism consumption includes employers' expenses on accommodation and transportation, and own free-time residences.
Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629786

Table 4.58. **Finland: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Final consumption[1]	Million EUR	82 418	86 981	91 355	89 671	93 909
Tourism consumption[2]	Million EUR	10 233	10 958	. .	. .	. .
Tourism share of consumption	Percentage	12.4	12.6	. .	. .	. .
Value added generated by tourism demand[3]	Million EUR	3 410	3 649	. .	. .	. .
Tourism share of GDP	Percentage	2.4	2.3	. .	. .	. .
Tourism share of employment	Percentage	4.7	4.7	. .	. .	. .

1. In current prices.
2. Including employers' expenses, and own free-time residences.
3. Including employers' expenses.
Source: Statistics Finland.

StatLink http://dx.doi.org/10.1787/888932629805

France

Tourism in the economy

France holds a paramount position in international tourism. It ranks first in the world in terms of international tourist arrivals (77.1 million in 2010) and third in terms of international tourism receipts (EUR 42.7 billion). The main origin countries for tourists to France in 2010 were the UK (accounting for 15.7% of all arrivals based on provisional estimates for the year), Germany (14.8%), Belgium (12.9%), Italy (9.3%), and the Netherlands (9.1%). These five markets together accounted for nearly two-thirds (61.7%) of all international arrivals.

The tourism sector plays a major role in the economy, and recorded output worth EUR 84.7 billion in 2009 (2.5% of aggregate output and 11.7% of market services). This puts tourism ahead of automobile production, agriculture and recreational, cultural and sporting activities. In terms of value added, tourism is worth EUR 41.6 billion, or 2.4% of aggregate value added. According to Tourism Satellite Account methodology, provisional figures suggest that tourism consumption in France accounted for 7.1% of GDP in 2010.

Tourism and tourism-related activities were estimated to employ 857 720 people at the end of 2010, nearly two-thirds (66%) of whom were in catering and one-fifth (21%) in the hotel trade. Overall, dependent employment in these segments rose by 16 500 jobs in 2010. Tourism had a current account surplus of EUR 6.1 billion in 2010, compared with EUR 8 billion in 2009, still one of the largest surplus items in the current account.

Tourism organisation

Administrative organisation

In the administration of tourism, the Directorate-General for Competitiveness, Industry and Services (DGCIS), was established in 2009, merging the former Directorates-General for Enterprise, Trade, Crafts, Services and Professions, and Tourism (Figure 4.11). The tourism portfolio, previously assigned to the Ministry for Infrastructure, now lies with the Ministry of Economy and Finance.

Also in 2009, the Act on Developing and Modernising Tourism Services created an agency called *Atout France* to promote tourism. This was a merger between *ODIT France*, formerly the agency for product development, and *Maison de la France*, which promoted France abroad. *Atout France* has become the State's sole operator in the realm of tourism, and is instrumental in implementing government policies that foster and promote the industry. The agency also has responsibility for classifying tourist accommodation and maintaining a registry of tour operators and the operators of chauffeur-driven tourist cars.

Territorial organisation

The State sets national tourism policy, along with the legislative and regulatory framework. It lays down policy guidelines for international co-operation and implements

them, notably with relevant international organisations. It also facilitates the co-ordination of public and private initiatives in tourism, and supports the tourism development initiatives of local or regional authorities.

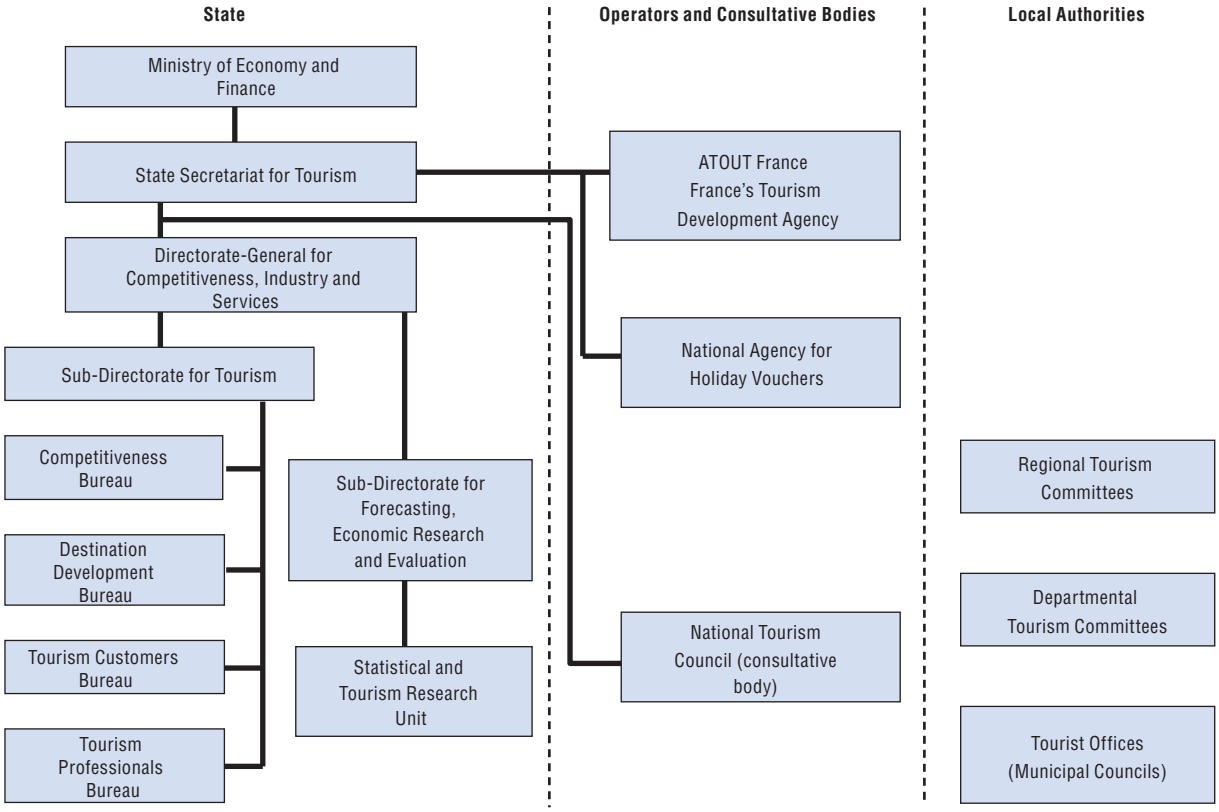
Régions (Regional Councils) formulate medium-term objectives for tourism in their regions, within the framework of a regional tourism and recreational development scheme. Regional Councils set up Regional Tourism Committees (RTCs) to promote tourism whose membership and promotional activities are stipulated by law.

Départements (General Councils) set up Departmental Tourism Committees (DTCs), which frame and implement the *départements*' tourism policies. By law, General Councils stipulate the rules, organisational principles and membership of DTCs. The DTCs help to formulate, promote and market tourism products, working with industry professionals and interested local parties.

Communes (Municipal Councils) may set up tourist offices to welcome and provide information to tourists and promote local tourism and are free to choose the legal forms of their tourist offices. The law also allows for the creation of inter-communal tourist offices. At their request, communes may be classified as "tourist communities" (*communes touristiques*) or "certified resorts" (*stations classées*).

French overseas territories are subject to special provisions.

Figure 4.11. **France: Organisation chart of tourism bodies**



Source: OECD, adapted from Directorate-General for Competitiveness, Industry and Services, Sub-Directorate for Tourism, 2012.

Links between the national tourism authority and the private sector

In France, private tourism operators are structured by profession, *e.g.* a national travel agents' union, tour operators, hoteliers, tourist residences, chauffeur-driven tourist cars, and open-air hotels. A number of professional unions have advocated the creation of a single federation for all tourism professionals which would represent a significant step towards the creation of an inter-professional grouping (such as for airlines, tour operators or travel agencies).

Tourism budget

The draft 2012 budget provides for EUR 43.2 million in commitment authorisations (CAs) and EUR 44.7 million in payment appropriations (PAs) for the Tourism Programme, or total resources of EUR 87.9 million. This is a three-pronged initiative which: *a)* promotes France both domestically and abroad; *b)* develops the economics and attractiveness of tourism; and *c)* develops policies to promote access to holidays.

The first initiative – promoting France – receives the bulk of programme appropriations (EUR 35.64 million) and essentially comprises the subsidy for *Atout France*. The *Atout France* budget is not totally dependent on the State, however, since, thanks to partnerships with a number of parties, including private businesses, the organisation had total funding of EUR 76.4 million in 2011.

The second initiative – stimulating tourist consumption by tailoring supply to demand – involves EUR 5.19 million in CAs and EUR 6.58 million in PAs. Included in this initiative are a Tourism Quality Plan and efforts to develop sustainable tourism (Box 4.9).

The third initiative – promoting universal access to holidays – comprises the actions of the National Agency for Holiday Vouchers (*Agence nationale pour les chèques-vacances*) to promote social tourism, as well as measures to make tourist infrastructure accessible to all. CAs amount to EUR 2.37 million and PAs to EUR 2.48 million.

Also, tax expenditure directly targeting the sector consists of EUR 70 million in tax exemptions for investment in rental properties and EUR 170 million in reduced rate VAT at campsites. The application of reduced rate VAT for hotels (EUR 900 million) and restaurants (EUR 3 billion) was not introduced solely for tourism-related purposes, although it clearly contributes to the sector's vitality.

The tourism sector also indirectly benefits from other ministries' expenditure. The total budgetary value of these "non tourism specific" policies is estimated at EUR 2 billion per year.

Tourism-related policies and programmes

The main thrusts of tourism policy

Tourism policy was outlined by the Secretary of State for Tourism at a Council of Ministers meeting in August 2011. The main thrusts of the policy are:

- **Renovating and modernising tourism products.** This entails a reform introduced in 2009 for developing and modernising tourism services – encouraging upgrading and quality enhancement, and the renovation of holiday accommodation. In addition, the government is encouraging the wider adoption of the "Tourism Quality" label (granted to 5 400 tourist accommodation establishments and sites as of mid-2011).

- **Exploiting the historical, cultural and living heritage.** Here, one particular goal is to exploit the recent classification of French gastronomy as part of the world heritage, in particular through the National Food Festival that is to be held every 23 September (the first such event having been staged in 2011). Vineyard tours were also given a new boost with the creation in March 2009 of the High Council for Wine Tourism. The government is also striving to develop high-potential tourism segments, such as business tourism and major events. Other promising segments such as cruises, pleasure boating, cycling tourism, itinerary tourism and urban tourism, as well as quality destinations such as the under-utilised Loire Valley, are also supported with strategic action plans.
- **Improving promotion of France abroad.** This entails better co-ordination of actions between the various institutions involved in tourism. Co-operation agreements were signed in July 2011 between *Atout France* and the Regional Tourism Committees of Paris-Île de France and Rhône-Alpes, as well as the Tourism Agency of Corsica. The *Rendez-vous en France* brand will constitute the identity of Destination France, whose new logo was chosen by professionals and which has received over 82 500 web surfers. The brand was given a global launch on 14 July 2001. A new Internet site to promote tourism – *Rendez-vous en France* – was launched in September 2011, with gradual introduction in all major markets. This site will highlight the wealth of French tourism and its high-potential segments.
- **Improving the welcome of visitors.** A charter for the improvement of the quality of the welcome of visitors was signed on 1 March 2011 by the main operators concerned. Furthermore, the quality of the welcome of visitors will be assessed every year by an international independent consultancy firm. Internet users will be able to provide feedback on their trips using a mobile application, therefore contributing to the improvement of the welcome of tourists in France.

The government is also taking action to promote sustainable tourism (Box 4.10).

Box 4.10. **Actions to promote sustainable tourism in France**

A number of actions are helping to incorporate tourism into sustainable-development policy. More responsible tourism is being promoted via the National Sustainable Development Strategy, which includes many tourism-related areas, such as transport. At the European level, France is also taking part in the Calypso Project, which the European Commission launched in order to promote social tourism, as well as in the European Destinations of Excellence (EDEN) competition, which has set itself the goal of combining economic growth with sustainable development. Worldwide, France is chairing the Global Partnership for Sustainable Tourism.

Sustainable development-related criteria are becoming more widespread in numerous areas, such as the new classification scheme for tourist accommodation and are also included in the process of selecting quality initiatives carried out by the Tourism Quality Plan.

Concrete steps are being taken so that sustainable-development concerns can be disseminated throughout the tourism industry. These include a practical guide to biodiversity and tourism, the biodiversity passport for the French overseas territories, and actions to promote cycling tourism.

Legislative and regulatory framework

France has a Tourism Code, which is structured as follows:

- Book I outlines the general organisation of tourism, and in particular the breakdown of tourism-related powers between the State, local and regional authorities, and inter-communal public co-operation establishments.
- Book II governs tourism-related activities and professions.
- Book III is devoted to lodging, infrastructure and developments of direct interest to the tourism sector.
- Book IV consolidates provisions relating to the funding of access to holidays and the taxation of tourism.

The purpose of the July 2009 Act on Developing and Modernising Tourism Services was to give tourism professionals the means to be competitive. It introduced the following reforms:

- Regulatory provisions applicable to travel operators were simplified, while at the same time ensuring a high level of consumer protection. The four existing authorisation schemes were replaced by a single declaration scheme, although financial guarantees and professional qualification requirements must still be met by those selling travel and accommodation services. The Act modernised the legal regime governing chauffeur-driven tourist cars and provided a legal foundation for two- and three-wheeled motor vehicles (motorcycle taxis). The new regime simplifies the procedure by allowing self-declaration, although drivers must still prove their qualifications which have now been made stricter.
- Another purpose of the Act was to make a substantial effort to renovate the supply of all types of tourist accommodation. To this end, classifications were thoroughly reformed and are now limited to five years. Accredited bodies must now conduct inspections of establishments, while *Atout France* prepares and updates classification standards, the criteria for which were extensively overhauled, with categories ranging from one to five stars. The State is still the guarantor of the classification, validating the procedure and attributing stars.
- The creation of *Atout France* as the sole organisation responsible for tourism has helped to modernise the supply of tourist products.
- A final purpose of the Act was to facilitate access by all French people to tourist stays by encouraging the distribution of holiday vouchers in SMEs.

Statistical profile

Table 4.59. **France: Domestic overnight tourism**[1]

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Millions	210.5	211.9	200.7	202.1	194.1
Number of nights spent	Millions	1 112.6	1 105.0	1 056.9	1 034.3	1 001.8

1. Residents aged 15 years and above.

Sources: Directorate-General for Competitiveness, Industry and Science (DGCIS), Central Bank.

StatLink http://dx.doi.org/10.1787/888932629824

Table 4.60. **France: Inbound tourism – International arrivals and receipts**[1]

	Units	2006	2007	2008	2009	2010[2]
Total international arrivals	Thousands	77 916	80 853	79 218	76 764	77 148
Top 5 markets						
United Kingdom	Thousands	13 613	14 269	13 560	12 193	12 071
Germany	Thousands	13 054	13 041	11 645	10 692	11 381
Belgium	Thousands	8 598	8 497	8 636	10 165	9 989
Italy	Thousands	7 584	8 141	8 233	7 250	7 170
Netherlands	Thousands	7 238	6 824	6 244	7 224	6 995
International travel receipts	Million EUR	36 911	39 601	38 465	35 510	35 120
International transport receipts	Million EUR	6 322	6 925	7 175	6 510	7 580

1. Geographical coverage: Metropolitan France, excludes France overseas.
2. Provisional.

Sources: Directorate-General for Competitiveness, Industry and Science (DGCIS), Central Bank, Survey EVE.

StatLink http://dx.doi.org/10.1787/888932629843

Table 4.61. **France: Outbound tourism – International departures and expenditure**[1]

	Units	2006	2007	2008	2009	2010[2]
Number of tourist trips[3]	Millions	28.4	28.1	25.5	25.1	25.0
International travel expenditure	Million EUR	25 965	27 898	27 926	27 510	29 064
International transport expenditure	Million EUR	5 287	5 667	5 946	5 304	5 777

1. Geographical coverage: Metropolitan France, excludes France overseas.
2. Provisional.
3. Residents aged 15 years and more.

Sources: Directorate-General for Competitiveness, Industry and Science (DGCIS), Central Bank, Survey SDT.

StatLink http://dx.doi.org/10.1787/888932629862

Table 4.62. **France: Enterprises in tourism**[1]

	Units	2006	2007	2008	2009	2010[2]
Hotels and similar accommodation	Thousands	. .	. .	20.535	17.765	18.772
Touristic accommodation and other short-term accommodation	Thousands	. .	. .	9.995	9.952	10.990
Campsites and recreational vehicle parks and caravan parks	Thousands	. .	. .	4.884	4.698	4.549
Restaurant services[3]	Thousands	. .	. .	136.939	133.64	142.097
Food and beverage serving services	Thousands	. .	. .	50.363	48.826	47.688
Travel agencies and tourism offices	Thousands	. .	. .	3.967	3.534	3.663
Other reservation services and related activities	Thousands	. .	. .	1.358	1.352	1.467
Total	**Thousands**	**. .**	**. .**	**228.041**	**219.767**	**229.2265**

1. Geographical coverage: Metropolitan France, excludes France overseas.
2. Provisional.
3. Restaurant services include traditional restaurants, cafeterias and other self-service restaurants and fastfood restaurants.

Sources: National Statistical Office, Esane.

StatLink http://dx.doi.org/10.1787/888932629881

Table 4.63. **France: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010
Hotels and similar accommodation	Thousands	. .	. .	146.39	117.89	. .
Touristic accommodation and other short-term accommodation	Thousands	. .	. .	21.64	17.99	. .
Campsites and recreational vehicle parks and caravan parks	Thousands	. .	. .	10.86	10.62	. .
Restaurant services[2]	Thousands	. .	. .	364.33	384.45	. .
Food and beverage serving services	Thousands	. .	. .	36.01	36.42	. .
Travel agencies and tourism offices	Thousands	. .	. .	31.22	28.57	. .
Other reservation services and related activities	Thousands	. .	. .	5.22	5.40	. .
Characteristic industries	Thousands	. .	. .	615.67	601.33	. .
Overall economy	Thousands	. .	. .	12 757.49	12 291.45	. .
Tourism employment share of total employment	Percentage	. .	. .	4.8	4.9	. .

1. Geographical coverage: Metropolitan France, excludes France overseas; full-time equivalent jobs.
2. Restaurant services include traditional restaurants, cafeterias and other self-service restaurants and fastfood restaurants.

Sources: National Statistical Office, Esane.

StatLink http://dx.doi.org/10.1787/888932629900

Table 4.64. **France: Tourism in the national economy**[1]

2010[2]	Units	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Accommodation services[3]	Million EUR	27 177	9 065	36 242
of which: commercial accommodation	Million EUR	14 193	7 567	21 760
Food and beverage serving services[4]	Million EUR	10 925	5 648	16 573
Passenger transport services[5]	Million EUR	16 655	10 528	27 184
Travel agency, tour operator and tourist guide services	Million EUR	6 730	1 545	8 275
Cultural services	Million EUR	1 049	1 087	2 136
Entertainment and other recreational services	Million EUR	4 025	2 054	6 079
Other services[6]	Million EUR	7 235	3 911	11 147
Goods	Million EUR	20 439	9 503	29 941
of which: vehicle fuel	Million EUR	6 975	2 753	9 728
of which: food products and beverages bought outside restaurants	Million EUR	6 132	2 110	8 242
Total	**Million EUR**	**94 236**	**43 341**	**137 576**

1. Scope: Visitor consumption of individual consumer goods and services purchased from national suppliers.
2. Base year 2005.
3. Includes non-commercial accommodation.
4. Meals in restaurants and cafés exclusively. Purchased food products and beverages are counted separately.
5. Passenger transport services (air, rail, road, maritime or inland waterway) only. Taxi services and urban collective transport (bus, underground, RER, etc.) are counted separately.
6. Includes tourism vehicle rentals, sports and leisure equipment rentals, taxis and urban transport, etc.

Source: Directorate-General for Competitiveness, Industry and Science (DGCIS), Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932629919

Table 4.65. **France: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Domestic tourism share of final consumption[1]	Percentage	8.7	8.8	8.9	8.9	8.7
Domestic tourism share of GDP[2]	Percentage	7.15	7.20	7.23	7.23	7.12

1. In the Tourism Satellite Account "domestic tourism consumption" represents resident visitor consumption, for any purpose of visit (leisure or business), in France or abroad, from resident suppliers.
2. Estimated data based on the share of domestic tourism consumption in GDP.

Sources: Directorate-General for Competitiveness, Industry and Science (DGCIS), Tourism Satellite Account, National Statistical Office, National Account.

StatLink http://dx.doi.org/10.1787/888932629938

Germany

Tourism in the economy

Tourism is an important sector of the German economy and contributes to both growth and employment. Around 2.9 million jobs depend directly and indirectly on the tourism sector, which also provides approximately 95 800 training places (2010).

For 2010 the tourism sector directly contributed nearly EUR 100 billion to gross output, approximately 4.4% of GDP.

Inbound tourism to Germany in 2010 rose to 26.9 million arrivals, 11.2% up on the previous year. Preliminary results for 2011 indicate that this trend has continued. Over the period 2004-10, the annual average rate of growth in foreign tourist arrivals was 5%. In 2010, the five leading origin markets for tourism to Germany were the Netherlands (3.9 million tourists or 14.5% of the total), the United States (2.2.million or 8.2%), the United Kingdom and Switzerland (2 million or 7.4% each), and Italy (1.5 million or 5.6%). Together these five markets supplied just over 43% of all foreign tourists to Germany.

Visitors from around the world appear increasingly likely to choose Germany as a travel destination at all times of the year. Foreign visitors continued to favour Germany's larger cities: one-third of all overnight stays by visitors from Europe and overseas were made in Germany's ten major cities (Berlin, Munich, Hamburg, Frankfurt, Cologne, Dresden, Düsseldorf, Stuttgart, Leipzig and Hannover).

Tourism organisation

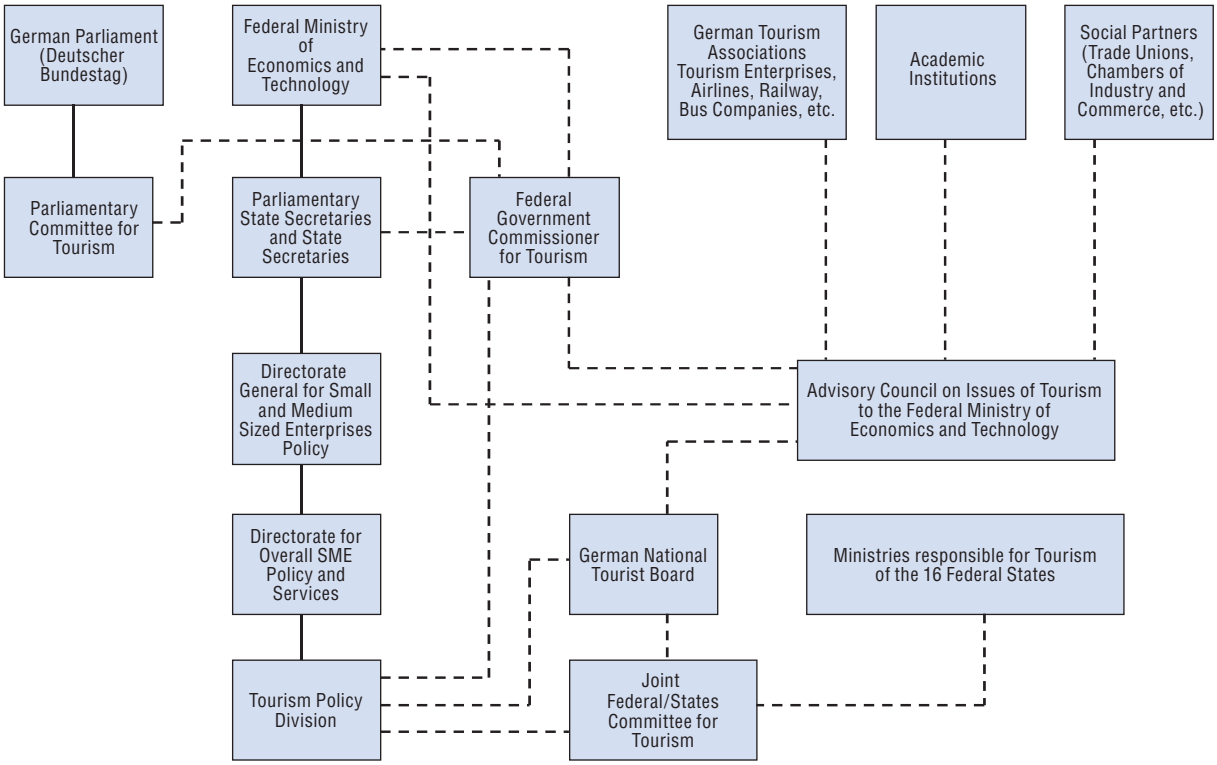
Within the German government, the Federal Minister of Economics and Technology has the lead responsibility for tourism policy (Figure 4.12). Tourism policy is an interdisciplinary task and is influenced by many other policy fields. The federal government's Commissioner for Tourism is responsible for co-ordinating tourism policy within both the federal government and with the German Parliament (Bundestag), especially with its Tourism Committee.

In 1977, the Advisory Council on Issues of Tourism to the Federal Minister of Economics and Technology was founded. This was intended to bring together the interests of government, commerce, academia, local authority bodies and business associations. The members are tasked with advising the minister and with supporting him by providing appropriate expertise.

The federal structure of Germany means that the federal government is primarily responsible for establishing an appropriate policy framework for tourism. The 16 Länder (states) are responsible for the development, shaping and promotion of tourism. The Federal/Länder Committee on Tourism meets twice a year, fostering the exchange of information and the co-ordination of measures involving more than one of the Länder.

The German National Tourist Board (GNTB) is responsible for marketing tourism abroad; it has 29 branches around the world. It represents Germany internationally as a destination for holidays, business travel, and visiting friends and family. It operates on behalf of the Federal Ministry of Economics and Technology from which it receives the majority of its funding. The GNTB works very closely with the tourism marketing organisations of the 16 Länder.

Figure 4.12. **Germany: Organisational chart of tourism bodies**



Source: OECD, adapted from Federal Ministry of Economics and Technology, 2012.

Tourism budget

The budgetary funds available to the Federal Ministry of Economics and Technology for tourism are concentrated on two main areas:

- institutional support for the German National Tourist Board (the federal government funded the GNTB to the amount of EUR 27.7 million in 2012, compared with EUR 27.2 million in 2011 – the GNTB also receives income from other sources, giving it a total budget of EUR 37.7 million in 2011); and
- promotion of projects to enhance the performance of small and medium-sized enterprises in the tourism sector; for both 2011 and 2012 this totalled EUR 1.6 million.

Also, other federal ministries fund measures and projects in their respective policy fields and from their own budgets that benefit tourism in Germany. Furthermore, businesses in the tourism sector are able to access funding from the federal government to support investment.

Tourism-related policies and programmes

The Federal Ministry for Economics and Technology (BMWi) directly promotes actions and activities which increase the efficiency of the tourism sector and institutionally advance the German Tourism Board within the framework of the allowances provided.

Health Tourism. The connection and integration of health as an important factor influencing tourism is one of the major trends identified as meriting further development. The improvement of basic conditions is one of the main objectives to be carried out within the process of connecting tourism and health, especially in spa and health resorts. In 2011, the BMWi successfully completed its *Innovativer Gesundheitstourismus* (Innovative Health Tourism) project which concerns the development of best-practice in the health tourism offer.

Tourism and sustainability. Nature holidays have recently experienced a come-back. The government supports this development by means of various projects, such as those dealing with hiking, biking and water tourism as well as responding to the themed years created by the German Tourism Board. The federal government also evaluates the necessity and possibility to adjust tourism to meet the national climate change strategy.

Rural areas. The touristic appeal of rural areas is being increased, and the BMWi started a project in 2011 called *Tourismusperspektiven in ländlichen Räumen* (tourism perspectives in rural areas). While the BMWi is the decision-making body for the project, the Deutsche Reiseverband (German Travel Association) is its executing body. The main responsibilities will include the development of general codes of practice and check lists.

Project Tourism Satellite Account (TSA **–** results presented on 3 February 2012). BMWi assigned the Bundesverband der Deutschen Tourismuswirtschaft (Federal Association of Germany's Tourism Economy) to investigate current data on the economic importance of tourism. The aim of this investigation is to calculate the percentage of the country's GDP generated by tourism as well as the number of people employed in tourism.

Project Water Tourism. The BMWi authorised marketing organisations of the Länder and water sports associations to carry out a project aimed at improving information and marketing within the water tourism sector. General quality standards as well as clear presentation and delivery of information on a shared Internet platform will hopefully enable Germany to strengthen its competitive position as an attractive destination for water tourism. The project was presented at the *Boot 2012* (Boat 2012) international trade show in January 2012.

Tourism without barriers. Within the scope of another project set up in 2011, the BMWi is promoting the elimination of barriers within tourism. The main objectives of this project are a standardised labelling of "tourism-without-barriers" offerings, the development of quality standards, the execution of training programmes and the establishment of an Internet platform where product offerings, services and destinations that meet the standards of tourism without barriers will be presented.

Statistical profile

Table 4.66. **Germany: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Millions	101.7	105.4	108.1	108.6	113.1
Number of nights spent[2]	Millions	298.2	307.1	313	313.9	320.0

1. Overnight stays in accommodation facilities with nine and more beds including camping sites.
2. Nights spent in accommodation facilities with nine and more beds including camping sites.

Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932629957

Table 4.67. **Germany: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1, 2]	Millions	23.6	24.4	24.9	24.2	26.9
Top 5 markets						
Netherlands	Millions	3.3	3.4	3.6	3.7	3.9
United States	Millions	2.1	2.1	2.0	1.9	2.2
United Kingdom	Millions	2.1	2.1	2.0	1.9	2.0
Switzerland	Millions	1.7	1.7	1.8	1.9	2.0
Italy	Millions	1.4	1.4	1.4	1.4	1.5
International travel receipts[3]	Billion EUR	26.1	26.3	27.2	24.9	26.2
International passenger transport receipts	Billion EUR	10.1	9.6	9.2	7.7	9.7

1. Arrivals in accommodation facilities with nine and more beds including camping sites.
2. Same-day visits are not included.
3. International passenger transport receipts excluded.

Source: Federal Statistical Office, Central Bank.

StatLink http://dx.doi.org/10.1787/888932629976

Table 4.68. **Germany: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Millions	81.8	82.1	86.2	85.5	85.9
International travel expenditure[2]	Billion EUR	58.9	60.6	61.8	58.2	59.7
International passenger transport expenditure	Billion EUR	9.4	9.8	9.8	8.4	10.3

1. Overnight stays only.
2. International passenger transport expenditure excluded.

Sources: Federal Statistical Office, Survey on travel behaviour of German travellers 2010, and Central Bank, 2011.

StatLink http://dx.doi.org/10.1787/888932629995

Table 4.69. **Germany: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels[1]	Establishments	21 735	21 356	21 355	21 472	21 520
Restaurants[2, 3]	Establishments	94 308	97 051	91 468	124 230	128 070
Travel agencies	Establishments	11 866	11 404	11 046	10 717	10 370

1. Hotels and similar establishments with nine and more beds.
2. Restaurants, cafes, ice cream parlours, snack bars.
3. Because of methodological changes the data of 2009 are not entirely comparable with the preceding years.

Sources: Federal Statistical Office, Annual survey in the hospitality sector, and the German Travel Association, 2010.

StatLink http://dx.doi.org/10.1787/888932630014

Table 4.70. **Germany: Employment in tourism**

	Units	2006		2007		2008		2009		2010	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Total (hotels and restaurants)[1]	Thousands	2 571	3 495	2 646	3 749	2 636	3 667	3 690	5 044	. .	. .
of which:											
Hotel and restaurant owners/executives[1]	Thousands	1 736		1 821		1 820		2 536		. .	
Restaurant specialists, stewards/ stewardesses[1]	Thousands	2 010		2 155		2 286		2 821		. .	

1. Because of methodological changes the data of 2009 are not entirely comparable with the preceding years.
Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630033

Table 4.71. **Germany: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million EUR	17 135	9 519	. .
Food and beverage serving services	Million EUR	44 047	5 629	. .
Passenger transport services	Million EUR	29 327	11 475	. .
Travel agency, tour operator and tourist guide services	Million EUR	8 200		. .
Cultural services	Million EUR	13 718	2 068	. .
Recreation and other entertainment services	Million EUR	7 885	986	. .
Other services	Million EUR	6 452	1 075	. .
Goods	Million EUR	94 472	5 875	. .
Total	**Million EUR**	**221 236**	**36 627**	**97 049**

Source: Federal Statistical Office, Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932630052

Greece

Tourism in the economy

The total contribution of travel and tourism to GDP, including its wider economic impact, is expected to rise on average by 4% a year from EUR 35.3 billion (15.8% of GDP) in 2011 to EUR 52.2 billion (18.5%) by 2021. The total contribution of the tourism sector to employment, including jobs indirectly supported by the industry, is expected to rise by 2.1% a year from 768 000 jobs (18.4% of total employment) in 2011 to 944 000 jobs (21.7%) by 2021, according to the World Travel and Tourism Council (WTTC). Investment in the sector in 2011 was estimated at EUR 6 billion, 14.3% of total investment. This should rise by 3.2% a year to reach EUR 8.1 billion (or 14.6% of total investment) by 2021.

The 2009-10 period was a critical one for Greek tourism as the economy suffered from the negative publicity surrounding the public sector's debt crisis and its effects on the country's image as a modern tourist destination. According to the UNWTO rankings, Greece was in 12th place in 2008 but then dropped to 15th in 2009 and to 21st in 2010.

Between 2004 and 2007, international tourist arrivals in Greece rose from 14.3 million to 18.8 million, an average annual rate of increase of 9.5%. However, by 2010, the number of arrivals had declined to 15 million. Between 2007 and 2010, Greece's leading origin markets have all declined. Arrivals from the United Kingdom fell by 31.2%, from Germany by 10% and from Italy by 27.1%. Tourists from these three markets were 1.36 million fewer in 2010 than in 2007. On the other hand, arrivals from new markets such as the Russian Federation (+63.5%), Serbia-Montenegro (+41.8%), Turkey (+180%) and Israel (+139%). have shown rapid growth. The first quarter of 2011, however, saw a resumption of growth in international arrivals to Greece, with an increase of 13.1% on the same period of 2010. This increase may have been in part, due to the negative impact on tourist arrivals in competitor markets, resulting from the Arab Spring uprisings.

Average tourist expenditure in Greece has also fallen, from EUR 697.3 per head in 2009 to EUR 640.4 in 2010, while daily expenditure fell from EUR 73.5 to EUR 68.6. As a result, international travel income consequently declined by 12.2%, from EUR 10.4 billion in 2009 to EUR 9.1 billion in 2010.

Tourism organisation

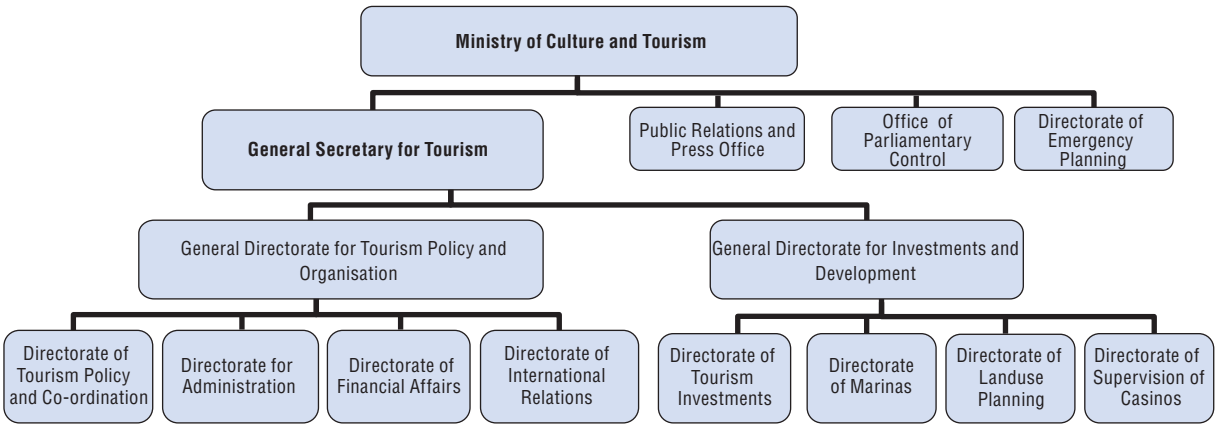
Following the establishment of the Ministry of Tourism in 2004, a major change took place in 2009 with the unification of two ministries, the Ministry of Culture and the Ministry of Tourism Development. The unification was undertaken to give the two sectors a new combined dynamic, building upon the comparative advantage both sectors individually represent for Greece (Figure 4.13). In 2010, the General Secretariat for Tourism

was established (in the Ministry of Culture and Tourism), with the same competencies as previously held by the Ministry of Tourism Development.

The ministry supervises the National Tourism Organisation, the Organisation for Education and Training, the Hotel Chamber of Greece and the Tourism Development Company. The National Tourism Organisation is responsible for the promotion and advertising of Greece, and also (through its regional offices) for the licensing of tourism enterprises, such as accommodation providers and travel agencies.

In 2010, with the Kallikrates Programme (Law 3852 of 2010), the 13 regions of the country were made responsible for tourism planning, development and promotion within their own territories, in co-operation with the Ministry of Culture and Tourism and the Greek National Tourism Organisation.

Figure 4.13. **Greece: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Culture and Tourism, 2012.

Tourism budget

For 2011, the budget of the General Secretariat of Tourism of the Ministry of Culture and Tourism was approximately EUR 50 million (down from EUR 54 million in 2010). Of this total, revenue budget consisted of EUR 14.1 million from the regular budget and EUR 2.2 million from casino receipts, while public investment budget consisted of EUR 21.5 million from European Union co-funding and EUR 12.7 million from national sources (Table 4.72).

Table 4.72. **Greece: Budget of tourism**

	Units	Regular budget	Casino receipts	Public investment programme		Total
				Co-funded by the EU	Nationally funded	
2008	Thousands	21 149	3 000	46 578	32 796	103 523
2009	Thousands	20 193	3 000	28 363	80 000	131 555
2010	Thousands	17 290	2 200	734	34 000	54 223
2011	Thousands	14 138	2 200	21 504	12 700	50 542

Source: Ministry of Culture and Tourism.

StatLink http://dx.doi.org/10.1787/888932630071

The Greek National Tourism Organisation (GNTO) had a budget of about EUR 80 million in 2011 (down from EUR 141 million in 2010), while the budget of the Organisation of Tourism Education and Training was approximately EUR 17 million. The GNTO and the Organisation of Tourism Education and Training also receive funding from other sources.

Tourism-related policies and programmes

Tourism policy

Greece's tourism strategy is based on three major pillars:

- enhancing investment in tourism;
- facilitating travel within Greece (mainly by air); and
- developing an effective promotion abroad.

Investment and other incentives

A new general investment law has been introduced that affects all sectors including tourism. This provides incentives for modern, green investments in tourism which are aimed at promoting better standards of tourism service, quality, innovation, and the encouragement of green building. Another measure to boost tourism activity has been a reduction in VAT on hotels and tourism services.

In addition, incentives have been given in the aviation sector, attracting new companies and new flights, including the exemption from landing and take-off fees at all state airports, apart from the Athens Eleftherios Venizelos International Airport.

Other measures taken include legislative action encouraging the development of cruise and marine tourism and the lifting of cabotage, the simplification of visa procedures for new and emerging markets such as the Russian Federation, China and Ukraine, and the promotion of city break tourism with two new initiatives for Athens and Thessaloniki ("Athens every week" and "Thessaloniki – Crossroads of Cultures").

The Greek Manpower Employment Organisation has taken on several initiatives to combat sector unemployment. Finally, steps have been taken towards reducing bureaucracy via laws simplifying procedures for licensing new tourism enterprises and liberalising hitherto closed professions.

Promotion strategy

The most important actions taken for tourism promotion in Greece are:

- specific actions to promote the tourism product;
- expansion of the markets targeted (focusing on new, non-traditional markets);
- tailoring marketing initiatives to the specific demands of each market; and
- adopting modern technological methods via social media in programmes such as "You in Greece, My Greece" and "90 experiences".

The Ministry of Culture and Tourism has developed a new strategy aimed at creating a tourism market that extends throughout the year, based on three different actions:

- creating a new image and identity for Greece that emphasises visitors' experiences more strongly;

- designing a new communications and marketing strategy that emphasises a strong, "smart" and targeted presence for the country on the Internet; and
- developing and expanding the tourism product to diversify from the traditional sun, sea and sand image to embrace differentiated products that will emphasise special interest tourism and new tourism markets.

Statistical profile

Table 4.73. **Greece: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	107 183	99 492	93 557	92 113	. .
Collective accommodation establishments	Thousands	14 394	12 858	12 525	11 794	. .
Private accommodation establishments	Thousands	92 788	86 634	81 032	80 319	. .

1. Data from the quarterly survey for the demand side tourism statistics. These data refer to holiday trips (excluding ages 0-14, business trips and trips made for other reasons).

Source: Hellenic Statistical Authority.

StatLink http://dx.doi.org/10.1787/888932630090

Table 4.74. **Greece: Inbound tourism – International arrivals**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	17 284	18 755	15 939	14 915	15 007
Top 5 markets						
United Kingdom	Thousands	2 616	2 619	2 469	2 364	2 039
Germany	Thousands	2 268	2 264	2 278	2 112	1 802
France	Thousands	712	756	910	962	868
Italy	Thousands	1 188	1 157	1 100	935	844
Netherlands	Thousands	782	828	757	651	528
International travel receipts	Million EUR	11 356.7	11 319.2	11 635.9	10 400.2	9 611.3

Source: Hellenic Statistical Authority, Bank of Greece.

StatLink http://dx.doi.org/10.1787/888932630109

Table 4.75. **Greece: Outbound tourism – International departures**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	1 037	1 067	1 265	986	. .

Source: Hellenic Statistical Authority.

StatLink http://dx.doi.org/10.1787/888932630128

Table 4.76. **Greece: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and similar accommodation	Employees	62 718	72 636	67 169	. .	. .
Camping sites and other short-stay accommodation	Employees	4 828	4 869	7 358	. .	. .
Restaurants and mobile food service activities	Employees	132 512	132 324	69 260	. .	. .
Event catering and other food service activities	Employees	9 097	8 935	9 442	. .	. .
Beverage serving activities	Employees	89 779	92 693	161 479	. .	. .
Travel agency and tour operator activities	Employees	23 966	18 921	17 770	. .	. .
Tourism share of employment	Percentage	7.25	7.3	7.3	. .	. .

Source: National Statistical Service of Greece (Labour force survey), 2009.

StatLink http://dx.doi.org/10.1787/888932630147

Hungary

Tourism in the economy

Tourism contributes an estimated 5.9% of GDP in 2010 and employed approximately 291.6 thousand people, or 7.7% of the workforce. Foreign currency receipts from travellers totalled EUR 4 051 million in 2010, a modest increase on previous years.

Some 39.9 million people visited the country in 2010, including excursionists: the main markets were the Slovak Republic (21%), Romania (19%), Austria (17%), Germany (8%), and Serbia (6%). Together these five countries accounted for over 70% of total international arrivals. In terms of guest nights, the five biggest sending markets were Germany, Austria, Romania, the Slovak Republic, and Poland.

Domestic tourism accounted for 18.1 million trips and 74.1 million days in 2010.

Tourism organisation

After elections in April 2010, the new government has revised the role and competences of all national and regional bodies. Government responsibility for tourism is now located in the Ministry for National Economy (Figure 4.14). The ministry oversees national economic development including external and internal trade, the national budget and taxation, employment policy, and international economic relations.

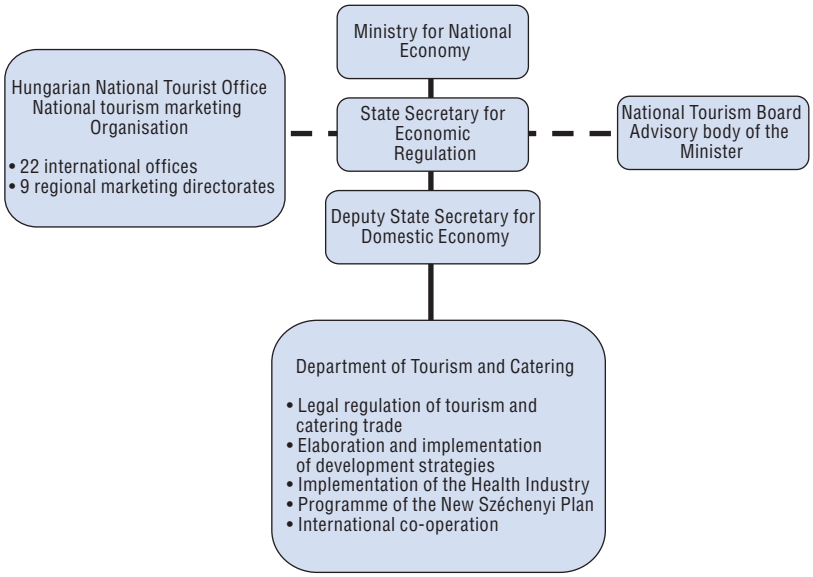
The minister performs tourism-related tasks through the Deputy State Secretary for Domestic Economy and its Tourism and Catering Department, and oversees the activities of the Hungarian National Tourist Office (HNTO), which is responsible for tourism promotion in Hungary and abroad.

The Tourism Department's main responsibilities are the following:

- elaborating development strategy for the tourism and health industry (this is a new approach, meaning that health tourism is to be improved in co-ordination with other related industries, *e.g.* maximising opportunities related to thermal water);
- preparing the legal framework for tourism;
- maintaining international relations at government level (EU, UNWTO, OECD, Visegrád countries, CEI, and bilateral and multilateral co-operations); and
- overseeing national marketing activities.

At the local level, the creation of a network of Tourism Destination Management Organisations (DMOs) is currently underway. Sixty-six DMOs were registered in Hungary by the end of 2011.

Figure 4.14. **Hungary: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for National Economy, 2012.

Tourism budget

In Hungary, the central budget for tourism is the yearly allocated Tourism Fund, which is dedicated to support specific tourism development and to finance tourism marketing. In 2010, EUR 30.3 million were allocated to the Tourism Fund. The government contribution for tourism marketing purposes accounted for approximately 83% of the Tourism Fund (EUR 25.1 million) in 2010.

On the basis of the National Development Plan of Hungary 2007-13, an EU budget of approximately EUR 1.197 billion is expected to be allocated to the regions, primarily for tourism attractions, accommodation development, and establishing the destination management system. Tourism development projects will be realised through regional operational programmes. Funds allocated to tourism development account for 4.7% of the total available EU funds.

In total, 340 projects were supported by EUR 425 million in funding from EU structural funds between 2007 and 2010, of which 77% was allocated to the development of attractions, 22% to the development of commercial accommodation and related services, and 1% to the development of the destination management system.

In addition, the government nominated 37 major tourism projects of specific importance for possible support, of which 24 have been approved for financial support through the EU Structural Funds. These developments will result in an investment of EUR 780 million in the tourism sector.

Tourism-related policies and programmes

Legislative and regulatory environment

We are in the process of preparing the Tourism and Catering Act, which is planned to be accepted during the spring 2012 term of the Hungarian Parliament. The major aim of the tourism and catering act is to set the general legal framework for tourism and catering

policy; all major stakeholders in the tourism and hospitality sector are being consulted during this process. Its purpose is to define the major responsibilities and tasks of the state and local government and the modes of co-operation with professional organisations. It also functions as a major framework law for entrepreneurs working in the tourism and catering industry. This will define the structure of central and local tourism support systems.

Issues related to industry competitiveness

The elaboration of the New Széchenyi Development Plan, the Development Strategy of Recovery and Progress for Hungary, began in 2010. The plan contains seven priority areas to increase the competitiveness of Hungarian businesses and to create new jobs. The fourth break-out point of the plan is the Enterprise Development Programme, the main goals of which are to motivate and stimulate new entrepreneurs and to decrease bureaucratic and administrative procedures with a view to creating additional job opportunities. The programme is a useful tool for entrepreneurs in the tourism and hospitality sector – where the stakeholders are mainly SMEs (travel agencies, catering enterprises, other relevant service providers) – to create more jobs and better working conditions.

Hungarian Tourism Quality Award

To support high-quality services and competitive and sustainable businesses, the Hungarian Tourism Quality Award (HTQA) was established by the National Tourism Committee (NTC), with the support of the State Secretariat for Tourism, and the stakeholder organisations in 2006. The aim of the award is to promote high quality in the accommodation and restaurants sector, based on a unified, objective and reliable voluntary evaluation system.

The award process is based on a self-evaluation questionnaire covering the most important technical and functional issues, as well as the quality of applicants. Self-evaluation is controlled by the awarding committee and through mystery shopping. The final decision about granting the award is made by an evaluation committee comprising high level professionals.

Tourism service providers eligible for the award guarantee high-quality service to their guests. HOTREC (the European Association of Hotels and Restaurants) accredited the programme in 2007, meaning that successful establishments can use the 2Q logo as a sign of high quality, meeting European standards.

Since its establishment the HTQA has been granted to 81 hotels and restaurants who are entitled to use the title for three years, after which it can then be renewed. The award can be checked and rescinded at any time. Award holders receive promotional support from the Hungarian National Tourism Office.

Sustainability and destination management

On the initiative of the government, an Ecotourism Strategy has been developed with a focus on a "Responsible Tourism Approach", together with a proposal for tourism, to raise awareness of responsible tourism practices.

Hungarian tourism requires further institutional development, especially the establishment of destination management organisations (DMOs) at local, sub-regional,

regional and national levels which are fully funded and qualified. This constitutes a major part of the National Tourism Development Strategy and will address issues such as tourism planning, product and attraction development, information management and booking systems, project management, research and marketing, human resource developments, co-ordination of stakeholders' activity, and administration. This programme is supported by the Regional Operational Programmes of the New Hungary Development Plan, which started funding the establishment and implementation of action plans of the local DMOs in 2009. The resources available for this programme were around EUR 14 million.

In support of this approach the former State Secretariat for Tourism developed a DMO operational manual covering the basic guidelines, an electronic learning programme, and application and legal organisational support handbooks. The programme was supported by a wide range of local and regional information workshops. A DMO web portal is open for interactive information exchange and some 55 destinations have submitted applications to develop their own DMOs.

An intensive partnership programme is also being organised including several national workshops, and regional meetings have been held with the newly appointed DMO managers in order to enhance dissemination of tender information and to contribute to their networking across the country. The establishment of the DMO-style tourism structure involves local actors at all levels. The regional level is part of the Hungarian National Tourist Office that will be modified. Based on this bottom-up approach, DMOs will be part-owners of the state-financed and -directed regional tourism directorates.

Human resource development

The most important aim of the New Széchenyi Development Plan is to create 1 million new, taxpaying jobs in ten years. The Plan contains seven priority areas as possible break-out points for Hungary. First is Healing Hungary – Programme for Health Industry. One part of the health industry is health tourism, in which Hungary possesses many resources (*e.g.* thermal and medical waters, wellness hotels, high level medical skills). With better exploitation of the relevant attractions, it is anticipated that Hungary will be able to create at least 300 000 new jobs related to health tourism, which will help to raise the overall quality of employment in the field of tourism.

Co-operation with the tourism industry, consumers and other stakeholders

To develop co-operation and social dialogue between the government and the tourism industry, the National Tourism Employers' Association, and the Trade Union of the Hungarian Tourism and Catering Employees have established the Tourism and HORECA (Hotels, Restaurants and Catering) Branch Dialogue Committee. This committee represents the interests of these branches in negotiations with government in its efforts to find new ways to develop tourism. The committee constitutes part of the national social dialogue process and regular meetings are organised. Its most important aim is to work out a proposal for an overall strategy for the Hungarian catering sector and its main representatives are members of the National Tourism Committee.

The best example of co-operation with the industry and other stakeholders is the elaboration of a new certified trademark system. The main aim is to have National Trademark owned by the Hungarian State in every subsector of tourism by the end of 2012. The Ministry for National Economy has agreed with three different tourist associations the conditions for using the National Trademark. The Hungarian National Tourist Office is

actively taking part in the communication of this system among the various tourism stakeholders, and the National Authority of Consumer Protection will control the use of the National Trademark.

Development of a culture of evaluation

The use of the Tourism Fund is subject to regular examination by the Government Audit Office and the State Audit Office. In the case of the regional tourism fund, as well as for money designated to major events, it is the intermediary body that is responsible for monitoring the implementation of the project and for the use of grants. Proposals for funding are either requested to include a complete feasibility study or, in the case of minor projects, impact assessment forms.

The implementation of the National Development Strategy is supervised by the NTS Monitoring Committee. The Committee prepares an annual report on implementation, evaluating economics, competitiveness, employment, product development, regional development, sustainability, quality of life and demand and (product-specific) supply, competitors, trends and customer satisfaction

Represented on the Monitoring Committee are members of the central and regional tourism administration, professional organisations and NGOs. In addition, there are various other programmes involved in monitoring and evaluation. For example, the Hungarian National Tourist Office evaluates NTO marketing activities.

Tourism and transportation

One of the major areas of quality improvement in tourism supply is the development of the transport system (road, rail, air, bicycle routes and water transport). Neighbouring countries can now be easily reached via motorway connections from the capital. Inter-city rail connections have been strengthened, and the reconstruction and modernisation of the railway rolling stock and stations is underway, incorporating modern visitor-friendly communication methods.

The development of water transport is also supported by the New Hungary Development Plan. The development has partly started on the major lakes, while on the utilisation of the Danube, a European Programme is being developed. Consultations have begun with Serbia and the relevant national authorities concerning the development of the River Tisza as an international transport route.

One of the major areas of transport development, where potential impacts are less harmful to nature, is that of bicycle routes. A national bicycle route development programme has started where funds of up to EUR 200 million are available in the period to 2013. In Hungary, the total length of cycle paths is currently 2 400 km, and it is intended to double this by 2013.

International and intra-regional activities

Hungary is an active member of the UNWTO and of the OECD Tourism Committee.

Hungary also co-operates closely with the Visegrád Countries (Czech Republic, Poland and Slovak Republic) in joint tourism promotion in overseas markets, especially in China, Japan and the United States. The country is also an active member of the Central European Initiative Working Group on Tourism, and participates in a Joint Tourism Committee with neighbouring countries, meeting annually to discuss bilateral co-operation.

Statistical profile

Table 4.77. **Hungary: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011[1]
Number of overnight stays	Thousands	3 873	4 023	4 135	3 923	3 918	3 915
Number of nights spent	Thousands	9 606	9 958	9 965	9 490	9 672	9 515

1. Preliminary data.
Source: Ministry of National Economy, Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630166

Table 4.78. **Hungary: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	38 318	39 379	39 554	40 624	39 904	41 304
Top 5 markets							
Slovak Republic	Thousands	7 380	7 805	8 079	9 095	8 404	8 825
Romania	Thousands	7 998	7 990	8 142	7 783	7 614	7 575
Austria	Thousands	5 936	6 510	6 397	6 437	6 696	6 649
Germany	Thousands	3 090	2 927	2 278	3 130	3 135	3 026
Serbia and Montenegro	Thousands	3 114	3 059	3 103	2 201	2 329	2 964
Number of same-day visitors	Thousands	29 059	30 741	30 740	31 565	30 394	31 054
International travel receipts	Million HUF	970 535	930 985	1 087 361	1 200 637	1 189 819	1 200 139
International passenger transport receipts	Million HUF	73 261	64 062	65 648	71 871	70 710	78 047

Source: Ministry of National Economy, Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630185

Table 4.79. **Hungary: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010	2011
Number of tourist trips	Thousands	12 419	12 092	12 653	12 670	13 362	13 620
International travel expenditure	Million HUF	897 273	866 924	1 021 513	1 139 309	1 118 936	1 121 821
International passenger transport expenditure	Million HUF	73 261	64 062	65 648	61 328	70 883	78 318

Source: Ministry of National Economy, Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630204

Table 4.80. **Hungary: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation and other services	Establishments	32 989	32 899	33 562	33 729	33 494
Food and beverage serving services	Establishments	38 322	38 439	38 524	38 838	40 486
Passenger transport services[1]	Establishments	11 485	11 325	11 079	10 901	11 047
Travel agency, tour operator and tourist guide services	Establishments	2 607	2 626	2 892	2 776	2 882
Cultural services[2]	Establishments	41 706	42 225	29 539	26 205	28 164
Recreation and other entertainment services	Establishments	23 393	23 530	24 000	6 963	7 123
Total	**Establishments**	**150 502**	**151 044**	**139 596**	**119 412**	**123 196**

1. 2006-07: includes transit services; 2008-10: excludes transit services.
2. 2006-07: includes cinematographic services; 2008-10: excludes cinematographic services.
Source: Ministry of National Economy, Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630223

Table 4.81. **Hungary: Employment in tourism**

	Units	2006		2007		2008		2009		2010	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Accommodation and other services	Employees	15 009	18 997	15 274	20 954	15 250	18 848	12 640	17 634	14 269	17 372
Food and beverage serving services	Employees	50 379	58 185	51 051	64 690	50 906	55 410	49 614	51 989	46 692	54 102
Passenger transport services	Employees	97 440	19 249	100 641	19 701	73 015	19 138	68 584	19 966	75 032	18 994
Travel agency, tour operator and tourist guide services	Employees	1 892	5 487	1 425	3 756	1 695	4 674	1 727	4 305	2 121	5 547
Cultural services	Employees	16 207	16 854	19 979	16 527	19 630	20 648	15 693	18 426	16 421	19 146
Recreation and other entertainment services	Employees	4 197	4 668	4 641	4 083	13 714	8 902	12 216	9 285	11 955	9 921
Total	**Employees**	**185 124**	**123 440**	**193 011**	**129 711**	**174 211**	**127 620**	**160 473**	**121 604**	**166 490**	**125 082**

Source: Ministry of National Economy, Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630242

Table 4.82. **Hungary: Tourism in the national economy**

2008	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption	Units	Tourism share of GDP
Accommodation services	Million HUF	84 566	204 682	289 248	Percentage	0.6
Food and beverage serving services	Million HUF	34 553	121 246	155 799	Percentage	0.8
Passenger transport services	Million HUF	65 795	89 692	100 758	Percentage	2.7
Travel agency, tour operator and tourist guide services	Million HUF	37 623	8 636	20 239	Percentage	0.1
Cultural services	Million HUF	3 322	15 741	19 063	Percentage	1.3
Recreational and other entertainment services	Million HUF	14 322	70 185	84 507	Percentage	0.4
Margin	Million HUF	23 923	25 718	42 135	Percentage	. .
Other services	Million HUF	6 836	48 872	55 708	Percentage	. .
Goods	Million HUF	151 976	145 736	255 180	Percentage	. .
Total	**Million HUF**	**422 916**	**730 778**	**1 022 637**	**Percentage**	**5.9**

Source: Ministry of National Economy, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932630261

Table 4.83. **Hungary: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal domestic tourism consumption share of final consumption	Percentage	37.13	47.1	41.4	. .	. .
Tourism share of GDP	Percentage	5.3	5.9	5.9	. .	. .
Government revenue from tourism	Million EUR	3 599	2 652	4 101	. .	. .
Tourism share of employment	Percentage	8	8.4	8.4	. .	. .

Source: Ministry of National Economy, Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932630280

Iceland

Tourism in the economy

Tourism is one of the fastest-growing sectors of the Icelandic economy. The share of tourism in Iceland's GDP was 5.9% in 2009 and is expected to rise above 6% in 2010 based on export figures. In the years between 2005 and 2010, the share of tourism in Iceland's total export revenue was, on average, 17.3% but has fallen sharply from 22.4% in 2005 to 13.3% in 2010 and 13.9 in 2011. International travel expenditure (*i.e.* receipts from tourists excluding passenger fares) was ISK 70.255 million in 2010. Growth has been erratic since 2005, with arrivals increasing by 32.2% in the five years to 2010, and international tourism receipts by 49.9%.

Tourism accounted for around 5.1% of total employment in 2009, growing from 4.8% in 2007. Data show that total tourism sector employment reached almost 8 500 in 2009, the latest year for which figures are available. There were some 1 370 tourism enterprises recorded in 2010.

The 495 000 foreign tourists recorded in 2010 spent 2.1 million guest nights, representing 72% of the total guest nights for the year. The major overseas markets for Iceland are the Nordic countries 24.5%, UK 13.1%, North America 19.5%, Germany 11.8% and France 6.4%, accounting for two-thirds of all overseas visitors in 2010.

Tourism organisation

Government responsibility for tourism rests with the Ministry of Industry, Energy and Tourism (Figure 4.15). The Icelandic Tourist Board (ITB) handles the implementation of tourism affairs for the ministry and has the following main responsibilities:

- issuing licences, registration and monitoring in order to ensure that requirements for operations are met; and
- development, quality control, and organisational issues related to tourism, *i.e.* the implementation of a defined tourism strategy, the co-ordination of environmental and educational affairs, the dissemination of information, regional and local development, and international collaboration.

In 2010, the responsibility of marketing and promotion of tourism in Iceland was transferred, with a special contract between the Ministry of Industry, Energy and Tourism and Promote Iceland, from the Iceland Tourist Board to a new organisation, Promote Iceland. Promote Iceland was established on the basis of the Trade Council of Iceland, but with a broader mandate which among other things includes that the marketing department of the Icelandic Tourist Board is now run within the framework of Promote Iceland thus securing close co-operation between the Tourist Board, the Trade Council and

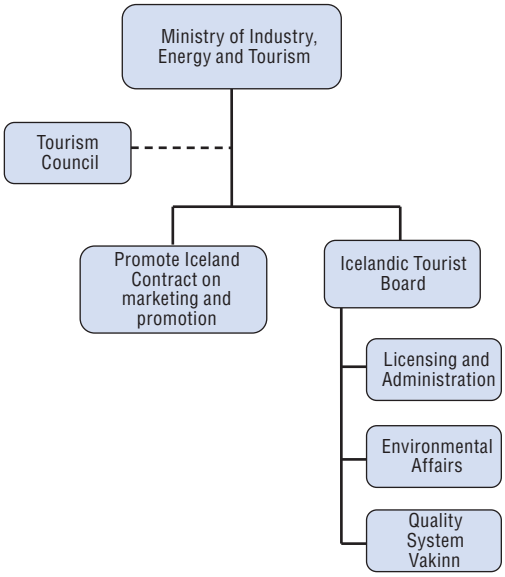
the Embassies of Iceland as regards projects and efforts to attract foreign visitors to Iceland.

Promote Iceland is a public-private partnership aimed at improving the competitive standings of Icelandic industries in foreign markets and stimulating economic growth through increased exports. It is also responsible for reinforcing the image of Iceland as an exciting destination for tourists and for assisting in the promotion of Icelandic culture abroad. Visit Iceland (*www.visiticeland.com*) is part of Promote Iceland.

The Minister of Industry, Energy and Tourism appoints the Icelandic Tourism Council. The job of the Council is to make recommendations to the minister, at least once a year, on the marketing and promotion of services to tourists and to act as the minister's advisor on matters concerning tourism planning. The Council also comments on amendments to tourism-related legislation and regulations, on other matters assigned to it by the minister, and on any other matters that it deems appropriate in the interests of the tourism industry.

The Council comprises ten representatives. The chairman and vice-chairman are appointed by the minister without nomination, and the remainder are appointed by the minister upon receipt of nominations from the following: the Icelandic Travel Industry Association (three representatives); the Association of Local Authorities in Iceland (two representatives); the Iceland Tourism Association (two representatives), and the Trade Council of Iceland (one representative). The term of appointment is for four years, although the chairman and vice-chairman are limited to the appointing minister's tenure in office. The Director of the Icelandic Tourist Board and a representative of the ministry attend Tourism Council meetings and have the right both to address the meetings and to present proposals.

Figure 4.15. **Iceland: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Industry, Energy and Tourism 2012.

Tourism budget

The budget of the Icelandic Tourist Board and the budget allocated within the Ministry of Industry, Energy and Tourism for the tourism sector in 2010 was ISK 560 million. Part of this was outsourced to Promote Iceland (ISK 235 million), which is responsible for all marketing abroad. The total budget allocated from the ministry in 2011 was ISK 578 million: ISK 308 million to the Icelandic Tourist Board and ISK 270 million to Promote Iceland.

Tourism-related policies and programmes

The main objectives for tourism in Iceland during the period 2011-20 are to:

- increase the profitability of the sector;
- engage in systematic development of tourist destinations, effective product development, and promotion and advertising work so as to create the opportunity to lengthen the tourist season, reduce seasonal fluctuations, and contribute to better distribution of tourists throughout the country;
- enhance quality, professionalism, safety, and environment-awareness in the tourism sector; and
- define and maintain Iceland's uniqueness as a tourist destination, in part through effective analysis and research.

To fulfil these objectives, Iceland will undertake the actions enumerated below.

Infrastructure

Iceland's natural surroundings are a natural resource for the tourism sector. It is important to develop, protect, and maintain tourist sites nationwide. The authorities and other stakeholders must join forces in finding the means to finance such improvements. The development of tourism infrastructure shall aim at protecting nature, and the tourism strategy shall aim at incorporating the concepts of sustainability and responsibility for Iceland's culture and natural surroundings. The regulatory environment for tourism shall take account of the current strategy. Matters pertaining to tourism-related permits shall be reviewed thoroughly, in accordance with the points of emphasis presented in this strategy.

Surveys, research, forecasting

It is important that tourism development and enhancement be supported with dramatically increased emphasis on analysis, research, and forecasting. The independence of research must be ensured. The Icelandic Tourist Board shall initiate and be responsible for formulating policy concerning the execution and processing of surveys and shall ensure that forecasts of developments in the sector are carried out. The national accounts shall always include statistical data on developments in the tourism sector from year to year. Best practice will be applied so as to ensure that co-ordinated, in-depth appraisals of nationwide tourism resources and infrastructure are carried out.

Product development and innovation

Product development projects in the tourism sector will be based on cluster ideology and on strategies reflecting the uniqueness of individual areas. New product development options will be sought with cluster collaboration and transfer of technology and knowledge. Tourism support systems shall be simplified, and it shall be ensured that strong units are in place throughout the country, with professional backing and enough

strength to support site development, product development, innovation, and marketing. Public sector funding for product development in tourism shall be used primarily for collaborative projects aimed, among other things, at lengthening the tourist season.

Marketing

Public promotional efforts related to tourism shall take account of the objectives of the tourism strategy. New options for public promotional work shall be sought, as will the means to increase the professional collaboration among public entities in the fields of product development and promotion and advertising. In formulating collaboration between the tourism authorities and Promote Iceland, it is important that quantifiable objectives and metrics be established. Metrics related to promotion and advertising include travel expenditure according to tourism accounts, foreign exchange revenues from foreign tourists, distribution of hotel bed-nights over seasons and geographical areas, the number of tourists, and surveys of tourists' expectations and experiences.

Statistical profile

Table 4.84. **Iceland: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnights stays	Thousands	738	777	793	870	862
Average length of stay[1]	Days	1.6	1.6	1.6	1.6	1.6

1. By type of accommodation. Visitor can stay in more than one type of accommodation during visit.
Source: Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888932630299

Table 4.85. **Iceland: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	422	485	502	494	489
Top 5 markets						
Nordic countries[1]	Thousands	108	125	124	124	118
United Kingdom	Thousands	68	74	70	62	61
United States	Thousands	56	52	41	44	51
Germany	Thousands	42	44	49	56	59
France	Thousands	22	24	27	30	30
Number of overnights stays	Thousands	1 719	1 868	1 943	2 130	2 129
Average length of stay[2]	Days	1.8	1.8	1.8	1.7	1.8
International travel receipts[3]	Million ISK	56 124	56 123	64 037	71 576	73 495

1. Denmark, Norway, Sweden and Finland.
2. By type of accommodation. Visitor can stay in more than one type of accommodation during visit.
3. Excluding passenger fare. Results based on Tourism Satellite Account. Preliminary results for 2009 and 2010.
Source: Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888932630318

Table 4.86. **Iceland: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	434	472	408	256	296
International travel expenditure[2]	Million ISK	75 477	84 329	91 749	77 961	79 133

1. Departures.
2. Excluding passenger fare. BOP figures.
Source: Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888932630337

Table 4.87. **Iceland: Enterprises and employment in tourism**

		Enterprises				
	Units	2006	2007	2008[1]	2009	2010
Travel agencies	Establishments	336	358	305	381	460
Recreation	Establishments	294	292	283	294	303
Hotels and guest houses	Establishments	290	304	327	337	350
Car rentals	Establishments	64	67	71	80	101
Tourist information centres	Establishments	. .	. .	58	107	157
Museums and galleries	Establishments	134	146	141	148	154
		Employment				
Total[2]	**Employees**	**8 897**	**9 113**	**9 241**	**8 463**	**. .**
Tourism share of employment	Percentage	5.1	5.2	5.1	5.2	. .

1. Based on new activity classification ÍSAT 2008 (the Icelandic version of NACE, Rev. 2).
2. Results based on Tourism Satellite Account.

Sources: Icelandic Tourist Board and Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888932630356

Table 4.88. **Iceland: Tourism industry output at basic prices in the national economy**

	Units	2006	2008	2009
Tourism characteristic industries	Million ISK	110 147	143 198	163 407
Accommodation services	Million ISK	12 102	17 425	18 923
Hotel services	Million ISK	5 795	9 139	9 860
Other accommodation services	Million ISK	6 307	8 286	9 063
Food and beverage serving services	Million ISK	10 763	13 962	14 236
Passenger transport services	Million ISK	79 544	101 822	118 122
Land passenger transport	Million ISK	4 835	4 981	6 332
Ocean passenger transport	Million ISK	1 994	1 291	1 573
Air passenger transport	Million ISK	66 638	88 449	102 611
Transport equipment rental	Million ISK	5 980	7 100	7 605
Travel agency services	Million ISK	7 836	9 899	12 126
Tourism-connected industries	Million ISK	22 731	31 090	35 535
Automotive fuel retail and repairs	Million ISK	6 542	9 356	9 573
Other supportive transport activities	Million ISK	5 432	7 782	8 210
Cultural services	Million ISK	2 257	2 690	3 205
Recreation and entertainment	Million ISK	2 560	5 493	5 034
Miscellaneous tourism services	Million ISK	2 341	4 223	2 922
Miscellaneous tourism retail services	Million ISK	3 552	5 990	7 933
Total tourism output	**Million ISK**	**132 832**	**178 644**	**200 284**

Source: Statistics Iceland, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932630375

Table 4.89. **Iceland: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism share of gross national product	Percentage	4.4	4.8	4.6	5.9	. .
Tourism share of goods and services exports[1]	Percentage	22.1	17.2	14.4	14.1	13.7

1. Based on Tourism Satellite Account 2000-08. Preliminary results for 2009 and 2010.

Sources: Icelandic Tourist Board, Statistics Iceland.

StatLink http://dx.doi.org/10.1787/888932630394

Ireland

Tourism in the economy

Data from the Central Statistical Office (CSO) for 2011 show that 6.5 million overseas visitors came to the Republic of Ireland in 2011 – an increase of 6% on 2010. The vast majority of visitors to Ireland come from three geographical areas. In 2011, 44% of all visitors (2.87 million) came from Great Britain, 35% (2.28 million) from mainland Europe, and 15% (987 100) from North America.

The number of visitors from all three major origin areas increased in 2011. Arrivals increased by 2.6% from Britain, by 9.1% from mainland Europe, and by 6.3% from North America. Other markets showed an increase of 14.7%. Trips abroad by Irish residents in 2011 fell by 5.5%.

Total international tourism and travel earnings for 2009 was EUR 3.6 billion, down 10% from 2009. Domestic tourism revenue for 2010 was EUR 1.7 billion, giving total revenue from the sector of EUR 5.3 billion, equivalent to 3.4% of GDP.

Total labour input (as measured by full-time equivalents) for tourism industries as a whole, fell by 5% to 170 000 between 2006 and 2009 (the most recent year for which data is available). The accommodation and food services sector, which fell by 10% to 118 000, accounted for most of this decrease. All other tourism sectors, apart from administrative and support services remained relatively stable. Using this measure, the labour input for tourism accounted for 14% of labour input for the economy as a whole in 2009.

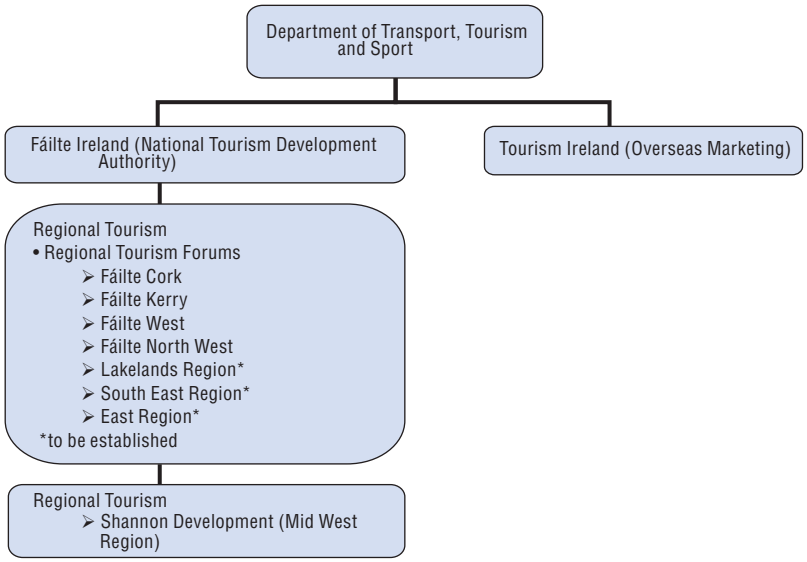
Tourism organisation

National tourism policy is set by the Department of Transport, Tourism and Sport (Figure 4.16). Fáilte Ireland is the national tourism development authority with responsibility for tourism development (including enterprise and skills development, product development and standards) and domestic marketing.

A number of regional forums have been established by Fáilte Ireland (to replace the existing Boards) with some still yet to be established. The primary role of the regional tourism forums is to assist Fáilte Ireland with its development efforts in key destinations by formulating and overseeing a three-year development blueprint. Each forum is also expected to contribute to national tourism strategy and policy under the aegis of Fáilte Ireland. The new structures will ensure that development carried out at local level will become more relevant to the overall development of Irish tourism at a national level. Dublin Tourism (which acted as the Regional Tourism Authority for the Dublin Region) was merged with Fáilte Ireland on 16 January 2012. The merged body will ensure that there remains an important Dublin dimension to tourism promotion. Shannon Development acts as the Regional Tourism Authority in the Mid-West Region.

Tourism Ireland, which was established under the framework of the Northern Ireland Peace Agreement as a subsidiary of the tourism agencies in the North and the South, has responsibility for marketing the island of Ireland overseas as a tourist destination.

Figure 4.16. **Ireland: Organisational chart of tourism bodies**



Source: OECD, adapted from Department of Arts, Sport and Tourism, 2012.

Tourism budget

The overall tourism services budget funded by the Department for Tourism in 2012 is EUR 144.3 million. This is allocated to the tourism agencies – Fáilte Ireland and Tourism Ireland – and includes specific funds for product development, and for marketing and promotion. Apart from private sector investment, the main source of funding is the national budget funded by taxation. Tax incentives for tourism-related developments have also been provided in recent years and some EU funding (primarily rural development funding, but also PEACE and INTERREG) has also gone towards tourism-related activities.

There is an ongoing programme of value for money and policy reviews of public expenditure across government departments. The Tourism Infrastructure Fund for publicly owned product development was identified for such a review in 2009. A number of elements of tourism expenditure were previously EU co-financed and have been subject to evaluation within that framework. More generally, there is an ongoing cycle of policy analysis and development, monitoring and review within the overall Tourism Strategy Framework (see below).

Tourism-related policies and programmes

Legislative and regulatory environment

The most recent medium-term strategy for Irish tourism was set out in New Horizons for Irish Tourism: An Agenda for Action 2003-2012, which was published in 2003. The Tourism Renewal Group was set up in 2008 to review and, where appropriate, renew tourism strategy; this reported in mid-2009. The Programme for Government 2011 sets out

the government's priorities for tourism policy, including commitments on access, marketing, visas and product development.

Market trends

2011 will see the first year-on-year growth in overseas visitors to Ireland since 2007 with all of Ireland's significant overseas markets showing increases. The longer-term target for Ireland is to achieve 8 million overseas visitors by 2015.

A major review of consumer research in Great Britain has been carried out in conjunction with the Tourism Recovery Taskforce to bring knowledge of the market up to date. The findings will inform Tourism Ireland's planning in Britain for 2012. Growth prospects and confidence in the major continental European markets are expected to be strong. Short-term US prospects are reasonably good, with a slow recovery under way and the dollar at a competitive rate. However, rebuilding profitability by air carriers and rising fuel costs will keep air fares higher than the last decade. While the Programme for Government envisages the development of marketing for emerging long-haul markets, the numbers from these markets will remain small even with growth – but those visitors tend to be more valuable, spending more and staying longer. The focus of tourism policy will increasingly be on maximising the return (spend and length) from visitors.

Competitiveness

Fáilte Ireland enhances the competitiveness, productivity and entrepreneurship of Irish tourism through a range of business solutions including business excellence and quality initiatives, sectoral and industry support, *e.g.* through its e-business web support programme (Web-Start, Web-Check, Web-Check Plus) which targeted almost 650 small and medium-size enterprises in 2010 to improve their online skills, and through its business and mentoring service, which worked with over 400 clients in 2010.

Development of a culture of evaluation

The two tourism state agencies, Fáilte Ireland and Tourism Ireland, produce annual business plans which outline their plans, targets and objectives for the year. Achievement of these targets is regularly monitored in consultation with the Department of Transport, Tourism and Sport. In addition, Tourism Ireland undertakes regular reviews of Ireland's main overseas tourism markets to ensure that marketing strategies are best placed to maximise visitor numbers. A review of the French market was undertaken in 2011.

While visitor number forecasting was previously carried out annually, Tourism Ireland has now committed to providing quarterly communications with updated forecasts due to the uncertain global economic climate.

Previously the Central Statistics Office (CSO) produced detailed information on the number of overseas visitors coming into Ireland for each month. This included a breakdown of the area of residence of these visitors. After June 2010, the CSO moved to producing overseas travel figures on a quarterly basis but, as a result of concerns expressed at the loss of monthly data, the CSO reverted in September 2011 to releasing statistics every month on a rolling quarterly basis, assisting the improved targeting of international tourism markets.

New challenges in tourism policy and programmes

The nature of the tourism mandate is such that there are a number of important strategic areas that require the co-operation of other departments and agencies to deliver government policy. The Department of Transport, Tourism and Sport and the tourism agencies are working to ensure appropriate co-operation in these areas. The Department also participates in a number of cross-departmental committees whose mandate may impact on tourism.

The reorganisation of departmental portfolios by the current government recognised the critical role of access and transport in developing Irish tourism within the overall framework for national recovery through export-led growth (Box 4.11). As an island destination on the western periphery of Europe, tourism exports are fundamentally dependent on the availability of access, especially air access.

Box 4.11. **Tourism-related actions within the national "Jobs Initiative"**

In May 2011, the new Irish Government announced a "Jobs Initiative" as a first step in renewing confidence in the economy and kick-starting economic activity. Tourism was recognised in the initiative as having a significant role in economic recovery and consequently the initiative had a number of tourism related measures including:

- a new lower VAT rate of 9% from 1 July 2011 for hotel and holiday accommodation, restaurant and catering services and admissions to museums and visitor attractions, thereby lowering costs for tourists;
- significantly reducing the cost of employing people by halving employers' PRSI (Pay-Related Social Insurance) for those on modest wages, further enhancing competitiveness;
- a three-pronged plan to promote inbound tourism through
  - abolishing Ireland's air travel tax conditional on clear commitments by airlines to increase inbound capacity from Ireland's origin markets – in the absence of sufficient commitments, the government is making additional funding available to Tourism Ireland for co-operative marketing on key access routes to support and drive inbound traffic;
  - the offer by the Dublin Airport Authority of significant rebates on passenger charges for extra passengers brought in by airlines; and
  - more targeted co-operative marketing of new routes from key tourism origin markets by Tourism Ireland and the airlines to encourage more tourists to fly into Ireland; and
- a tourist visa waiver scheme to make it easier for tourists from emerging markets to visit Ireland for a short-term visit.

Statistics and economic evaluation of tourism

A "First Steps" Tourism Satellite Account (TSA), published in August 2004, highlighted some "data gaps" which are gradually being addressed. In 2008, Fáilte Ireland commissioned a study which would build on the "First Steps" TSA to develop a dynamic economic model for the tourism sector that would allow economic impacts to be measured continuously using the most recent expenditure data available. The model is designed to capture the key attributes of tourism, demonstrate the direction and impact of the

economic variables involved, and present a quantification of the associated economic impacts. Among the key indicators to be measured are:

- the value of tourism earnings and the impact on GDP and gross value added;
- total direct and indirect employment supported by tourism expenditure;
- government revenue from tourism activities;
- tourism's share of internationally traded services and total exports; and
- measures of productivity, product innovation and expenditure on research and development.

In February 2008, the Central Statistics Office (CSO) launched the Airport Pairings database (*http://tinyurl.com/2nypw8*). This database contains information on every direct flight in and out of nine Irish airports on a monthly basis. The database is dynamic, allowing users to break down monthly passenger numbers for each airport in the Republic of Ireland by any direct overseas route. Users can easily search for passenger numbers by airport, city or country. The data are published with a six-month time lag in order to protect commercial sensitivities.

The Passenger Card Inquiry (PCI) is a survey of a sample of incoming and outgoing passengers from pre-selected airline and ferry routes at Irish airports and sea ports. It collects details of the purpose of journey, country of residence, expenditure, length of stay (for passengers travelling into and out of Ireland), and type of accommodation used (for visitors to Ireland). A redesigned survey form was introduced in 2009 to enhance the statistics available especially in regard to destination data for travel by Irish Residents in Ireland.

The PCI changes were also associated with changes to the Household Travel Survey of Irish households. Due to data reconciliation issues, 2010 data on overseas revenues and on domestic travel are still awaited.

The CSO has also set up a Tourism Statistics Liaison Group comprising representatives from the key producers and users of tourism statistics in both Ireland and Northern Ireland. The group plays a key role in assessing the needs and priorities of key national users of statistics on tourism in addition to facilitating the exchange of information. Most recently, the CSO has initiated a pilot exercise in separating information on tourism-related enterprises from general business-level statistics gathered across the whole economy.

Statistical profile

Table 4.90. **Ireland: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	7 310	7 942	8 339	8 340	. .
Number of nights spent	Thousands	24 203	26 328	26 195	26 027	. .

Source: Central Statistics Office.

StatLink http://dx.doi.org/10.1787/888932630413

Table 4.91. **Ireland: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	7 709	8 012	7 839	6 927	6 037
Top 5 markets						
Great Britain	Thousands	4 060	4 032	3 872	3 257	2 738
United States/Canada	Thousands	1 055	1 073	1 005	980	936
Other Europe	Thousands	608	748	776	618	518
Germany	Thousands	422	446	468	418	377
France	Thousands	358	397	415	391	342
Number of same-day visitors	Thousands	424	422	551	437	439
International travel receipts[2]	Million EUR	3 973	3 920	3 834	3 410	2 976
International passenger transport receipts	Million EUR	663	726	686	524	580

1. Overseas trips to Ireland only.
2. Travel receipts from overseas trips to Ireland only.

Source: Central Statistics Office.

StatLink http://dx.doi.org/10.1787/888932630432

Table 4.92. **Ireland: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	6 848	7 713	7 877	7 021	6 660
International travel expenditure[2]	Million EUR	5 318	6 163	6 912	5 473	5 211
International passenger transport expenditure	Million EUR	732	821	816	570	590

1. Overseas trips by Irish residents only.
2. Travel receipts from overseas trips by Irish residents only.

Source: Central Statistics Office.

StatLink http://dx.doi.org/10.1787/888932630451

Table 4.93. **Ireland: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Transportation and storage	Thousands	1.9	2.0	1.9	2.0	. .
Accommodation and food service activities	Thousands	15.7	15.8	16.0	16.5	. .
Administrative and support service activities	Thousands	0.7	0.8	0.8	0.8	. .
Arts, entertainment and recreation	Thousands	3.1	3.4	3.4	4.0	. .
Total	**Thousands**	**21.5**	**21.9**	**22.1**	**23.3**	**. .**

Source: Central Statistics Office, Business Demography.

StatLink http://dx.doi.org/10.1787/888932630470

Table 4.94. **Ireland: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010
Number of employees by tourism industries	Thousands	175.6	181.9	184.7	166.9	. .
Transportation and storage	Thousands	23.9	22.6	26.6	25.4	. .
Accommodation and food service activities	Thousands	127.2	133.5	132.2	118.1	. .
Administrative and support service activities	Thousands	7.3	7.2	7.1	5.4	. .
Arts, entertainment and recreation	Thousands	17.3	18.6	18.8	18.1	. .

1. Full-time equivalent.

Source: Central Statistics Office, Business Demography.

StatLink http://dx.doi.org/10.1787/888932630489

Table 4.95. **Ireland: Tourism in the national economy**

2007	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million EUR	228	672
Food and beverage serving services	Million EUR	983	932
Passenger transport services	Million EUR	762	1 062
Travel agency, tour operator and tourist guide services	Million EUR	155	12
Cultural services	Million EUR	209	197
Other services	Million EUR	179	169
Goods[1]	Million EUR	626	593
Total	**Million EUR**	**3 141**	**3 637**

1. Including profit margins.
Sources: Central Statistics Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932630508

Table 4.96. **Ireland: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Total tourism labour input[1]	Thousands	175.6	181.9	184.7	166.9	. .
Total labour input for State[1]	Thousands	1 345.4	1 383	1 342.1	1 161.3	. .
Tourism share of labour input	Percentage	13	13	14	14	. .
Tourism share of GDP	Percentage	. .	3	. .	. .	. .

1. Full-time equivalent.
Source: Central Statistics Office, Business Demography.

StatLink http://dx.doi.org/10.1787/888932630527

Israel*

Tourism in the economy

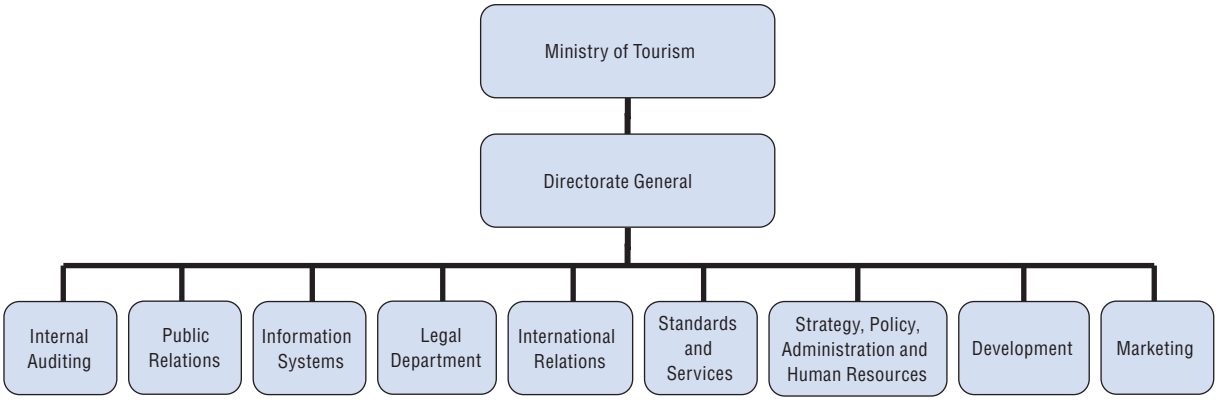
Tourism contributes slightly over 2% to national GDP and just over 3.5% of total employment, counting only direct tourism jobs. In 2010, the combined total of direct and indirect tourism jobs was some 206 000, or 7% of total employees.

There were 3.4 million inbound tourists in 2010 (2.8 million staying at least one night and 642 000 excursionists), 26% more than in the preceding year, and their expenditure amounted to USD 3.7 billion. Israel's largest international origin markets in 2010 in order of size, were the United States, the Russian Federation, France, Germany and the United Kingdom, accounting together for approximately two-thirds (65%) of all tourist arrivals. Tourism exports were the equivalent of 4% of total exports. In addition, Israeli airlines earned USD 745 million from inbound tourism.

Tourism organisation

Reflecting the importance of tourism to the economy, there is a dedicated ministry, the Ministry of Tourism (Figure 4.17), to oversee the sector. Policy, marketing and the development of the tourism sector are handled by the ministry, which is assisted by several subsidiaries in the fields of building infrastructure, site development and job training. In addition, in most areas of Israel there are local organisations promoting tourism.

Figure 4.17. **Israel: Organisational chart of the Ministry of Tourism**



Source: OECD, adapted from Ministry of Tourism, 2012.

* 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 budget

In 2010, the general budget of the Ministry of Tourism was ILS 875 million. Some 27.5% of this was allocated to marketing, 45.6% to investment incentives, and 15.5% to infrastructure investment. In addition, the ministry received an allocation of ILS 5 million for job training.

Other government offices contributed ILS 18 million to infrastructure investment costs. All funding comes from the government's general budget. There is a constant evaluation of all expenditure, and their outcomes. The ministry collects data on the number of new hotels and rooms and the progress of infrastructure projects, and monitors the outcomes of its marketing campaigns.

Tourism-related policies and programmes

In 2010, the Ministry of Tourism decided on three new policy measures:

- introducing a new hotel grading system compatible with the European Hotel Star system to be introduced by the end of 2012 or the beginning of 2013, and participation will be on a voluntary basis.
- granting up to 20% of the costs to hotel renovation programmes to complement the hotel grading policy; and
- providing grants of up to 28% to entrepreneurs to convert existing buildings into hotels. Israel is now in a shortage of about 16 000 hotel rooms, due to a relative stagnation in building new hotels over the last decade, the quick rise in tourist numbers visiting Israel in recent years, and the prospects to accommodate a target number of 5 million annual tourists. This alternative should provide 2 000 new rooms, and is a quicker and cheaper solution until the building of new hotels.

Market trends

Inbound tourism rose steadily until 2000 when 2.7 million tourists were recorded. Arrivals hit a low point in 2002, with only 862 000 visitors, however, they have recovered strongly since 2003 to reach a record high in 2010.

Domestic tourism saw its biggest surges primarily in 2001-02. Thereafter it grew until 2006 to reach 16.3 million overnight stays. Since then, domestic tourism has been broadly stable at around 15.5-16 million overnight stays. Outbound tourism has risen steadily since the late 1990s to reach 4.3 million outbound trips in 2010. The vast majority of departures from Israel (84%) are by air, with just 12% (531 000) leaving by land to both Egypt and Jordan.

Sustainable tourism

The Ministry of Tourism adopted a sustainable development policy in 2008, and operates according to the following principles: territorial contiguity of new tourism development with the built area in order to conserve as much as possible the natural environment, integration with the landscape and environment, encouraging the use and adaptation of existing structures, green construction, rehabilitation of rivers, and the preparation of a strategic plan for sustainable development. The ministry is encouraging investors to build "Green Hotels" by giving such hotels priority when considering their eligibility to grants.

From a cultural standpoint, the ministry is fostering cultural preservation through the rehabilitation of archaeological sites. It also encourages and assists enterprises that present the whole range of cultures that exist in Israel. From a social standpoint, the ministry is assisting residents in outlying areas in the development of small tourism enterprises, and encouraging the development of rural and agricultural tourism.

Human Resources

The ministry holds courses for workers in the various tourism sectors, and also trains young people and unemployed persons for work in the tourism industry. In addition, the ministry organises employment fairs together with tourism industry stakeholders. In practice there are several obstacles facing the industry's employment market, stemming primarily from relatively low salaries, shift work arrangements and holiday entitlements. Due to the increase in tourist numbers there is a lack in authorised tourist guides in several languages. The ministry is giving special grants to people who want to become tourist guides in these languages. The ministry announced the opening of shorter but more intensive courses in these languages for people who have already a background in guiding.

Co-operation with the tourism industry

The ministry regularly convenes a marketing forum that is attended by representatives from all tourism sectors. Special marketing funds exist for assisting travel agents and wholesalers, in Israel and abroad, with their international marketing. The ministry is working with inbound tour operators towards the removal of obstacles at the gateway to Israel and also provides an economic safety net for new airlines seeking to market Israel and operate flights to the country. The ministry is organising, with the Tourism Industry, special visits to Israel for groups of wholesalers who are interested in marketing Israel. The ministry is covering part of the costs of industry representatives in international fairs.

Development of a culture of evaluation

The ministry is preparing an annual plan that includes yearly targets and measurable goals for all activities and outcomes, and is based on a long-term master plan. Current data and statistics are compiled according to international standards, in order to measure tourism's contribution to the economy. The ministry carries out surveys and studies, and maintains regular contact with tourism industry entities in Israel and abroad, for feedback.

Challenges for tourism policy

Currently Israel faces three principal challenges to its tourism sector: the worldwide economic crisis; the political unrest in the Middle-East and North Africa; and the need to adapt the scope of tourism infrastructure to the growing number of tourists and their expectations. In the field of transport, the main challenges remain the implementation of an open skies policy and enlarging Ben-Gurion Airport's capacity.

International activities

Israel has signed tourism co-operation agreements with 40 countries with the aim of encouraging and facilitating bilateral tourist travel. Israel is a founding member of the UNWTO and has been a member of its Executive Council and several of its committees.

Israel takes part in the Barcelona Process, initiated by the European Union, and its Euro-Mediterranean Programme.

Statistics and economic evaluation

The first publication of Israel's Tourism Satellite Account (TSA) was in 2005, with tables covering 1995, the year in which the last general input-output tables for the country were compiled. This survey was financed and overseen professionally by the Ministry of Tourism prior to the release of the data.

The second publication of the TSA was in 2010 and referred to the 2004 data. Based on this work the main indicators were updated to 2010 (statistical profile below). Currently, the Central Bureau of Statistics is updating the TSA Survey to 2007.

Statistical profile

Table 4.97. **Israel: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	6 743	6 682	6 491	6 572	6 739
Number of nights spent	Thousands	16 253	15 847	15 407	15 599	15 996

Source: Ministry of Tourism

StatLink http://dx.doi.org/10.1787/888932630546

Table 4.98. **Israel: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	1 825	2 068	2 560	2 321	2 803
Top 5 markets						
United States	Thousands	494	541	617	548	620
Russian Federation	Thousands	74	192	356	404	551
France	Thousands	252	246	264	261	287
United Kingdom	Thousands	161	171	187	172	181
Germany	Thousands	90	101	147	147	179
Number of same-day visitors	Thousands	9	226	468	418	642
International travel receipts	Million ILS	8 593	9 073	11 712	10 783	13 841
International passenger transport receipts	Million ILS	2 407	2 683	2 695	2 325	2 781

Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932630565

Table 4.99. **Israel: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	3 713	4 147	4 207	4 006	4 269
International travel expenditure	Million ILS	13 295	13 392	12 340	11 438	12 743
International passenger transport expenditure	Million ILS	3 952	4 071	3 611	3 776	3 810

Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932630584

Table 4.100. **Israel: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Total	**Establishments**	**15 071**	**16 437**	**19 332**	**18 516**	**19 365**
Total types of accommodation units	Establishments	1 812	1 943	2 133	1 816	1 807
Tourist hotels	Establishments	331	331	335	336	332
Restaurants	Establishments	7 668	7 979	8 286	8 605	8 936
Tour operators	Establishments	. .	75	78	81	84
Travel agencies	Establishments	1 091	1 109	1 000	1 078	1 090
Shops with VAT refund arrangements	Establishments	4 500	5 000	7 500	6 600	7 116

Source: Ministry of Tourism

StatLink http://dx.doi.org/10.1787/888932630603

Table 4.101. **Israel: Employment in tourism**

	Units	2006	2007	2008[1]	2009[1]	2010[1]
Total	**Employees**	**77 300**	**84 538**	**86 000**	**90 000**	**92 000**

1. Estimated.

Source: Ministry of Tourism

StatLink http://dx.doi.org/10.1787/888932630622

Table 4.102. **Israel: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Domestic tourism consumption	Million ILS	15 261	16 391	16 420	16 860	18 122
Inbound tourism consumption	Million ILS	11 001	11 756	14 408	13 243	16 477
Total tourism consumption	Million ILS	26 262	28 147	30 828	30 103	34 599
Tourism GDP	Million ILS	12 084	12 947	14 383	13 936	16 183
Tourism share of GDP	Percentage	2.1	2.1	2.2	2	2.3
Tourism share of employment	Percentage	3	3.2	3.3	3.2	3.5

Source: Ministry of Tourism, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932630641

Italy

Tourism in the economy

Tourism accounts for 3.5% of Italy's GDP, a level that has remained almost constant since 2004. Over that period, however, employment in the industry has risen from 4.6% of total employment to 5.2%. There are approximately 1.3 million people employed in the hotel and restaurant sectors alone.

Italy is one of the world's largest tourist destinations, receiving 73.2 million visitors in 2010. The main origin markets for foreign tourism to the country were Switzerland, Germany, France, Austria and Slovenia, although arrivals from Germany are 9.2% down on the peak year of 2004. Italians made 55.3 million trips abroad in 2010, 37% more than in 2004.

Tourism organisation and governance

The Italian government authority responsible for tourism is the Department for Development and Competitiveness of Tourism (*Dipartimento per lo Sviluppo e la Competitività del Turismo*) at the Prime Minister's Office, under the authority of a Minister of Tourism (Figure 4.18).

The Department of Tourism carries out the following tasks:

- elaborates and defines national tourism policies, in co-ordination with regions and autonomous provinces;
- adopts measures for the tourism sector, as well as for planning and management of structural funds;
- supervises the State Tourism Agency – ENIT, ACI (*Automobile Club d'Italia*) and CAI (*Club Alpino Italiano*);
- provides assistance and incentives to develop tourism demand;
- promotes investment both in Italy and abroad;
- delivers certifications and authorisations to foreign professionals; and
- manages relations with international organisations and participates in the elaboration and adoption of EU legislation.

The State Tourism Agency (ENIT – *Ente Nazionale Italiano per Il Turismo*) is under the supervision of the Department of Tourism. Regions and other stakeholders are represented on the executive board. It pursues the objective of promoting Italy as a destination and promoting its natural and cultural heritage. It also carries out studies and publications, and develops marketing and promotion strategies aimed at supporting the Italian tourist sector, in co-ordination with local authorities and other stakeholders.

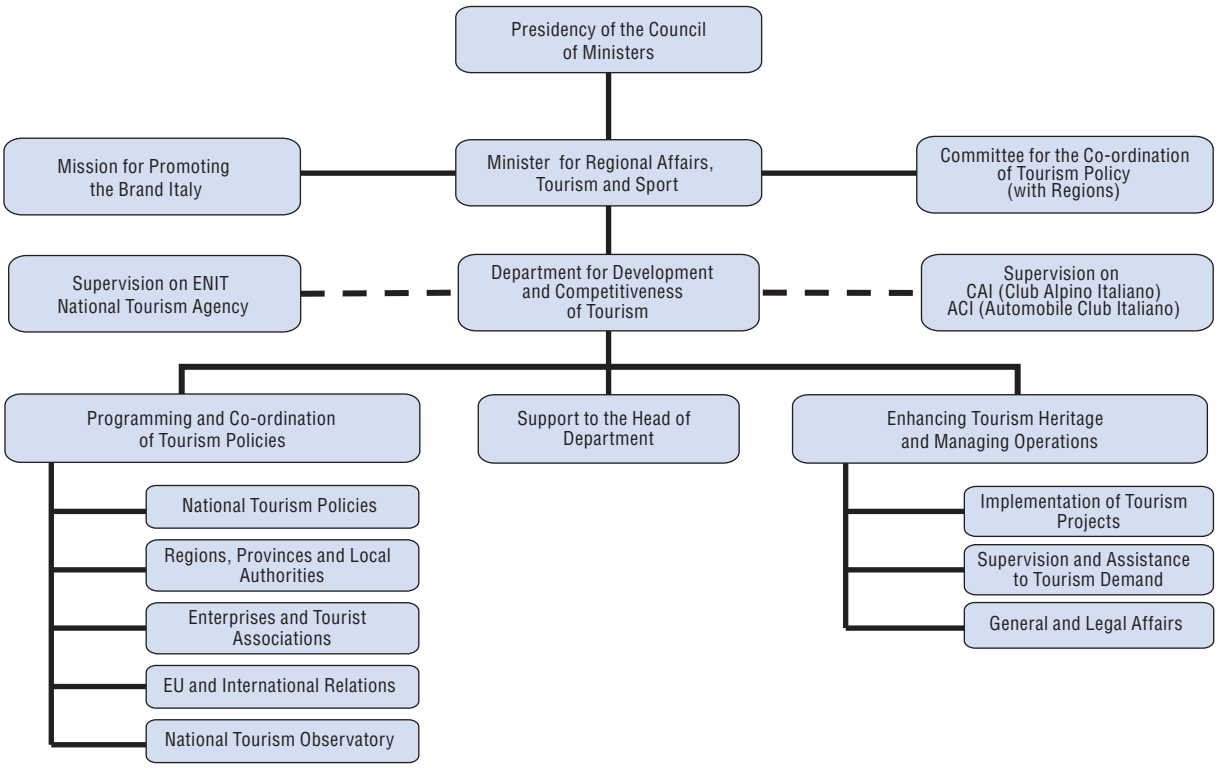
The Constitution empowers Italy's regions to play an essential role in the field of the tourism through several key activities such as:

- managing European Structural Funds;
- programming and developing tourism activities at regional and local level;
- promoting strategic marketing activities;
- performing tasks related to regional tourism structures; and
- performing tasks related to enterprises and tourism professions.

Provinces and municipalities contribute to the improvement of the quality of tourism supply. Their national organisations are: UPI (*Unione delle Province Italiane*) and ANCI (*Associazione Nazionale dei Comuni Italiani*).

The most important industry federations/associations at national level in the field of tourism are: Federturismo (*Confindustria*), Confturismo (*Confcommercio*) and Assoturismo (*Confesercenti*). Their tasks are to represent tourism industries and professionals, provide information and communication on actions of common interest, undertake training, studies and research programmes, promote the culture of entrepreneurship and support initiatives in sustainable tourism development.

Figure 4.18. **Italy: Organisational chart of tourism bodies**



Source: OECD, adapted from Department for Development and Competitiveness of Tourism, 2012.

Tourism budget

The 2011 budget for the National Tourism Administration (Department of Tourism) was EUR 41.2 million of which EUR 20.5 million were earmarked for the operations of ENIT.

In addition, regional organisations in tourism have their own budgets. In 2009, the latest year for which data are available, total expenditure on tourism was EUR 1.611 billion.

Legislation in 2006 and 2009 allocated funds for implementing flagship projects to develop and promote tourism nationally and to recover its international competitiveness. These were made available to regions and autonomous provinces and totalled EUR 112.7 million.

Tourism-related policies and programmes

Regional and local development

The Department of Tourism leads a project aimed at providing the Convergence Regions (Calabria, Campania, Puglia and Sicily) with tools and methodologies supporting the design and management of development plans in the tourism sector. The budget allocated to this project, co-financed through the Governance and Technical Assistance National Operational Plans (ERDF 2007-13) is EUR 4.4 million.

Also related to the Convergence Regions are two further programmes, both part of the Inter-regional Programme on Cultural, Natural and Tourism Attractors. The first is worth EUR 49.9 million in the period 2007-13, and seeks to promote social and economic development through the valorisation of the cultural, natural and landscape heritage. The second, worth EUR 139 000 over the same period, has now been completed and produced studies on the tourism economy of the four Convergence Regions, including data on tourist structures and tourism flows in those regions.

A Memorandum of Understanding between the Department of Tourism and the Regions and Autonomous Provinces was signed in June 2010 to implement provisions relating to 43 regional and inter-regional projects prepared by local authorities. Each project is subject to the signature of a project-specific agreement, in which the contribution of the State may not exceed 90% of the project cost, the balance coming from the regional administrations and/or other participating bodies.

Legislation

In May 2011, the Council of Ministers approved a decree issuing the Code on Tourism (*Codice della normativa statale in tema di ordinamento e mercato del turismo*) which entered into force in June 2011. This aims to regularise tourism to meet the obligations required of the sector under international and European Union law.

The Code revises the organisation of the tourism sector to: ensure modern market regulation in line with European legislation; promote the latest computer technology, security needs and issues of environmental protection; protect the rights and interests of consumers and professionals; and provide incentives and support for small and medium-sized enterprises in the tourism sector.

In January 2009, the minister signed a decree on "holiday vouchers" to benefit low income families. Vouchers can be used from 6 January until the first week of July, and from the first week of September until 20 December, and cover between 20% and 45% of the average family holiday cost depending on annual family income and the number of people in the family. In 2010 the decree was modified to extend its validity slightly during the year.

Programmes and projects

Several initiatives are underway in the framework of social policies and economic recovery plans, financed with national and EU funds. For example, the MOTUS initiative has the specific aim of providing services of excellence for the tourism industry and training highly skilled professionals in order to benefit young people from Southern Italy. A Committee for the Enhancement of Education and Training in Tourism was established in 2009.

The Department of Tourism and the Regions has co-financed several multi-annual projects in the regions, such as a programme of hospitality in villages in Campania, Basilicata and Puglia, a programme of Mediterranean food and wine in Calabria, Sicily and Puglia, and a programme of tourism in the countryside in Lombardy, Sicily and other regions. Elsewhere across Italy, regional projects seek to improve the performance of tourism enterprises, promote cultural tourism, improve infrastructure, minimise waste, create new tourist and cultural routes and enhance the natural and cultural heritage.

The project *Lavoro e Sviluppo 4, 2007-2013* (Work and Development) focuses on providing 6 000 training places for disadvantaged or unemployed people across Italy's Convergence Regions, providing on-the-job training in tourism enterprises, in the context of national job creation policies, with a view to matching supply and demand in the tourism sector and inserting highly skilled professionals into targeted tourism enterprises.

The Ministry of Education, Universities and Research, in co-operation with the Department of Tourism and the Technical Unit for the Celebration of the 150th Anniversary of Italy's Unification has launched an initiative aimed at promoting educational travel for secondary school students to sites and events organised for the 150th celebrations. The initiative is relevant to the tourism sector because, in addition to helping young people to better understand the historical events that led to the unification of the country, it will also help to spread seasonal demand more widely.

Tourism Ethics Committee

Italy has hosted the Permanent Secretariat of the World Committee on Tourism Ethics with the Department of Tourism since 2008. The committee has the aim of promoting and disseminating the UNWTO Global Code of Ethics in Tourism. The committee has pursued the distribution of the Code at major international and national tourism events, has organised an international conference on Ethics and Tourism, and has drafted model protocols of implementation of the Code's principles.

Other recent initiatives

Common strategies have been launched by the Department of Tourism with the Ministry for Economic Development and the Ministry of Foreign Affairs to promote Italy as a brand (marketing of "Destination Italy" packages, "Made in Italy" products) to attract foreign investments in the tourism industry.

Among the many initiatives taken recently by the tourism authorities are:

- the signing, in 2010, of a Memorandum of Understanding between Italy and France on the promotion of the *Via Francigena* for the development of a common long-term strategy for the protection and promotion of cultural routes; this was also opened for the signature of the United Kingdom and Switzerland;

- the signing, in 2011, of a protocol between Italy, France and Spain to promote tourism flows from China, India and Brazil, and of a protocol on tourism development in the Adriatic and Ionian Basin (2010);
- participating in a Memorandum of Understanding of the European Commission to strengthen tourism between South America and Europe;
- the signing, in 2010, of a Memorandum of Understanding under the "Jewels of Italy" project between the Minister of Tourism and the National Association of the Municipalities (ANCI) aimed at promoting national tourism; and
- three initiatives covering "Easy Italy", a multilingual information and assistance service for visitors in seven foreign languages, the creation of a virtual travel market – the first virtual business-to-business travel fair, launched by ENIT, and the "Magic Tour of Italy" initiative with the Minister of Agricultural Policies to promote Italian destinations and products abroad.

Statistical profile

Table 4.103. **Italy: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	89 759	93 453	103 149	94 353	81 760
Number of nights spent	Thousands	569 328	524 161	550 010	530 830	493 681

Source: Italian Institute of Statistics (ISTAT).

StatLink http://dx.doi.org/10.1787/888932630660

Table 4.104. **Italy: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	66 353	70 271	70 719	71 692	73 225
Top 5 markets						
Switzerland	Thousands	10 185	11 000	12 008	12 234	13 297
Germany	Thousands	10 742	11 441	11 517	11 422	10 857
France	Thousands	10 262	9 851	10 107	10 168	9 976
Austria	Thousands	6 212	6 798	6 573	7 318	7 660
Slovenia	Thousands	2 909	2 700	3 900	4 226	4 117
International travel receipts	Million EUR	30 368	31 121	31 090	28 856	29 257

Source: Bank of Italy.

StatLink http://dx.doi.org/10.1787/888932630679

Table 4.105. **Italy: Outbound tourism – Number of trips**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	46 369	49 166	54 421	54 839	55 304
International travel expenditure	Million EUR	18 399	19 952	20 848	20 015	20 416

Source: Bank of Italy.

StatLink http://dx.doi.org/10.1787/888932630698

Table 4.106. **Italy: Enterprises and employment in tourism**

	Units	2006	2007	2008	2009	2010
Number of enterprises (hotels and restaurants)	Establishments	269 606	280 399	291 195	219 003	. .
Tourism employment (hotels and restaurants)	Employees	1 110 855	1 192 638	1 259 586	1 253 843	. .
of which:						
Self-employed	Employees	435 136	449 121	456 728	456 090	. .
Employees	Employees	675 719	743 517	802 858	797 753	. .

Source: Italian Institute of Statistics (ISTAT).

StatLink http://dx.doi.org/10.1787/888932630717

Table 4.107. **Italy: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism share of GDP (hotels and restaurants)	Percentage	3.4	3.4	3.4	3.5	3.5
Tourism share of GDP (including direct, indirect, induced effects)[1]	Percentage	. .	7.4	. .	. .	7.2
Domestic tourism share of final consumption (hotels and restaurants)	Percentage	7.0	7.0	7.6	7.5	7.6
Employment in tourism (hotels and restaurants)	Thousands	1 114	1 154	1 179.0	1 166.0	1 191.0
Tourism share of employment	Percentage	4.8	5.0	5.0	5.1	5.2
Tourism share of employment (including direct,indirect, induced effects)[1]	Percentage	. .	13.4	. .	. .	13.9

1. New series from 2007.

Sources: Italian Institute of Statistics (ISTAT), International Center of Studies on the Tourist Economy (CISET).

StatLink http://dx.doi.org/10.1787/888932630736

Japan

Tourism in the economy

Tourism is one of the major sectors in the Japanese economy. Travel consumption in 2009 was estimated to be about JPY 25.5 trillion. Japan received 8.6 million international arrivals in 2010, of which the five leading origin markets were Korea (2.44 million), China (1.4 million), Chinese Taipei (1.27 million), the United States (727 000) and Hong Kong (509 000). These five markets together accounted for 73.8% of all international visitors to the country.

The production ripple effect by travel consumption in 2009 was JPY 53.1 trillion, which was equivalent to 6.1% of total output according to the 2009 national accounts. The employment effect of 4.62 million people was equivalent to 7.3% of the number of workers in 2009. The tax revenue effect was estimated at JPY 4.6 trillion, which was equivalent to 6% of tax revenue estimates (national and local taxes) in 2009.

Tourism organisation

The Japan Tourism Agency (JTA), established in October 2008 as an extra-ministerial bureau of the Ministry of Land, Infrastructure, Transport and Tourism (Figure 4.19), oversees the administration of tourism policy. JTA, in co-operation with the public and private sectors, promotes the attractiveness of Japan as a tourist destination. The JTA also represents the government of Japan in tourism matters and is headed by a Commissioner.

Tourism budget

The tourism-related budget for fiscal year 2011 (budgets in the Ministry of Land, Infrastructure, Transport and Tourism, excluding regional development and infrastructure building) is approximately JPY 10.15 billion, in which the Visit Japan Project receives JPY 6.05 billion, and the grant for the Japan National Tourism Organisation (JNTO) is JPY 1.97 billion.

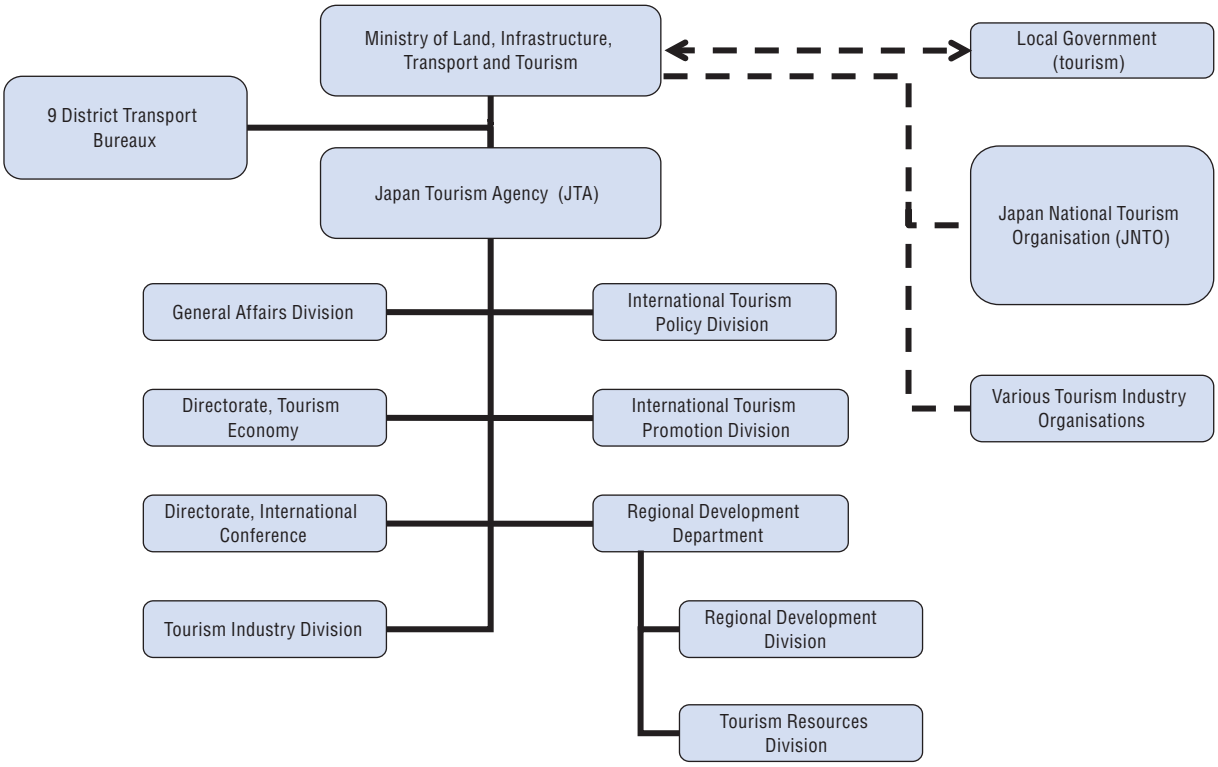
The total budget of JNTO in fiscal year 2011 amounts to about JPY 3.1 billion. In addition to the government grant, JPY 360 million come from contributions and convention support, JPY 410 million from project income, and JPY 350 million from donations.

Tourism-related policies and programmes

Tourism, a source of growth

In June 2010, the government adopted a New Growth Strategy – Blueprint for Revitalising Japan, and selected "Strategies for Promoting a Tourism-Oriented Nation and Local Revitalisation" as one of the seven growth areas. Furthermore, two programmes, "The Programme to Boost Annual International Visitor Numbers to 30 Million" and

Figure 4.19. **Japan: Organisational chart of tourism bodies**



Source: OECD, adapted from Japan Tourism Agency, 2012.

"Promotion of Renovation of Holidays", were presented as one of 21 National Strategic Projects.

The "Programme to Boost Annual International Visitor Numbers to 30 Million" is a government initiative to increase visitor numbers from around the world to a total of 30 million in the future. This will be achieved by simplifying the procedures for tourist visas for Chinese tourists, easing visa requirements, and increasing access to diplomatic offices and tourist agencies to apply for visas. Simultaneously other measures have been taken such as carrying out effective promotion campaigns under the "selection and concentration" principle, promoting tourism in collaboration with medical and other growth fields, and improving acceptance mechanism of international visitors (*e.g.* authorising paid tour guides in addition to nationally licensed tour guide-interpreters).

The government is also taking actions to promote tourism as a source of growth (Boxes 4.12 and 4.13).

For the purpose of levelling off the travel demand and stimulating the latent demand, the government is promoting that public holidays be spread into several weeks on region-by-region basis, this means staggering long vacation times from region to region (the "Rotating Holiday System"). To achieve this, it has been planned to proceed with a study on the revision of the National Holidays Act, and the aim is to start this new holiday system in fiscal year 2012, after a sufficient period of promotion and preparation, while at the same time pursuing efforts to encourage workers to take more annual paid leave. Following the East Japan Earthquake in March 2011, the Cabinet released in August of that year an

Box 4.12. **Recent key policy developments**

The East Japan Earthquake occurred on 11 March 2011. Various places in Japan, mainly the coastline facing the Pacific Ocean in the Tohoku area, were hit by a series of huge tsunamis, causing unprecedented damage. The Fukushima Daiichi and Daini Nuclear Power Stations owned by Tokyo Electric Power Company were damaged and a 20-kilometre radius around the power stations designated as an evacuation zone. After the disaster, the number of international visitors to Japan was down respectively: 50% in March, 63% in April, 50% in May and 36% in June from the previous year, an unprecedented rate of decrease. However, the rate of decrease declined to 11.7% from the previous year in December. In order to aim at immediate recovery, the JTA, in co-operation with local governments, the private sector and JNTO, is making efforts, such as transmitting accurate information to overseas markets, approaching tourism authorities and the media in key markets such as China and South Korea to explain the current situation by the Commissioner himself, and enhancing the approach to overseas media and travel agents, etc. by, for example, media invitations or joint advertising.

Box 4.13. **The Visit Japan Project**

Based on its promotion of Japan over many years as an attractive destination, Japan is promoting the Visit Japan Project to create and support travel products through the combined efforts of the public and private sectors. For example, in the South Korean market which has a high level of repeat visitors to Japan, new Visit Japan travel routes are being advertised in the media. In European markets with a high level of interest in Japanese culture, a campaign website has been developed emphasising traditional Japanese culture. For the provision of accurate information about the current situation of Japan, affected by the Great East Japan Earthquake, promotions and transmission of information have been developed according to market needs and social conditions, through information sources on which people overseas can depend, such as foreign media and social media by the public of each respective nation who have visited Japan.

Interim Report on Strategies to Revitalise Japan, in which it was decided to promote a Rotating Holiday System in order to take into account, as much as possible, the impacts that long vacation times can have on people's lives and economic activities, as well as the level of consensus among people.

It is estimated that increasing the number of international visitors to Japan to 25 million by the beginning of 2020 will produce economic ripple effects worth JPY 10 trillion and generate 560 000 new jobs. The Rotating Holiday System will create demand worth about JPY 1 trillion.

Legislative and regulatory environment

The National Tourism Promotion Basic Law was enacted in January 2007, defining tourism as a core industry and leading to the National Tourism Promotion Basic Plan that sets the goals and policies for the tourism sector.

Domestic and inbound tourism development

In order to achieve the planned increase in international visitors, Japan regards the 13 countries and regions, as important markets for the Visit Japan project. Based on Key Performance Indicators, JTA will prepare a marketing plan for each market, and develop effective overseas promotion under the selection and concentration principle. Japan also promotes the whole range of MICE (Meeting, Incentive Travel, Convention, and Exhibition/ Event) travel.

Industry issues

In order to improve tourism businesses through the enhancement of customer services and profitability, JTA has developed the Promotion Guide of Tourism Industry Innovation, in which the successes and problems learned from the demonstrated businesses were summarised and guidance provided on how to improve tourism operations. Dissemination of this guide was achieved mainly through seminars.

JTA has made efforts to promote human resources at management level in tourism and to enhance tourism-related education via continuing education and higher education institutions.

Specifically, JTA has established a model curriculum and implemented joint industry/ university research to develop teaching materials and enhance the study of the tourism sector. Also, in order to match the supply of worker skills to sector demand, JTA organises internship model businesses in co-operation with tourism-related bodies and companies. In addition, in order to develop human resources who should be responsible for developing tourist destinations, JTA has developed a Guideline Plan clarifying the human resources skills required in each region, accompanied by training activities.

Statistics and performance evaluation

In fiscal year 2009, JTA established a common standard for statistics on inbound and domestic tourism by prefecture, the "Statistics on Inbound and Domestic Tourists by Prefecture"(published in 2010), enabling comparisons to be made between prefectures regarding the number of tourists received and their financial contribution. In fiscal year 2010, the "Accommodation Survey" was expanded to include small-scale accommodation facilities.

By expanding the number of respondents covered by the "National Tourism Survey" used to calculate tourism's economic effects, more precise analysis of trends in demand and consumption is now possible. JTA has also launched the "Consumption Trend Survey for Foreigners Visiting Japan" to grasp foreigners' consumption trends and attitudes by Computer Assisted Personal Interview (CAPI).

In fiscal year 2011, based on the UNWTO-OECD-EUROSTAT Tourism Satellite Account (TSA) model, JTA implemented tables one to seven of the TSA for 2009. Efforts will also be made to implement the Regional Economic Tourism Survey by which economic effects on local areas by tourism, fund flow in the local areas regarding tourism, and the position of the tourism industry in the local areas can be clarified.

Statistical profile

Table 4.108. **Japan: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of nights[1]	Thousands	. .	309 382	309 699	301 304	348 823
Domestic tourism expenditure	Billion JPY	20 600	18 800	18 900	17 300	. .

1. Refers to accommodation with more than ten employees.
Source: Japan Tourism Agency.

StatLink http://dx.doi.org/10.1787/888932630755

Table 4.109. **Japan: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	7 334	8 347	8 351	6 790	8 611
Top 5 markets						
Korea	Thousands	2 117	2 601	2 382	1 587	2 440
Chinese Taipei	Thousands	1 309	1 385	1 390	1 024	1 268
China	Thousands	812	942	1 000	1 006	1 413
United States	Thousands	817	816	768	700	727
Hong Kong	Thousands	352	432	550	450	509
International travel receipts	100 billion JPY	10	11	11	10	12
International passenger transport receipts	100 billion JPY	4	4	3	2	2

Sources: Japan National Tourism Organization, Bank of Japan.

StatLink http://dx.doi.org/10.1787/888932630774

Table 4.110. **Japan: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	17 535	17 295	15 987	15 446	16 637
International travel expenditure	100 billion JPY	31.3	31.2	28.8	23.5	24.9
International passenger transport expenditure	100 billion JPY	12.5	12.6	11.5	9.0	9.9

Sources: Ministry of Justice, Bank of Japan.

StatLink http://dx.doi.org/10.1787/888932630793

Table 4.111. **Japan: Enterprises and employment in tourism**

	Units	2006	2007	2008	2009	2010
Enterprises in tourism	Establishments	73 856	72 421	71 055	69 090	. .
of which:						
Western-style hotels	Establishments	9 165	9 442	9 603	9 688	. .
Japanese-style hotels	Establishments	54 070	52 295	50 846	48 966	. .
Travel agencies	Establishments	10 621	10 684	10 606	10 436	10 283
Tourism employment (travel agencies)	Employees	116 128	108 674	105 706	. .	. .

Source: Ministry of Health, Labour and Welfare, Ministry of Land, Infrastructure and Transport.

StatLink http://dx.doi.org/10.1787/888932630812

Table 4.112. **Japan: Tourism in the national economy**

2009[1]	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Billion JPY	3 849	255	. .
Food and beverage serving services	Billion JPY	2 721	319	. .
Passenger transport services	Billion JPY	6 344	223	. .
Travel agency, tour operator and tourist guide services	Billion JPY	756	30	. .
Cultural services	Billion JPY	258	25	. .
Recreation and other entertainment services	Billion JPY	551	7	. .
Other services	Billion JPY	692	47	. .
Goods[2]	Billion JPY	8 188	264	. .
Total	**Billion JPY**	**23 360**	**1 170**	**10 104**

1. New methodology using System of National Accounts (SNA) data.
2. Comprises connected products only.

Source: Ministry of Land, Infrastructure and Transport.

StatLink http://dx.doi.org/10.1787/888932630831

Table 4.113. **Japan: Other economic indicators**

	Units	Effects	2006	2007	2008	2009[2]	2010
Tourism share of GDP	Percentage	Direct effect	2.9	2.7	2.7	2.6	. .
	Percentage	Ripple effect[1]	6.3	5.8	5.9	5.8	. .
Tourism share of employment	Percentage	Direct effect	4.5	4.2	4.2	4.0	. .
	Percentage	Ripple effect[1]	8.4	7.9	7.8	7.3	. .
Tourism share of services exports	Percentage		9.8	9.6	9.3	9.8	10.9
Government revenue from tourism	Billion JPY	Direct effect	1 980	1 988	1 924	2 002	. .
	Billion JPY	Ripple effect[1]	4 954	5 055	4 608	4 577	. .

1. Includes direct and indirect effects.
2. There are differences between the 2009 figures and the past ones, due to adopting the data adjustment method using System of National Accounts.

Sources: Japan Tourism Agency, Japan System of National Accounts, Balance of Payments.

StatLink http://dx.doi.org/10.1787/888932630850

Korea

Tourism in the economy

In 2010, Korea ranked 28th in the world for international visitor arrivals. The total number of foreign inbound tourists in 2010 was 8.8 million, an increase of 12.5% compared to the previous year. Of the total foreign inbound tourists in 2010, arrivals from Japan were the highest with 3.02 million (34.4% of total arrivals), followed by China with 1.87 million (21.3%), the United States with 0.65 million (7.4%), and Chinese Taipei with 0.4 million (4.6%).

The number of Koreans travelling overseas grew by 31.5% to 12.5 million in 2010. The increase is attributed to the recovery from the global recession and a stabilisation of the exchange rate compared to 2009. Tourism expenditure also showed an increase of 29.4% at USD 14.2 billion. The country ranked 27th globally for international tourism receipts, which totalled USD 10.3 billion, an increase of 5.5% compared to 2009. The tourism balance of payments recorded a deficit of USD 3.97 billion in 2010.

The total value added by the tourism industry was USD 21 billion in 2008, comprising 2.4% of Korea's gross domestic product (GDP). The total number of employees in the tourism-related sector in 2007, which includes accommodation, food, transport, shopping, cultural services and travel agencies, etc., was 2.99 million, or 15.9% of total employment.

Tourism organisation

Within the Ministry of Culture, Sports and Tourism (MCST), the Tourism Industry Bureau is mainly responsible for tourism policy and development (Figure 4.20). It is divided into three divisions:

- Tourism Policy Division
- Tourism Promotion Division
- International Tourism Division

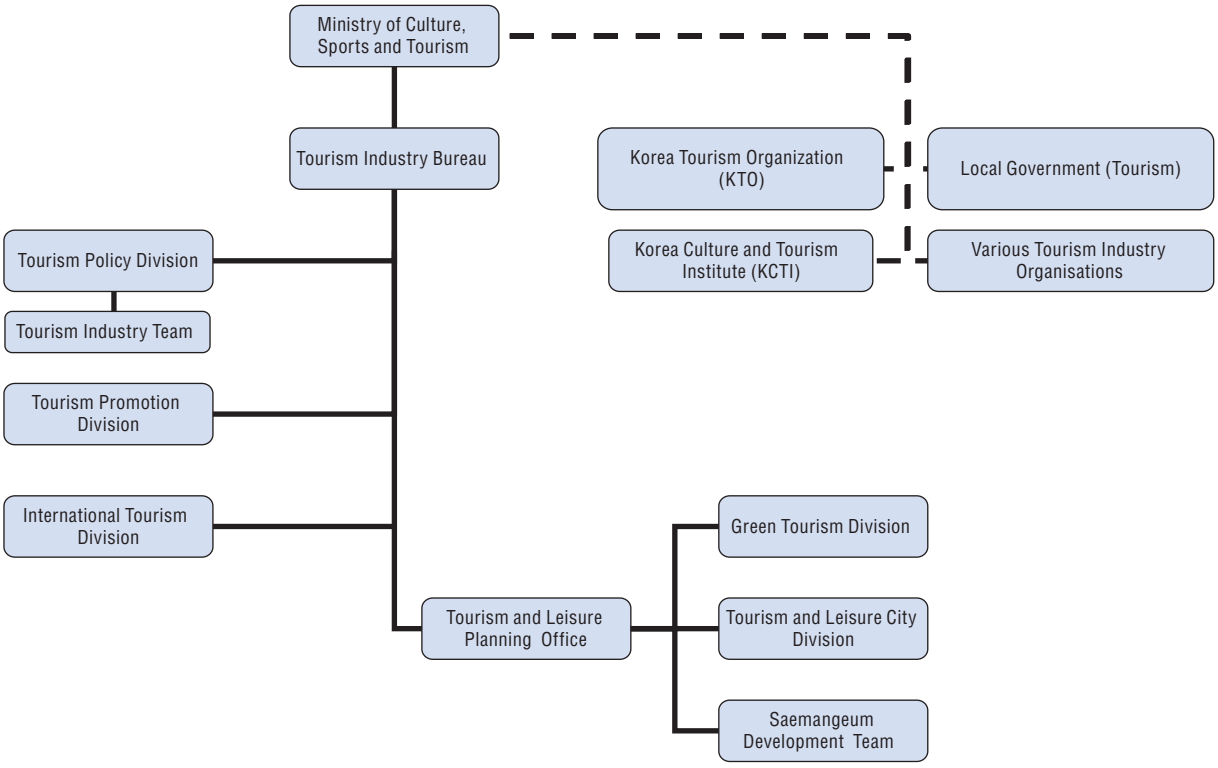
The Tourism and Leisure Planning Bureau is also linked to the Tourism Industry Bureau. It is divided into three divisions, which are the Green Tourism Division, Tourism and Leisure City Division, and the *Saemangeum* Development Team.

The main functions of the MCST in the field of tourism are:

- enhancing the tourism industry and creating a foundation for it to become one of the nation's strategic industries;
- developing tourism resources (accommodation, tourist information systems, tourist amenities, entertainment facilities, tourist souvenirs, traditional Korean cuisines, etc.) as tourist attractions and special regional development;

- managing issues pertaining to casinos and fostering the MICE (Meetings, Incentives, Conventions and Exhibitions) industry, which has been identified as one of the new growth industries in Korea;
- strengthening strategic marketing, bilateral relationships with strategic markets, and international co-operation in tourism; and
- creating tourism and leisure cities of the future.

Figure 4.20. **Korea: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Culture, Sports and Tourism, 2012.

The Korea Tourism Organisation (KTO) is the Korean government's tourism marketing organisation responsible for attracting international visitors to Korea and encouraging Koreans to travel domestically. It is a national statutory authority governed by the Korea Tourism Organisation Act, 1962 and the Tourism Promotion Act, 1975. The four principal divisions of the KTO are the Overseas Marketing Office, MICE Bureau, Domestic Tourism Office, and Tourism Infrastructure Office. The KTO maintains 27 overseas offices in Asia, Europe, the Americas, Africa and Oceania.

The Korean Culture and Tourism Institute (KCTI), a research institute affiliated with the MCST, was established to study and research areas in tourism and culture, in order to help the MCST develop tourism and culture policies systematically. In 2009, the Statistical Information Center of KCTI was expanded to strengthen the production and analysis of tourism statistics, especially by producing the Domestic Visitors' Survey and the Inbound Tourism Survey, previously produced by KTO.

Various business organisations, such as the Korea Tourism Association (KTA), Korea Association of Travel Agents (KATA) and Korea MICE Association (KMA), exist to provide a voice for the many stakeholders in the tourism industry. These organisations are making collective efforts to further the sustainable growth of the tourism industry.

Tourism budget

The budget for tourism is made up of general accounting, tourism promotion and development funds, and special accounting for balanced national development. In 2010, a budget of KRW 11.1 billion was allotted for general accounting, KRW 616.5 billion for tourism promotion and development, and KRW 312.1 billion for special accounting.

The budget for general accounting is used to invest in infrastructure to promote tourism, such as policies for the development of tourism resources and businesses to encourage international inbound tourism, and the development of tourism and leisure cities. Tourism promotion and development funds are operated as public funds to develop the tourism industry efficiently and contribute to an increase in international inbound tourism revenues.

Special accounting for balanced national development is used for the development of a regionally based travel industry, including such aspects as:

- travel destination development;
- establishment of convention centres;
- cultural and travel resources development;
- eco-friendly travel resources development;
- Confucianism-themed tourism development;
- support for the construction of access roads to enterprise cities;
- development of tourist spots and culture tour programmes in *Jeju-do;* and
- tourism development in the areas of the Southern Coast belt, *Jirisan*, and the Western Coast.

The MCST measures the intended and actual performance of each programme and project based on project results and impact. The results from the monitoring of each programme are submitted annually to the Ministry of Planning and Finance for the overall evaluation of the performance of public spending in tourism.

Tourism-related policies and programmes

In July 2010, the MCST, together with five other ministries, including the Ministry of Planning and Finance, announced the Tourism and Leisure Industry Fostering Plan. The Plan lays out the strategies to attract 12 million international arrivals by 2014, and create new jobs by increasing domestic tourism demand to 14 days per person, by the same year. Based upon the Plan, the MCST has worked on four strategies:

Invigorating the local economy by expanding the needs for domestic tourism

By building the emotional appeal of a Korean holiday under the "Corner to Corner in Korea" campaign, and by encouraging the use of stockpiled annual leave, the MCST has worked on raising the awareness, knowledge and desire of Koreans to travel within Korea, thereby increasing the value of domestic tourism. The ministry also introduced the Korea

Pass (Box 4.14), an all-in-one travel card that can be used to pay for accommodation, entrance fees for tourism attractions and shopping purchases.

Box 4.14. **Korea Pass**

The Korea Pass is a prepaid tourism card designed by the Ministry of Culture, Sports and Tourism (MCST) and the Korea Tourism Organization (KTO). It is issued and managed on behalf of the MCST and KTO by Lotte Card Co, Ltd. Korea Pass comes with a free tourist guide to Korea and a variety of discount coupons. Buying Korea Pass lets tourists enjoy special discounts at more than 60 tourist attractions, shopping areas and entertainment venues, including major department stores such as Lotte department store and duty-free store.

Korea Pass cards are available in denominations of 50 000, 100 000, 300 000 and 500 000 KRW (1 EUR is about 1 450 KRW as of March 2012) at Incheon International Airport. Korea Pass cards are also available with an optional transportation function, the balance of which is separate from the main credit. Information is available at +82 2 13 30, a 24-hour Travel Information Service, or at the following website *www.koreapass.or.kr/koreapass/en/koreapass.html*.

Developing indigenous and creative tourism contents

The MCST has actively utilised traditional culture as a tourism resource, capitalising on such cultural attractions as the six palaces of Korea's ancient dynasties, and traditional housing and temples. The ministry also designated eight core sites (including *Andong Hahoe* Folk Village, *Sunchun* wetland, and *Insadong*) to advance the attractiveness of Korea as a unique destination for international tourism. Eco-friendly green tourism was promoted as a way of achieving the national vision of green growth for the next generation.

Strengthening marketing and promotion through the 2010-2012 Visit Korea Campaign

The 2010-2012 Visit Korea campaign was successfully launched in 2010 to build Korea's profile and reputation as an exciting and desirable tourist destination, and to increase demand and visitor growth. Among the diverse range of campaign programmes, K-pop or *Hallryu* drama programmes and movies were made into unique tourism products. In addition, the Korea Grand Sale, a shopping event which caters to Japanese and Chinese shopping tourists, various festivals, and the Korea International Travel Mart, were incorporated into the national hospitality campaign.

Fostering high value-added segments such as MICE and medical tourism

Three major programmes to encourage MICE tourism have been put forward: fostering Korea's Star MICE brand, global campaigns promoting Korea as a premier MICE destination and the development of state-of-the art MICE infrastructure. Korea also successfully hosted the G20 Seoul Summit and the 2nd T20 Tourism Ministers' meeting. Subsequently, Korea was ranked 8th in the world and 34th in the Asia-Pacific region for hosting 347 international conferences in 2010.

Medical tourism was also high on the agenda of tourism policy in 2010. In order to boost visitor arrivals for medical services and tours, one-stop service centres for medical

tourism have been established at the Incheon International Airport and the KTO, while training for high-skilled individuals at these centres has been enhanced.

Enhancing tourism infrastructure and productivity

In order to position Korea for the next phase of growth by moving away from the pursuit of volume tourism towards greater value-added tourism, the ministry has improved accommodation, tour guides, shopping and food systems that are directly related to visitors' satisfaction. For example, the number of premier and high-quality accommodation units has been expanded to 8 093 971, which is a 4.2% increase over the previous year and the government made greater efforts to provide more qualified tour guides by educating them to improve their knowledge and capability in selling Korean tourism products and inspiring consumers through service quality.

Statistical profile

Table 4.114. **Korea: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	248 608	294 339	267 009	268 647	263 633

Source: Ministry of Culture, Sports and Tourism, Domestic Visitor Survey, 2008, 2009, 2010.

StatLink http://dx.doi.org/10.1787/888932630869

Table 4.115. **Korea: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	6 155	6 448	6 891	7 818	8 798
Top 5 markets						
Japan	Thousands	2 339	2 336	2 378	3 053	3 023
China	Thousands	897	1 069	1 168	1 342	1 875
United States	Thousands	556	587	610	611	653
Chinese Taipei	Thousands	338	335	320	381	406
Hong Kong	Thousands	143	140	160	216	229
International travel receipts	Million USD	5 760	6 094	9 719	9 782	10 321

Source: Korea Tourism Organisation, *Tourism Market Trend*, 2010.

StatLink http://dx.doi.org/10.1787/888932630888

Table 4.116. **Korea: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	11 610	13 325	11 996	9 494	12 488
International travel expenditure	Million USD	14 336	16 950	14 581	11 040	14 292

Source: Korea Tourism Organisation, *Tourism Market Trend*, 2010.

StatLink http://dx.doi.org/10.1787/888932630907

Table 4.117. **Korea: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Total number of enterprises in tourism	**Establishments**	**. .**	**11 716**	**11 977**	**12 755**	**. .**
Travel agencies service	Establishments	. .	8 555	8 499	8 569	. .
Tourism accommodations service	Establishments	. .	761	758	844	. .
Tourist recreational service	Establishments	. .	203	198	233	. .
Convention service	Establishments	. .	212	237	308	. .
Casino service	Establishments	. .	17	17	17	. .
Entertainment facility service	Establishments	. .	188	201	277	. .
Tourist convenience facility service	Establishments	. .	1 780	2 067	2 507	. .

Source: Ministry of Culture, Sports and Tourism, Census on Basic Characteristics of Tourism Establishments, 2011.

StatLink http://dx.doi.org/10.1787/888932630926

Table 4.118. **Korea: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010
Travel agencies service	Employees	. .	54 964	54 661	46 989	. .
Tourism accommodations service	Employees	. .	49 560	53 385	56 530	. .
Tourist recreational service[2]	Employees	. .	5 475	7 909	8 575	. .
Convention service	Employees	. .	7 645	7 710	8 737	. .
Casino service	Employees	. .	6 045	5 819	6 212	. .
Entertainment facility service	Employees	. .	10 908	10 865	10 946	. .
Tourist convenience facility service[3]	Employees	. .	33 363	26 825	30 951	. .
Total	**Employees**	**. .**	**167 960**	**167 174**	**168 940**	**. .**

1. Full-time equivalent jobs.
2. Includes professional resort services, excursion boat and cruise services, art performance service, souvenir shop exclusive for foreign tourists, etc.
3. Includes restaurants which provide entertainments, other restaurants, city tour services, tour photo services and transport terminal services.

Source: Ministry of Culture, Sports and Tourism, Census on Basic Characteristics of Tourism Establishments, 2011.

StatLink http://dx.doi.org/10.1787/888932630945

Table 4.119. **Korea: Other economic indicators**

	Units	2004	2006	2007	2008
Internal domestic tourism consumption as a % of final consumption	Percentage	4.68	. .	. .	. .
Tourism GDP as a percentage of GDP	Percentage	2.62	. .	. .	2.4
Government revenues from tourism	Percentage	3.93	. .	. .	. .
Tourism exports as a % of exports of services	Percentage	1.91	. .	. .	. .

Source: Ministry of Culture, Sports and Tourism, Korea Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932630964

Luxembourg

Tourism in the economy

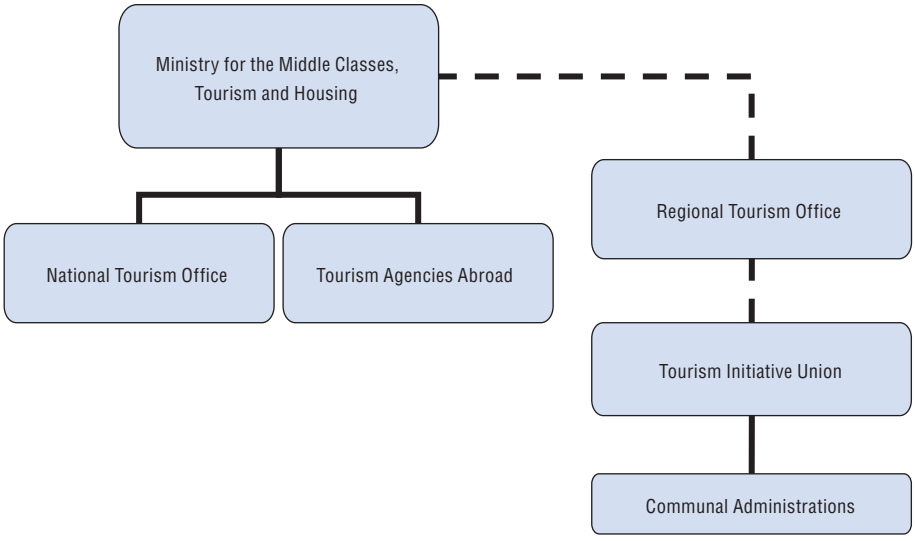
A report by the World Travel and Tourism Council (WTTC) for 2011 assesses the direct impact of the tourism industry at 2.1% of gross domestic product (EUR 0.846 billion), and its aggregate impact (direct and indirect) at 4.6%. According to the same source, tourism's direct share of employment is 2.8% (6 000 jobs), and its aggregate share of employment is 6.3% (14 000 jobs).

In 2010, Luxembourg welcomed 833 000 tourists, 21% of whom were from Belgium, 20% from the Netherlands, 15% from Germany and 15% from France. These visits generated EUR 3.1 billion in income from international tourism.

Tourism organisation

Since 2007, the Ministry of Tourism has operated regional tourist offices (RTOs) within the country, bringing together each region's leading stakeholders in tourism with a view towards better co-ordinating activities and making management more professional (Figure 4.21). Routine management of each RTO is the responsibility of an executive appointed by the Board of Directors and approved by the Ministry of Tourism.

Figure 4.21. **Luxembourg: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry for the Middle Classes, Tourism and Housing, 2012.

The funding available to an RTO includes annual subsidies from the central and local government budgets, dues from members and all other income, to the exclusion of proceeds from commercial initiatives. A "Marketing Master Plan" was formulated in 2010 to lay down the most important activities of the regional tourist offices.

Tourism budget

The primary funding source for the development of tourism is the main central government budget. The 2010 budget of the Ministry of Tourism totalled EUR 14.7 million, and that of the National Tourist Office EUR 3.46 million (including EUR 1.975 million in subsidies from the Ministry of Tourism).

Tourism-related policies and programmes

Since 2004, the National Tourist Board has been the vector for co-operation among the industry's main stakeholders. Its mission is to advise the government on tourism-related subjects, facilitate a more highly structured dialogue among tourism professionals and spark discussions on tourism-related topics of broad general interest.

The government's tourism policy is based on the needs of the tourist sector, planning for which is carried out through five-year plans, which have ushered in additions and improvements to Luxembourg's tourist infrastructure at the levels of local authorities and businesses alike. With the eighth five-year plan drawing to an end in 2012, the ninth five-year plan (2013-17) is currently being prepared.

Statistical profile

Table 4.120. **Luxembourg: Domestic overnight tourism**

	Units	2008	2009	2010[1]
Number of overnight stays	Thousands	2 460	2 261	1 868
Arrivals	Thousands	936	906	888

1. Estimate.
Source: Central Service of Statistics and Economic Studies (STATEC).

StatLink http://dx.doi.org/10.1787/888932630983

Table 4.121. **Luxembourg: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010[1]
Total international arrivals	Thousands	970	981	938	847	833
Top 4 markets						
Belgium	Thousands	186	191	177	172	171
Netherlands	Thousands	217	203	190	189	165
Germany	Thousands	123	135	124	118	123
France	Thousands	104	107	110	114	123
International travel receipts	Million EUR	2 891	2 935	3 047	2 989	3 105

1. Estimate.
Source: Central Service of Statistics and Economic Studies (STATEC).

StatLink http://dx.doi.org/10.1787/888932631002

Table 4.122. **Luxembourg: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of departures	Millions	285	307	329	. .	. .
International travel expenditure	Million EUR	2 493	2 538	2 598	. .	. .

Source: Central Service of Statistics and Economic Studies (STATEC).

StatLink http://dx.doi.org/10.1787/888932631021

Table 4.123. **Luxembourg: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels, hostels and pensions	Establishments	286	280	270	263	265
Travel agencies	Establishments	93	88	82	84	84
Campsites	Establishments	100	98	97	96	97
Total	**Establishments**	**479**	**466**	**449**	**443**	**446**

Source: Central Service of Statistics and Economic Studies (STATEC).

StatLink http://dx.doi.org/10.1787/888932631040

Mexico

Tourism in the economy

Tourism in Mexico is seen as a key sector of the country's economy and an important source of regional development, employment, foreign currency and economic activity. In 2009, output was calculated as USD 108.2 billion, of which domestic tourists accounted for 85.7%, and international visitors for 14.3%. According to the Tourism Satellite Account (TSA), tourism accounted for 8% of GDP in 2009, higher than the combined totals of agriculture and the food industry, and employed 2.45 million people, 6.9% of total employment.

Mexico's Central Bank shows that international tourism receipts have grown on average by 3.4% a year over the past 20 years, with international arrivals growing slightly faster (3.5% a year). By 2011, Mexico's share of global international arrivals was 2.3%, with 22.7 million arrivals. The five leading origin markets in 2011 were the United States (accounting for 80% of all arrivals), Canada, the United Kingdom, Spain and Argentina. Together these five markets accounted for 90% of all arrivals.

Tourism organisation

The Ministry of Tourism is the leading organisation in the federal government with a mandate to design, co-ordinate and implement tourism policy (Figure 4.22). Specific policy details are set out by each administration, which in Mexico changes every six years following presidential elections. During the first semester of every new administration, a National Development Plan and individual plans for economic sectors such as tourism are set out by the executive.

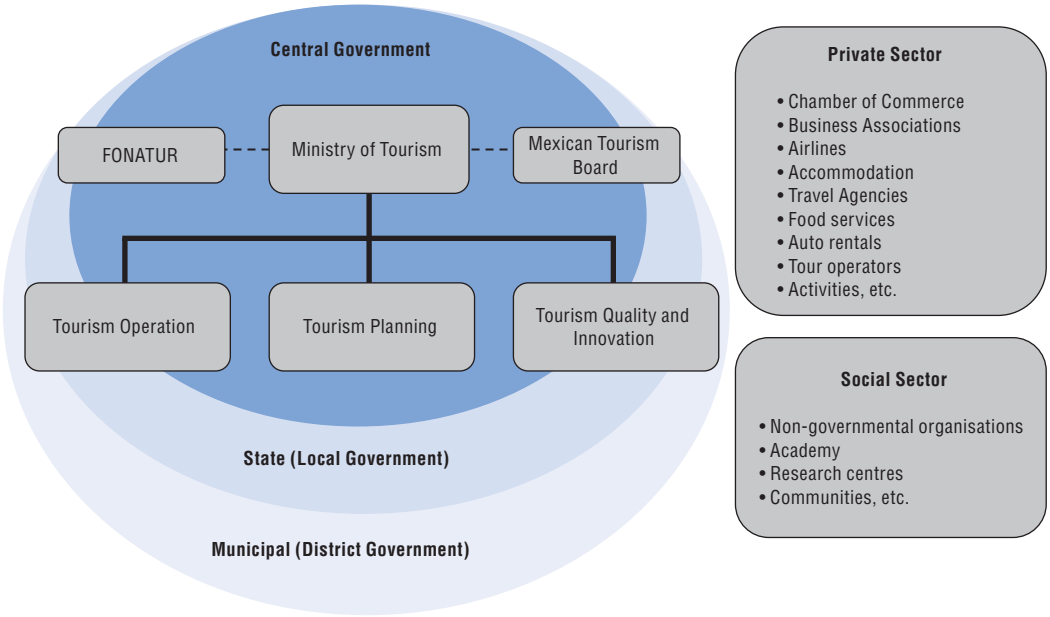
The mission of the Ministry of Tourism is to develop tourism by planning, stimulating the sector, providing operational support, and promoting tourism services in co-ordination with the different bodies and levels of government. The head of the ministry (the Secretary), interacts and co-ordinates actions with the National Fund to Promote Tourism (FONATUR) and the Mexican Tourism Board.

FONATUR identifies potential large-scale tourism development projects, assists and supports state governments in the planning of local projects, partakes in the construction of basic infrastructure in tourist destinations, and is in charge of attracting private investment to them.

The Mexican Tourism Board develops and executes strategies to promote tourism to and from Mexico at national and international level and maintains offices in major tourism origin markets for promotional purposes.

The General Tourism Law (2009) establishes the basis for co-ordination between federal, state and local authorities, and defines the main roles and responsibilities for each

Figure 4.22. **Mexico: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2012.

level of government. It also states that the ministry is to register all tourism service providers, organise and publish tourism-related statistics, and conclude international agreements to promote foreign investment for tourism in Mexico.

Tourism budget

In 2010, the total budget for the Ministry of Tourism was USD 432.3 million, of which USD 127.6 million were transferred to states and local governments to progress local tourism infrastructure and enhance the image of tourist destinations. Inland destinations that possess the wealth of Mexico's cultural heritage are the major recipients of these funds.

The Mexican Tourism Board received USD 56.7 million of operational funds in 2011 and USD 139.7 million for promotion. FONATUR's budget reached USD 247.2 million in 2011. In contrast to the infrastructure investments carried out by the ministry, FONATUR´s investments take place mainly in coastal regions.

Total direct public investment for infrastructure, urban development and training for the period 2007-11 increased by 190% on the figure for 2001-06, while private investment increased by 26.4%. The share of private investment was 65% national and 35% foreign.

Tourism-related policies and programmes

In 2007, the national Association of Governors set up a Task Force for the development of tourism and as a result, 2011 was declared "The Year of Tourism in Mexico". One of the first actions taken was the creation of the National Agreement for Tourism, in February 2011.

National Agreement for Tourism (NAT)

NAT is a collaborative tool between multiple stakeholders within the tourism sector. It sets out a long-term tourism policy whereby stakeholders can become leaders in the sector through market diversification (niches, products and destinations) and by strengthening the country's image as a tourist destination (Box 4.15). The main objectives of NAT are to:

- position Mexico as one of the top five tourist destinations in the world by 2018;
- achieve 50 million international tourists and 300 million domestic tourists by 2018; and
- raise revenues from tourism to USD 40 billion.

Box 4.15. **Strategic focus of the National Agreement for Tourism**

- Increase air connectivity and facilitate the flow of tourists.
- Build, maintain and improve tourism infrastructure, and promote urban management.
- Strengthen the promotion of Mexico as a tourist destination nationally and abroad.
- Stimulate public and private investment and facilitate the financing of tourism.
- Raise the competitiveness of destinations and tourism businesses to ensure the best tourist experience.
- Diversify and enrich the tourism offer with destinations, products and services of higher quality.
- Support the integration of national productive chains.
- Enhance a culture of tourism to develop a national awareness of the sector's importance and to conserve the nation's cultural and natural heritage.
- Promote changes to the legal framework for tourism sector development.
- Stimulate sustainable development of the sector.

Routes of Mexico

This programme presents ten routes throughout the country, enabling travellers to enjoy Mexico's natural, architectural, historical and cultural inheritance and richness. Combined, the 10 routes cover all 32 states of the country and include special interest destinations. Each route suggests a different travel experience including: gastronomy, ecotourism, adventure, extreme-sports, folk art, beach destinations, historical sites, archaeological sites and more (*http://rutasdemexico.visitmexico.com/rutasdemexico*).

Pueblos Mágicos (Magical Towns) Programme

This innovative programme increases Mexico's tourist offering by re-emphasising rural towns that have special attributes for tourism, such as symbolic positioning (*e.g.* legend and history), and historical and socio-cultural conditions. In 2011, there are 43 *Pueblos Mágicos*, benefiting more than 880 000 inhabitants. This is one of the most successful federal government tourism programmes, because it encourages the development and growth of communities and rural towns and acknowledges the efforts of residents for having maintained the natural and cultural inheritance and local traditions. The government has assigned more than USD 32 million to the *Pueblos Mágicos* programme throughout the country (*www.visitmexico.com/pueblosmagicos*).

Green innovation

In accordance with the National Development Plan 2007-2012, the government currently runs several programmes to support sustainability.

- **Environmental Quality Tourism:** this delivers a certification system for tourist service providers who have demonstrated compliance with environmental legislation and self-regulation policies.
- **Clean Tourism Destination:** this is an initiative that involves efforts by municipalities to work in integrated water and solid waste management as well as tourism services offered in the destination.
- **Climate Change:** this is run by a Commission that developed the Special Programme for Climate Change, with 30 goals (of which 5 are for adaptation, 6 are for mitigation and 19 are cross-policy goals). The main objectives are to establish a sectoral fund in co-ordination with the National Council of Science and Technology, which is financing two research projects in this field, to develop a programme of certification and to recognise the best environmental practices in tourism logistics and facilities.
- **Sustainable Tourism Certificate:** this programme was instituted nationwide and is run jointly with the Office of the Attorney General for Environmental Protection, pursuing full compliance with environmental regulations and the implementation of best practice.

Facilitation of travel

Migration and visa policies have been further liberalised with the objective of increasing the number of tourists and business visitors coming to the country. Visas are now generally issued for ten years, and the process to obtain them has been shortened. In May 2010, the federal government agreed to accept the American Visa to enter the country. As a result of this new migration policy, the number of international visitors by air increased 14.3% on 2009.

International activities

The Ministry of Tourism has concluded bilateral agreements with countries such as Canada, Panama, the Russian Federation and Venezuela, and participates in several international forums to enhance trade in tourism. Mexico is a member of several international tourism organisations and forums such as UNWTO, APEC, AEC and OECD. Mexico is supporting the *Golden Book of Travel and Tourism*, an initiative of the UNWTO and the World Travel and Tourism Council.

Diversity and promotion

Among the strategies and activities held in the past two years to enhance tourism in Mexico and to strengthen the position of Mexico worldwide are the:

- development of national campaigns such as “Live Mexico”, and “Did you know about…?” and international campaigns like “Mexico, the place you thought you knew” that have been successfully launched to address specific segments of both domestic and international tourism;
- participation in international tourism fairs, seminars and conferences such as the Professional Convention Management Association, Travel Weekly Annual Meeting, and International Tourism Fairs held in different countries;

- launching of two Cultural Tourism World Fairs in 2010 and 2011, and hosting more than 80 national and international representatives specialising in cultural tourism to exchange experiences, create business opportunities and promote networking;
- organisation of the Adventure Tourism World Summit in 2011; and
- ensuring that the government and private sector work together to develop and sponsor medical tourism, thereby strengthening the quality of medical services and attracting fresh private infrastructure investment.

Mexico has also been the recipient of several international tourism awards, such as the Best Promotional Video at ITB Germany (2011) and the Travel Weekly Magellan Award (2011).

Statistical profile

Table 4.124. **Mexico: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011[1]
Number of overnight stays	Thousands	94 360	123 381	131 244	116 418	127 339	133 360

1. Preliminary data.
Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932631059

Table 4.125. **Mexico: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011[1]
Total international arrivals	Thousands	21 353	21 370	22 637	21 454	22 260	22 677
Top 5 markets							
United States	Thousands	17 512	17 244	18 034	17 632	17 872	16 790
Canada	Thousands	777	946	1 135	1 222	1 460	1 563
United Kingdom	Thousands	259	283	311	257	296	330
Spain	Thousands	260	277	285	216	287	280
France	Thousands	172	190	208	164	170	187
Number of same-day visitors	Thousands	76 348	70 810	68 825	64 735	57 506	51 280
International travel receipts	Million MXN	132 715	140 447	147 903	152 301	148 532	145 033
International passenger transport receipts	Million MXN	12 568	12 417	15 039	13 969	8 317	. .

1. Preliminary data.
Source: Ministry of Tourism, National Bank.

StatLink http://dx.doi.org/10.1787/888932631078

Table 4.126. **Mexico: Outbound tourism – Number of trips and expenditure**

	Units	2006	2007	2008	2009	2010	2011[1]
Number of tourism trips	Thousands	14 002	15 083	14 450	13 942	14 395	14 656
International travel expenditure	Million MXN	88 374	91 521	94 890	96 332	92 002	96 625
International passenger transport expenditure	Million MXN	13 963	15 909	18 479	20 138	22 627	. .

1. Preliminary data.
Source: Ministry of Tourism, National Bank.

StatLink http://dx.doi.org/10.1787/888932631097

Table 4.127. **Mexico: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010[1]
Accommodation services	Establishments	14 410	14 963	15 754	16 231	16 794
Food and beverage serving services	Establishments	30 884	32 885	34 205	34 532	36 092
Travel agency, tour operator and tourist guide services	Establishments	5 342	5 128	5 573	7 238	7 278

1. Preliminary data.
Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932631116

Table 4.128. **Mexico: Employment in tourism**

	Units	2006	2007	2008	2009[2]	2010
Accommodation services	Employees	186 012	188 183	185 969	173 024	. .
Food and beverage serving services	Employees	876 445	880 455	890 351	901 800	. .
Passenger transport services	Employees	441 013	452 818	452 085	440 513	. .
Travel agency, tour operator and tourist guide services	Employees	15 859	16 552	16 847	15 684	. .
Recreation and other entertainment services[1]	Employees	22 442	22 922	22 827	22 641	. .
Other services	Employees	565 988	574 966	604 927	644 731	. .
Goods	Employees	290 506	290 586	277 953	255 979	. .
Total tourism	Employees	2 398 265	2 426 482	2 450 959	2 454 372	. .
Total Mexico	Employees	36 207 064	36 612 252	36 739 377	35 457 261	. .
Tourism share of total employment	Percentage	6.6	6.6	6.7	6.9	. .

1. Cultural services are included in recreation and entertainment.
2. Preliminary data
Source: Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/888932631135

Table 4.129. **Mexico: Tourism in the national economy**

2009[1]	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism gross value added
Accommodation services	Million MXN	133 838.6	23 132.1	100 439.4
Food and beverage serving services	Million MXN	94 548.8	61 549.0	90 252.5
Passenger transport services	Million MXN	369 527.3	31 975.6	232 847.6
Travel agency, tour operator and tourist guide services	Million MXN	12 591.0	3 887.5	8 263.2
Recreation and other entertainment services[2]	Million MXN	6 146.9	6 006.2	5 536.2
Other services	Million MXN	256 364.0	31 379.4	363 960.8
Goods	Million MXN	289 701.4	36 653.5	97 919.9
Total	**Million MXN**	**1 162 717.8**	**194 583.3**	**906 011.2**

1. Preliminary data.
2. Cultural services are included in recreation and entertainment.
Source: Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/888932631154

Table 4.130. **Mexico: Other economic indicators**

	Units	2006	2007	2008	2009[1]	2010
Domestic tourism consumption share of final consumption	Percentage	18.0	17.7	17.8	17.2	. .
Tourism share of GVA	Percentage	8.1	7.9	7.7	8.0	. .
Tourism share of total taxes on products	Percentage	21.9	22.1	37.1	19.6	. .

1. Preliminary data.
Source: Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/888932631173

Netherlands

Tourism in the economy

Tourism is an important sector of the Dutch economy, accounting for 2.9% of GDP in 2010. The tourism industry provides 408 000 jobs, 4.4% of total employment.

International arrivals reached a record high of 11 million in 2007. The number dropped to 9.9 million in 2009, due to the economic recession, however, by 2010, international arrivals had recovered to near 2007 levels (10.9 million). The five leading origin markets for the Netherlands in 2010 were Germany (26.2%), the United Kingdom (14.3%), Belgium (11.6%), the United States (11.2%) and France (6.1%). These five markets therefore contributed almost 70% of all international arrivals.

The Dutch National Tourism Organisation (NTO) (Netherlands Board of Tourism and Conventions [NBTC]), expects the economic importance of tourism for the Dutch economy to grow over the next decade. The number of international arrivals is expected to grow to 14.25 million by 2020, (according to *Destinatie Holland 2020: Toekomstvisie Inkomend Toerisme*, NBTC, August 2008), while those employed in the industry should increase by 60 000-70 000 over the same period (according to *Toerisme: de banenmotor*).

Tourism organisation

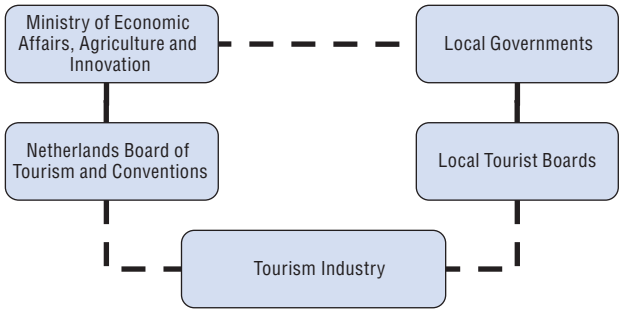
The Ministry of Economic Affairs, Agriculture and Innovation is responsible for tourism policy at the national level (Figure 4.23). The ministry's responsibilities include:

- funding the NBTC, which is responsible for the international marketing of the Netherlands and the attraction of international conventions;
- stimulating innovation, entrepreneurship and sustainability; the tourism industry can make use of a range of general policy instruments available within the ministry; and
- acting as the first point of contact within the central government for tourism industry associations and stakeholders.

Regional and local authorities are responsible for tourism policy at their own levels, and deal with tourism matters such as:

- funding regional and local destination marketing organisations which are responsible for domestic and international marketing of the regional or local destination; and
- product development.

Figure 4.23. **Netherlands: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economic Affairs, Agriculture and Innovation, 2012.

Tourism budget

The Ministry of Economic Affairs, Agriculture and Innovation has a tourism budget of EUR 17.4 million for 2011. This budget is almost entirely designed for NBTC (EUR 16.6 million), with a small proportion (EUR 0.8 million) used for incidental projects.

The tourism budgets of the ministry will gradually be reduced to EUR 8.3 million in the period 2012-15, as part of a larger ambition of the central government to reduce government expenditure.

The NBTC has a budget of approximately EUR 30 million for 2011. In addition to the contribution of the ministry, NBTC receives funding from industry stakeholders and local and regional authorities.

The ministry's tourism budget is entirely funded out of the general state budget. The Netherlands operates specific tourism taxation only at the local level (taxation on accommodation), which local authorities are allowed to use for both tourism-specific and general purposes.

Tourism-related policies and programmes

Holland Marketing Strategy

The Ministry of Economic Affairs, Agriculture and Innovation will sign a new agreement with NBTC for the Holland Marketing Strategy for the period 2012-15. NBTC will endeavour to attract some 3.4 million additional visitors to the Netherlands in this period, through marketing campaigns and publicity. These visitors are forecast to spend approximately EUR 1.37 billion directly in the Netherlands. NBTC will be active in the Netherlands and in the 11 source countries that are integral for tourism to the Netherlands and show strong potential for future growth.

Related policies

Tourism is an integral part of enterprise policy in the Netherlands; a new version of "To the Top, the Enterprise Policy in Actions" by the Ministry of Economic Affairs, Agriculture and Innovation, was presented in September 2011 (Box 4.16).

The key elements of this new policy are: *a)* fewer subsidies in exchange for lower taxes; *b)* fewer, simpler rules; *c)* greater access to corporate financing; *d)* better use of the knowledge infrastructure by the private sector; and *e)* closing the gap between the requirements of businesses and fiscal, educational and diplomatic activities.

Box 4.16. **"To the Top, the Enterprise Policy in Actions"**

Fewer and simpler rules

As of January 2013 the government will abolish the over 2 million individual annual charges for registration with the Chambre of Commerce.

- In 2013 the government will reduce dozens of rules, laws and regulations relating to physical environmental requirements through simplification of the environmental law (*omgevingsrecht*).
- Introduction of the "right to challenge", whereby companies will be entitled to offer alternatives to existing rules and regulations (starting with 10-15 experiments).

Better financing for SMEs and innovative enterprises

- The government will make a maximum of EUR 50 million in additional funding available for the business loan guarantee scheme (*garantieregeling voor ondernemingsfinanciering*, GO).
- The budget for the government loan guarantee scheme for SMEs will be raised from over EUR 750 million to EUR 1 billion. The ceiling for microcredit will be raised from EUR 35 000 to EUR 50 000.

Statistical profile

Table 4.131. **Netherlands: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	17 794	17 594	17 450	17 959	17 708
Number of nights spent	Thousands	98 356	95 566	91 830	93 800	94 000

Source: Statistics Netherlands.

StatLink http://dx.doi.org/10.1787/888932631192

Table 4.132. **Netherlands: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	10 739	11 008	10 104	9 921	10 883
Top 5 markets						
Germany	Thousands	2 812	2 833	2 669	2 744	2 848
United Kingdom	Thousands	1 913	1 903	1 639	1 409	1 556
Belgium	Thousands	991	1 101	1 109	1 172	1 257
United States	Thousands	1 325	1 274	1 068	1 018	1 223
France	Thousands	608	613	575	574	669
International travel receipts	Million EUR	9 037	9 710	9 072	8 867	9 803[1]

1. Preliminary.

Source: Statistics Netherlands.

StatLink http://dx.doi.org/10.1787/888932631211

Table 4.133. **Netherlands: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	16 752	17 556	18 458	18 408	18 430
International travel expenditure	Million EUR	13 560	13 912	14 777	14 830	14 807

Source: Statistics Netherlands.

StatLink http://dx.doi.org/10.1787/888932631230

Table 4.134. **Netherlands: Employment in tourism**

	Units	2006	2007	2008	2009[1]	2010[1]
Hotels	Thousands	31	32	31	. .	. .
Restaurants	Thousands	94	96	. .	. .	. .
Tour operators	Thousands	31	31	. .	. .	. .
Travel agencies	Thousands	21	22	. .	. .	. .
Others	Thousands	65	66	. .	. .	. .
Total	**Thousands**	**242**	**249**	**250**	**249**	**253**
Tourism share of employment	Percentage	3.7	3.7	3.7	3.7	3.8

1. Preliminary.
Source: Statistics Netherlands.

StatLink http://dx.doi.org/10.1787/888932631249

Table 4.135. **Netherlands: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million EUR	1 811	855	2 086
Food and beverage serving services	Million EUR	8 178	935	3 671
Passenger transport services	Million EUR	3 772	1 310	2 924
Travel agency, tour operator and tourist guide services	Million EUR	997	1	889
Cultural services	Million EUR	1 285	213	1 181
Recreation and other entertainment services	Million EUR	2 148	98	1 273
Other services and goods	Million EUR	4 312	3 349	1 962
Total excluding VAT	**Million EUR**	**22 503**	**6 761**	**13 986**
VAT	Million EUR	1 534	595	. .
Total including VAT	**Million EUR**	**24 037**	**7 356**	**. .**

Source: Statistics Netherlands, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631268

Table 4.136. **Netherlands: Other economic indicators**

	Units	2006	2007	2008	2009[1]	2010[1]
Internal domestic tourism consumption share of final consumption	Percentage	12.8	12.9	13.1	13.0	12.9
Tourism share of GDP	Percentage	3.0	2.9	3.0	2.9	2.9

1. Preliminary.
Source: Statistics Netherlands.

StatLink http://dx.doi.org/10.1787/888932631287

New Zealand

Tourism in the economy

International tourism expenditure makes a major contribution to the New Zealand economy, accounting for 8.8% of GDP in 2010. In the year ended March 2011 it amounted to NZD 9.7 billion or 16.8% of total export earnings. International expenditure in New Zealand is forecast to increase by 2.7% a year to 2016, with international visitor arrivals rising by 2.8% a year. International arrivals grew by an average of 2.9% a year between September 2001 and September 2011. While the sector experienced strong growth in arrivals from 2000 to 2005, growth in arrivals over the past six years has been slower and in some years declined, due partly to the global financial crises and, more recently, as a consequence of the Christchurch earthquake.

Domestic tourists' expenditure reached NZD 13.2 billion in the year ended March 2011. In that year, tourism directly contributed NZD 6.9 billion (or 3.8%) to New Zealand's total GDP, with an additional NZD 8.8 billion (or 4.8%) indirectly contributed. Tourism directly and indirectly employs 9.3% (direct 4.8%) of the workforce. Employment in the tourism industry (both direct and indirect) has risen steadily since 2001, by 13% in the period to 2011, driven largely by growth in indirect employment.

Tourist arrivals were 2.5 million for the year ended September 2011. Australia is the largest market and accounts for about 44.4% of international visitors and 30% of expenditure. Latest forecasts show for the first time China overtaking the United States and the United Kingdom as the country's second largest market. New Zealand's National Tourism Forecasts predict that expenditure by Chinese visitors will reach NZD 847 million by 2016.

Tourism organisation

In 2010, the Ministry of Tourism was integrated into the Ministry of Economic Development under a new Tourism Strategy Group (TSG) (Figure 4.24). This move was designed to position tourism policy within the government's broader economic development and growth framework, recognising that tourism can play a significant part in expanding a high-value, productive economy.

The TSG is responsible for developing a tourism policy framework, which among other things includes international aviation linkages, tourism sector productivity, infrastructure requirements, managing the opportunities and risks associated with New Zealand's evolving market mix, and country brand attributes. It is also responsible for the provision of research, evaluation and statistics.

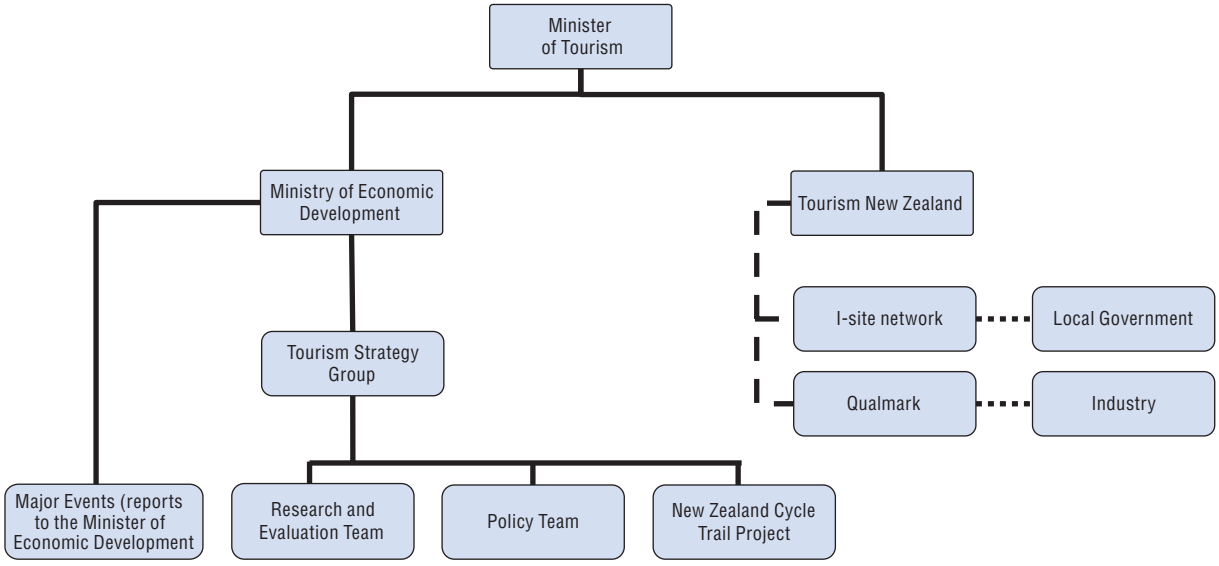
In addition, the TSG monitors Tourism New Zealand (TNZ), the Crown entity responsible for promoting New Zealand overseas as a tourist destination. TNZ has two

subsidiary organisations (Qualmark Limited and VIN Incorporated) that play an important role in efforts to improve visitor satisfaction and product quality. In 2011, TNZ took over the management of the Conference Assistance Programme (CAP) from the industry body, Conventions and Incentives New Zealand. The CAP fund is used to identify and bid for international business events, and is a key part of the wider strategy to attract more quality business events to New Zealand.

TNZ's marketing strategy is based on six priorities: *i*) prioritise markets and sectors for growth; *ii*) focus marketing activity on conversion; *iii*) leverage significant events; *iv*) support recovery from the Christchurch earthquake; *v*) build organisational capability; and *vi*) form partnerships to increase marketing reach and effectiveness. Co-ordinated, partnered marketing activity is undertaken with the most appropriate strategic partners, now extended to include Regional Tourism Organisations, airlines, industry and the trade.

There are 29 Regional Tourism Organisations (RTOs), owned and operated by New Zealand's local and regional governments and supported by the tourism industry. RTOs market New Zealand's regional destinations.

Figure 4.24. **New Zealand: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economic Development, 2012.

Tourism budget

The total tourism funding allocation for 2011-12 is NZD 109.2 million, a decrease of NZD 10.1 million from 2010-11. The decrease was due to a loss of one-off additional appropriations in 2010-11. Tourism New Zealand's baseline funding has, however, increased from NZD 69 million to NZD 84 million.

Tourism's funding allocation for the 2011-12 financial year covers:

- just under NZD 8 million for policy advice and research to promote a high value and sustainable tourism sector (this includes NZD 0.5 million for Cycleway management support), and

- just over NZD 101 million for the promotion of New Zealand in key overseas markets as a visitor destination, of which NZD 83.7 million or 83% is to meet marketing costs, the balance going to the National Cycleway development and to the implementation of the Tourism Strategy 2015.

The reduction in overall funding, and the absorption of funding for joint ventures with Regional Tourism Organisations into baselines, places greater emphasis on the importance of partnered marketing activity. The removal of the ring-fenced fund gives TNZ greater flexibility to work with the most appropriate strategic partners. All of TNZ's marketing outputs, including joint venture activity, will be funded from its baseline.

The new approach to joint venture funding requires a minimum of one industry dollar for each dollar of government investment; a focus on conversion and alignment with the 100% Pure You campaign; and that marketing activity is developed jointly.

Tourism-related policies and programmes

Regulatory policy

In the area of legislation and regulation, the government has passed the Freedom Camping Act 2011 that gives local councils and the Department of Conservation authority to issue infringement notices to people camping overnight in areas where freedom camping is prohibited. The government is also proposing regulations that will require adventure tourism and outdoor education providers to obtain a safety audit from an accredited provider, and to be registered, before being able to provide defined types of adventure activities. Adventure aviation regulations are also being revised.

The Approved Destination Status (ADS) code of conduct sets out procedures and standards to ensure that Chinese visitors enjoy quality tour experiences in New Zealand. It was revised in 2009 placing a greater focus on quality, particularly through the expansion of Qualmark endorsement requirements. TNZ continues to monitor the ADS scheme and has begun working closely with key government agencies on quality issues and enforcement of the code, including greater co-operation with Australia.

Aviation linkages

The TSG is leading an inter-agency aviation work programme with a focus on the economic drivers that are underpinned by New Zealand's international air linkages (*e.g.* export business connectivity to global markets, foreign direct investment, innovation, tourism, skilled migration and international education). Current work is focusing on strategic risks and opportunities, the development of analytical tools to quantify wider economic benefits (*i.e.* beyond expenditure multipliers) and operational co-ordination across government towards growth objectives.

Major events policy

The Major Events Strategy Group is responsible for developing and implementing the government's major events strategy, which aims to attract, deliver, and retain a greater number of major events in New Zealand. Government seeks to achieve this through a combination of investment in the Major Events Development Fund; collaboration with the events sector; inter-agency co-ordination; research and measurement; sector capability building; and advice regarding leverage and legacy programmes which deliver measurable results and capitalise on event hosting opportunities. Priorities currently include a new

strategic approach towards increasing New Zealand's share of the business events market, and the development of a national convention centre in Auckland.

Rugby World Cup initiatives

In 2011, New Zealand hosted the Rugby World Cup (RWC 2011), one of the largest international events the country has ever held. More than 95 000 international visitors were forecast, and the government worked closely with stakeholders to use the event to maximise economic benefits. TNZ developed a strategy to provide offshore promotion that supported visits before, during and after the RWC 2011, with an additional focus on maintaining momentum in the next few years. The New Zealand 2011 Office ran a number of initiatives and events, including the REAL New Zealand Showcase exhibiting New Zealand business and industry to the world during the RWC 2011; and the REAL New Zealand Festival which showcased the country's arts, food and wine, culture, heritage, entertainment, industries and business, experiences and lifestyle.

Travel facilitation

The government has placed a much stronger emphasis on the role of immigration as an enabler of economic growth. As part of this, Immigration New Zealand (INZ) is placing a greater focus on how it can support the growth of international education and tourism. It has streamlined processes, increased staffing in key branches and established private-sector operated Visa Acceptance Centres in Beijing, Shanghai and Guangzhou. INZ also holds regular forums with key industry sectors, including tourism and international education, to build a closer working relationship and facilitate further service improvements.

New Zealand has made considerable progress with streamlining passenger processing at the border for people travelling between New Zealand and Australia. SmartGate automated passenger processing kiosks are now in place for both arrivals and departures in New Zealand's three largest international airports, for use by Australian and New Zealand e-passport holders. The uptake of SmartGate by Australian and New Zealand e-passport holders has also contributed to improved processing times for passengers undergoing manual processing in New Zealand. A pilot project to integrate SmartGate departures between New Zealand and Australia has also begun. This is operating between Auckland and Christchurch Airports in New Zealand and the Gold Coast Airport in Australia, and allows passengers to complete their Australian arrival information at the New Zealand departures SmartGate kiosk, enabling passengers to bypass the Australian arrival kiosk.

New Zealand and Australia are continuing to explore other possible initiatives to streamline passenger processing further, making travel between the two countries as close to domestic travel processes as possible.

Maori tourism

The government has supported the New Zealand Maori Tourism Society (NZMTS) in the development of an Action Plan to increase the value of Maori tourism to the economy. The government will support the NZMTS to implement the Action Plan over the next three years.

Green growth

In 2011, the government established a Green Growth Advisory Group, chaired by the CEO of Business New Zealand, to develop options and recommendations on how to achieve greener growth across all sectors of the economy, including tourism. The Group provided its report to government in December 2011.

Disaster recovery

On 4 September 2010, a major earthquake hit the city of Christchurch, followed by multiple aftershocks and a further devastating earthquake on 22 February 2011. Infrastructure suffered badly, and accommodation capacity was reduced by about 50%. International arrivals into Christchurch fell by almost 30% in March 2011 and a number of trans-Tasman carriers have amended schedules accordingly. A stand-alone government department has been put in place to lead the rebuilding of Christchurch (Canterbury Earthquake Recovery Authority or CERA) (Box 4.17).

Box 4.17. **Case study: Canterbury Earthquake Response**

After the 22 February 2011 earthquake, the Ministry of Economic Development, Tourism New Zealand, and the Tourism Industry Association, established a Visitor Sector Response Group. This group managed communications and response issues relating to international visitors, domestic tourists, and foreign students. The group linked to industry, the regional i-Site visitor information network, and Christchurch's RTO.

- In the first week the Visitor Sector Response Group focused on the welfare of affected visitors. The group provided risk management advice regarding emerging tourism/visitor risks by, for example streamlining visa processing for incoming families of foreign national victims. Communications were also critical in the first week to ensure the accurate dissemination of information tailored to international consumers, travel and trade media and governments.
- In the second and third weeks the group started to correct media and travel advisories, making it clear that 'the rest of NZ is open and welcoming as usual outside Christchurch Central Business District'. Priority was also given to maintaining Christchurch's role as the gateway to the South Island, by publicising the fact that Christchurch International Airport remained open and operating, in an attempt to minimise negative flow-on effects to the tourism sector in the rest of the South Island.

Statistical profile

Table 4.137. **New Zealand: Domestic overnight tourism**[1]

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	14 739	14 896	15 064	16 681	15 872
Number of nights spent	Thousands	43 971	44 352	44 545	48 197	47 422

1. Year ended December.
Source: Ministry of Economic Development, Domestic Travel Survey.

StatLink http://dx.doi.org/10.1787/888932631306

Table 4.138. **New Zealand: Inbound tourism – International arrivals and receipts**[1]

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	2 422	2 466	2 459	2 458	2 525
Top 5 markets						
Australia	Thousands	906	952	978	1 086	1 123
United Kingdom	Thousands	296	294	286	259	236
United States	Thousands	228	217	213	199	191
China	Thousands	107	121	113	103	124
Japan	Thousands	137	122	103	79	88
Number of same-day visitors	Thousands	65	70	76	74	76
International travel receipts	Million NZD	7 345	7 395	7 166	7 338	6 807

1. Year ended December.
Source: Statistics New Zealand.

StatLink http://dx.doi.org/10.1787/888932631325

Table 4.139. **New Zealand: Outbound tourism – International departures and expenditure**[1]

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	1 861	1 978	1 965	1 917	2 027
International travel expenditure	Million NZD	3 912	4 168	4 234	4 033	4 208

1. Year ended December.
Source: Balance of Payments, Statistics New Zealand.

StatLink http://dx.doi.org/10.1787/888932631344

Table 4.140. **New Zealand: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010	2011
Total	**Thousands**	**92.9**	**93.1**	**94.2**	**93.6**	**91.3**	**91.9**
Accommodation	Thousands	13.6	13.7	. .	. .	. .	. .
Restaurants and cafés	Thousands	20	20.2	. .	. .	. .	. .
Road, rail and water passenger transport	Thousands	5.3	5.4	. .	. .	. .	. .
Other		54	53.8	. .	. .	. .	. .
Tourism share of employment[2]	Percentage	9.6	9.7	9.6	9.5	9.4	9.3

1. Year ended March.
2. Percentage of total full-time equivalent (FTE) persons both directly and indirectly employed in tourism.
Source: Statistics New Zealand, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631363

Table 4.141. **New Zealand: Tourism in the national economy**[1]

2011	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million NZD	881	1 166	. .
Food and beverage serving services	Million NZD	1 108	1 566	. .
Air passenger transport	Million NZD	2 038	2 398	. .
Other passenger transport	Million NZD	1 445	805	. .
Retail sales – fuel and other automotive products	Million NZD	2 107	345	. .
Retail sales – other	Million NZD	3 182	1 532	. .
Other tourism products	Million NZD	1 399	1 272	. .
Goods and services tax	Million NZD	1 045	662	. .
Total	**Million NZD**	**13 205**	**9 746**	**22 951**

1. All values are in producers' prices. Individual figures may not sum to stated totals due to rounding. Year ended March 2011.
Source: Statistics New Zealand, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631382

Table 4.142. **New Zealand: Other economic indicators**[1]

	Units	2006	2007	2008	2009	2010	2011
Domestic tourism consumption share of final consumption	Percentage	6.6	6.8	6.6	6.7	7.0	6.8
Government's revenues in goods and services tax	Million NZD	1 452	1 523	1 582	1 625	1 661	1 707
Tourism exports as a % of exports of services	Percentage	19.5	18.8	18.3	16.3	18.1	16.8
Tourism share of GDP[2]	Percentage	9.1	9.2	8.8	8.8	8.8	8.6

1. Year ended March. GDP is used as the final consumption in calculating the domestic tourism consumption of final consumption.
2. Includes direct and indirect contribution.
Source: Statistics New Zealand, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631401

Norway

Tourism in the economy

Tourism accounted for 3.3% of GDP and 6.3% of total employment in 2009, the latest year for which data are available. There was a marginal fall in the numbers employed in the industry in 2009.

In 2009 also, domestic tourism consumption reached NOK 75 billion and inbound tourism consumption was NOK 31 billion. Overall, preliminary figures indicate that in 2010, tourists spent NOK 106 billion in Norway, of which NOK 31 billion were spent by foreign tourists.

In 2009, there were 13 999 firms in the tourism sector, mostly small enterprises of 1-10 employees, with a total turnover of NOK 89 billion.

Data on the number of tourist nights spent show that there was an increase in the period from 2007-10. In 2010, there were 28.55 million guest nights, divided between hotels, campsites, cabins and youth/family hostels, an increase of 2% compared with 2009. Norwegian guest nights increased by 1%, while foreign guest nights increased by 5%. In 2010, Norwegian commercial guest nights represented a market share of 72% of all commercial guest nights. The leading market for Norway is Germany (20% of foreign commercial guest nights in 2010), followed by Sweden (12%).

Trip purpose surveys have shown that most tourists travel to Norway to experience unspoilt nature and high environmental standards, followed by the Norwegian culture and way of life. Other important factors are the country's quietness and calm, value for money, safety, well-being and hospitality.

Tourism organisation

The publicly owned company, Innovation Norway, is Norway's national tourism organisation (Figure 4.25). Innovation Norway is in charge of the international promotion of Norway as a tourist destination and for the development of the tourism sector within Norway's borders. The company has its headquarters in Oslo and regional offices in all 19 counties in Norway, in addition to offices in 33 countries worldwide. Some of the offices abroad are co-located with Norwegian embassies. A number of other ministries co-operate with Innovation Norway to promote different tourism-related initiatives within Norway. Additional public funding is provided through these ministries.

Innovation Norway runs a number of tourism projects nationwide in co-operation with regional offices, different national, regional or local organisations, and travel destinations.

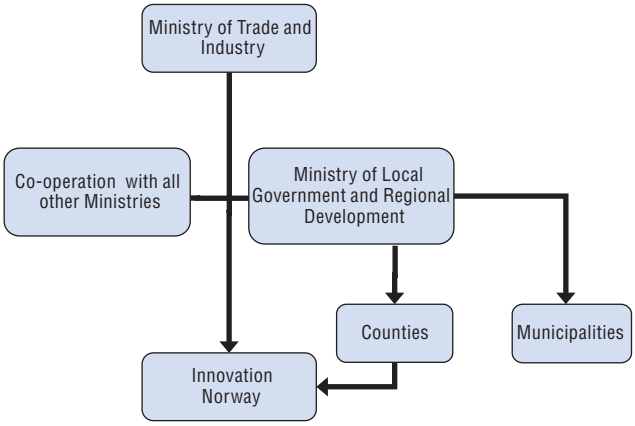
At local level, most municipalities in Norway operate tourism information offices.

Organisation and links between the national tourism authority and the provinces/ regions

At the national level, the overarching responsibility for tourism policy lies with the Ministry of Trade and Industry (Figure 4.25). Responsibility for other associated policy areas remains with the individual relevant ministries. Each year a lump sum is proposed by the Ministry of Trade and Industry and sanctioned by Parliament to promote Norway as a tourist destination and to strengthen the competitiveness of the Norwegian travel and tourism industry.

After approval by Parliament of the state budget, the Ministry of Trade and Industry instructs Innovation Norway on the major lines of tourism policy that are to be followed during the coming year. It is left up to Innovation Norway to initiate the action required to put these policies into effect and to instruct their regional offices and offices abroad to follow up on the priorities given by the ministry.

Figure 4.25. **Norway: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Trade and Industry, 2012.

Tourism budget

The main source of funding for tourism promotion and development in Norway is the annual state budget. However, when marketing Norway as a tourist destination abroad, the amount of public funds spent should be matched/co-funded by the travel and tourism industry. In 2008, the amount granted from the state budget was NOK 215 million; in 2009, this rose to NOK 235 million, and for 2010 it was NOK 250 million.

There are no direct tourism related taxes in Norway.

Tourism-related policies and programmes

In December 2007, the Ministry of Trade and Industry launched a National Strategy for the Tourism Industry named "Valuable Experiences". The work was carried out in close co-operation with the industry and tourism-related organisations. The strategy is under revision and a new national strategy for the tourism industry is scheduled to be launched early 2012. Until then, the strategy of 2007 is in force.

The strategy has "valuable experiences" as a vision, and the following three main objectives:

- **Greater wealth creation in the tourism industry.** All investment in tourism must be based on the general goal of increasing wealth creation in the tourism industry, especially by improving industry co-operation and collaboration between the relevant players. A greater focus on innovation and training will increase the need for networks and collaboration on all levels. In addition, the co-ordinated marketing of Norway as a destination will require good collaboration between players involved in the industry and the government.
- **Sustainable rural communities through year-round jobs in tourism.** The tourism industry is important in rural areas and helps to maintain attractive communities. However, the industry is subject to major seasonal variations, which are most keenly felt in rural areas. More year-round jobs will promote better quality and more stable populations and workforces in rural Norway.
- **Norway – a sustainable destination.** Sustainable tourism means that the development of the industry must promote sustainable local communities, good, stable jobs and economically viable tourism companies, while keeping a firm focus on the environment. Tourism must also aspire to ensure low emissions of greenhouse gases and waste, and protect the natural and cultural landscape. The government's definition of the concept of sustainable tourism also includes social responsibilities.

Areas of particular focus include innovation, sustainable tourism, quality, expertise, destination development, marketing and the organisation of the tourism sector.

Statistical profile

Table 4.143. **Norway: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011
Number of overnight stays[1]	Thousands	19 567	20 338	20 449	20 502	20 637	21 230

1. Collective establishments.
Source: Statistics Norway.

StatLink http://dx.doi.org/10.1787/888932631420

Table 4.144. **Norway: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	5 738	6 017	6 054	6 114	6 578
Same-day visitors[1]	Thousands	1 298	1 308	1 326	1 338	1 400
International travel receipts[2]	Million NOK	24 206	26 252	26 908	26 124	28 449

1. Revised figures for 2006 to 2009.
2. 2010, preliminary figures.
Source: Institute of Transport Economics, Statistics Norway.

StatLink http://dx.doi.org/10.1787/888932631439

Table 4.145. **Norway: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Millions	6.8	7.1	7.6	6.6	7.6
International travel expenditure	Million NOK	68 503	70 801	77 799	75 750	82 643[1]

1. Preliminary figure.
Source: Statistics Norway.

StatLink http://dx.doi.org/10.1787/888932631458

Table 4.146. **Norway: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels	Enterprises	2 688	2 784	2 778	2 819	2 786
Restaurants	Enterprises	7 359	7 906	7 715	7 749	7 781
Tour operators	Enterprises	596	687	688	761	. .
Travel agencies	Enterprises	442	438	386	374	. .

Note: Estimates are for number of enterprises classified to tourism industries as defined in the TSA, as of December.
Source: Statistics Norway.

StatLink http://dx.doi.org/10.1787/888932631477

Table 4.147. **Norway: Employment in tourism**

	Units	2006	2007	2008[1]	2009[1]	2010
Hotels and restaurants	Thousands	56.3	60.2	61.6	60.5	. .
Transport via railways, tramway and suburban transport	Thousands	6.3	6.5	6.3	6.4	. .
Scheduled motor bus transport and taxi operation	Thousands	21.7	22.9	23.6	22.9	. .
Sea and coastal water passenger transport abroad	Thousands	2	2.2	2.3	2.2	. .
Inland water transport	Thousands	7.2	7.4	7.5	7.5	. .
Air transport	Thousands	8.7	8.4	8.5	8.2	. .
Activities of travel agencies	Thousands	4.4	4.8	4.9	4.9	. .
Rental of transport equipment	Thousands	1.4	1.5	1.6	1.6	. .
Motion picture, other entertainment, news agencies and cultural activities	Thousands	22.5	22.6	23.1	23.3	. .
Sporting and other recreational activities	Thousands	1.4	1.5	1.5	1.5	. .
Total employment in tourism industries	Thousands	132	137.8	140.9	139	. .
Tourism industries' share of total employment	Percentage	6.4	6.4	6.3	6.3	. .

1. Preliminary figures.
Source: Statistics Norway, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631496

Table 4.148. **Norway: Tourism in the national economy**

2009[1]	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism value added
Accommodation services	Million NOK	7 214	3 931	32 994[2]
Food and beverage serving services	Million NOK	9 959	5 255	
Passenger transport services	Million NOK	25 387	6 600	26 226
Travel agency, tour operator and tourist guide services	Million NOK	11 913[3]	193[3]	2 815
Cultural services	Million NOK	2 012[4]	746[2]	15 819
Recreation and other entertainment services	Million NOK	. .	. .	1 084
Goods and other services	Million NOK	18 567	13 790	. .
Total	**Million NOK**	**75 052**	**30 514**	**78 938**

1. Preliminary figures.
2. Includes accommodation and food and beverage serving services.
3. Includes car rental.
4. Includes cultural services and recreation and other entertainment services.

Source: Statistics Norway, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631515

Table 4.149. **Norway: Other economic indicators**

	Units	2006	2007	2008[1]	2009[1]	2010
Internal domestic tourism consumption share of final consumption	Percentage	11.4	11.4	11.4	10.9	. .
Tourism share of GDP	Percentage	3.3	3.3	3.1	3.3	. .

1. Preliminary figures.

Source: Statistics Norway, National Accounts and Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631534

Poland

Tourism in the economy

Tourism accounted for 5.3% of GDP in 2010, a fall from the recent peak year of 2007 when the sector accounted for 6%. In 2010, the total tourism economy was estimated at PLN 74.2 billion, down by 4.9% on 2009.

International visitors arrivals in 2010 were 58.3 million including 12.5 million tourist arrivals. This compares with 53.8 million arrivals in 2009 and is well below the recent peak of 66.2 million recorded in 2007. Germany remained the largest market and accounts for 36% of tourist arrivals. International travel receipts totalled PLN 28.9 billion in 2010 and contributed 4.9% of total Polish export earnings.

The number of domestic travels in 2010 totalled 33.9 million, up by 10% on 2009, but still less than in 2007 and 2008. The majority of domestic travels (59.6%) were short trips (two to four days). Outbound travels in 2010 were estimated at 7.1 million, showing an increase by 13% compared to 2009.

In 2010 accommodation and catering sector employed 241.7 thousand people. This compares with 258.7 thousand employed in 2009.

Due to the change of classification methods by Central Statistical Office these data are not comparable with data from years 2007-08. In the period of 2007-10, unemployment in accommodation and catering sector constituted about 4% of total unemployment and decreased steadily from 78.5 thousand in 2007 to 53.8 thousand in 2010.

Tourism organisation

The responsibility for tourism lies with the Minister of Sport and Tourism (Figure 4.26). The minister is responsible for national tourism management, for the mechanisms of tourism market regulation, and also acts as the lead minister on tourism services and, since 1999, is responsible for the Polish Tourist Organisation (POT), Polska.

POT's activities primarily include the promotion of Poland as a tourist destination, ensuring the operation and development of Polish tourist information systems at home and abroad, and initiating, assessing and supporting development plans for tourist infrastructure, renovation or reconstruction. In implementing its tasks, POT co-operates with Regional and Local Tourist Organisations which are autonomous bodies involved in tourism promotion and development at the regional and local levels. The relationship between them and POT is based on equal rights partnerships. POT has 14 international offices (Polish Tourist Information Centres) in important current and potentially significant origin markets. In addition, there are many aspects of general policy that affect tourism but fall outside the specific responsibilities of the ministry; while many tasks affecting tourism development are the responsibility of regional and local governments.

The minister also supervises the tourism activities of the marshals (regional authorities – *voivodships*). At the regional level, marshals are responsible for the execution of tasks ordered within the framework of the central government's administration, including those related to tourism services as defined under the 1997 legislation.

At local and regional level, the primary role in tourism development is played by regional (*voivodship*) and local self-government respectively (*poviats* at the local level and *gminas* at commune level). Their competences include two groups of tasks, namely: all public affairs at local or regional levels which are not reserved by law for other entities (so-called "own tasks"); and the performance of tasks ordered in the framework of national government administration (so called "commissioned tasks").

These tasks include:

- keeping and controlling the register of tour operators and tourism retailers;
- granting licences for tour leaders and tourist guides and exercising control over their professional activities;
- exercising control over tour operators and tour retailers in terms of their registration and compliance with operating requirements;
- maintain and controlling the register of training course organisers for tourist guides and tour leaders;
- appointing examination commissions and verifying knowledge of foreign languages by tourist guides and tour leaders; and
- classifying hotel facilities.

Communes have responsibility for keeping records of campsites and non-hotel accommodation providers, accommodation inspections and registers, and the application of sanctions as necessary.

Tourism budget

In 2010, the budget of the National Tourism Administration amounted to PLN 46.6 million, including a budget of PLN 37.7 million for the National Tourism Organisation (Polska). In addition, structural funds covering the period 2007-13 are available in part for special projects in the tourism sector. The total tourism funding of self-governing entities amounted to PLN 720.6 million in 2010. *Voivodships* were allocated PLN 66.6 million, *poviats* PLN 47.7 million, *poviat* municipalities (major cities) PLN 145.6 million, and *gminas* (communes) PLN 460.7 million.

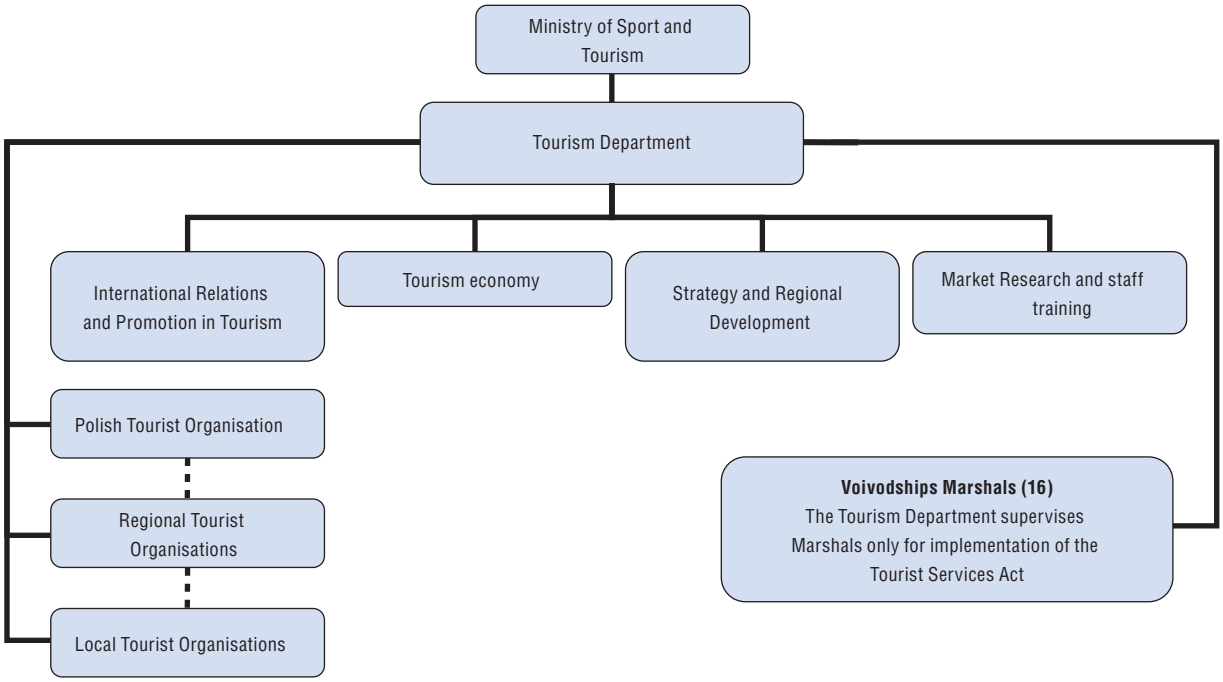
Tourism-related policies and programmes

The strategic document Directions for Tourism Development to 2015 sets the following objectives for the tourism sector:

- to raise the tourism economy's contribution to GDP;
- to increase the number of domestic tourist trips; and
- to increase the number of foreign tourists and visitors.

In order to monitor effects of implementing the tasks set by the document, the inter-ministerial team will produce an annual report and submit it to the Council of Ministers. Moreover, the Tourism Minister will deliver a report in 2012 and again in 2016 on the tourism economy for 2007-11 and 2012-15 respectively.

Figure 4.26. **Poland: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Sport and Tourism, 2012.

UEFA EURO2012™ related investments – development of infrastructure

The European Football Championships will be held in Poland and Ukraine in June-July 2012. The matches will be held in four Polish and four Ukrainian stadiums. In Poland, a total of 136 projects related to the Championships have been undertaken, including new stadiums in Warsaw, Gdansk and Wroclaw, one reconstructed stadium in Poznań, "back-up" stadiums in Chorzów and Kraków, other infrastructure investments (*e.g.* railways, highways, airports parking lots, and multi-modal city transport, and football training centres.

EU structural funds for tourism

The EU structural funds for the years 2007-13 offer a great opportunity for Poland to develop its infrastructure and enhance tourism services. At national level, the measures concerning tourism are placed mainly in the Innovative Economy Operational Programme under priority axis 6 – "Polish economy on the international market" (in relation to the "Promotion of Poland tourism assets" and "Investment in tourism products of supra-regional importance").

Tourism is also being supported from the funds of Eastern Poland Development Operational Programme, especially under priority axis 5 – "Sustainable development of tourist potential based on natural conditions" (in relation to "Promoting sustainable tourism development" and "Bicycle routes"). Projects connected with tourism are also backed up in Regional Operational Programmes, the Infrastructure and Environment Operational Programme, the Human Capital Operational Programme, and the Rural Development Programme. Examples of tourism projects supported from the EU funds in 2010 are described in Box 4.18.

Box 4.18. **Promoting sustainable tourism development**

The project "Promoting sustainable tourism development" is aimed at increasing interest in tourism to five Eastern Poland *voivodships*: Warmińsko-Mazurskie, Podlaskie, Lubelskie, Podkarpackie and Świętokrzyskie. On 15 February 2010, the Polish Tourist Organization signed a financing agreement totaling PLN 23.9 million with the Ministry of Regional Development which is managing EU structural funds in Poland. The project will be carried out until 2012 and consists of two components: *i)* a Study on the Development of Tourist Attractiveness of Eastern Poland, including the analysis of segments of tourism that play a key role in macroregional economy (action completed); and *ii)* the Promotion of Eastern Poland as an active tourist destination – media campaign (action in progress). Target groups of the campaign are domestic tourists in a particular age group (25-59) and families with children, as well as foreign tourists (mainly from Germany and Ukraine). A media campaign was launched in July 2010 using virtually all existing communication channels: press (34 titles), television (TV spots in all major Polish TV networks), radio (227 radio stations) and Internet (launching of the dedicated site *www.pieknywschod.pl* – Beautiful East – in Polish, English, Ukrainian and German languages, with 140 000 unique users in the period of July 2010-December 2010). The campaign was estimated to reach around 17.5 million people.

Promotional activities

According to the strategic document Directions for Tourism Development to 2015, cultural tourism is seen as one of the main types of domestic and inbound tourism. In 2010, the Ministry of Culture and National Heritage (MCNH) undertook several actions to promote Polish culture which had an impact on tourism arrivals. More than 2 200 promotional and cultural events were organised, with a further 4 500 abroad under the "2010 Chopin Year".

One of the most spectacular events was a cruise of Polish brig-rigged sailing ship "Chopin" along the European coast, creating an opportunity to promote Chopin's masterpieces along with Polish culture, traditions, history and tourism attractions. The cruise was accompanied by concerts, exhibitions, presentations and performances in 15 major European ports and their surroundings in seven countries – Sweden, Denmark, Germany, Belgium, the Netherlands, France and the United Kingdom.

In co-operation with the Adam Mickiewicz Institute, MCNH carried out a promotion within the scope of Polish Year in the United Kingdom under the slogan "POLSKA! Year". This was aimed at bringing together Polish and British societies by strengthening cultural and economic contacts, including tourism contacts. The Polish Tourist Organisation was involved in both of these programmes.

Some of these initiatives are carried out in the framework of the project "Let's promote Poland together". The total budget of the project amounts to PLN 141.7 million. The project consists of 23 sub-projects and 3 main components: *a)* promotional activities of brand "Poland" with a total budget PLN 102.7 million; *b)* developing the tourist information points network in Poland with a total budget of PLN 25 million; and *c)* transfer of knowledge (conferences, workshops, training sessions) with a total budget PLN 5.07 million. A promotional campaign was launched in 2009 by the Polish Tourist Organisation and implementation of its major actions started in 2010. The Polish Tourist Organisation is using major events defined as "anchor media events" such as: the Polish Year in Great

Britain 2009/2010; Chopin's Year 2010; the Polish Presidency in the EU – 2011; and the UEFA EURO2012™ in 2012, to promote Poland as an attractive tourist destination.

Human resources

The Ministry of Labour and Social Policy constantly monitors the labour market. Its latest report revealed that chambermaids and receptionists were among 30 professions with skills shortages, while there was an excess supply of cooks. A 2010 reform of higher education sought to tailor higher education systems more closely to labour market requirements, and proposed the transfer of curriculum development to Polish universities.

Tourism Satellite Accounts

Poland has implemented a tourism satellite account to help assessing the economic performance of tourism. TSA results are obtained with significant time lags; they are only available three years after the reference year. Therefore, Poland has developed a simplified TSA methodology, based partly on the projected results of the TSA and partly on the measurement of tourism consumption in the reference year. The methodology was applied to estimate the economic performance of tourism for 2003-05, 2006 and 2008.

Statistical profile

Table 4.150. **Poland: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	13 199	14 560	15 510	15 492	16 327
Number of nights spent	Thousands	40 680	44 036	46 472	45 411	45 730

Source: Central Statistical Office.

StatLink http://dx.doi.org/10.1787/888932631553

Table 4.151. **Poland: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008[1]	2009	2010
Total international visitors arrivals	Thousands	65 115	66 208	59 935	53 840	58 340
Top 5 markets						
Germany	Thousands	37 192	38 103	34 630	26 070	25 860
Czech Republic	Thousands	7 102	7 292	7 820	8 180	9 240
Slovak Republic	Thousands	3 422	3 210	3 740	5 040	6 010
Ukraine	Thousands	5 642	5 444	3 320	3 820	5 030
Belarus	Thousands	3 912	3 861	2 130	2 360	3 090
Number of same-day visitors	Thousands	49 445	51 233	46 975	41 950	45 870
International travel receipts	Million PLN	22 409	29 081	28 075	27 800	28 900

1. Change of research methodology in 2008.

Source: Ministry of Sport and Tourism.

StatLink http://dx.doi.org/10.1787/888932631572

Table 4.152. **Poland: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	7 300	6 900	7 600	6 300	7 100
International travel expenditure	Million PLN	16 096	14 818	18 469	18 020	22 432

Source: Ministry of Sport and Tourism.

StatLink http://dx.doi.org/10.1787/888932631591

Table 4.153. **Poland: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
All collective accommodation	Establishments	6 694	6 718	6 857	6 992	7 206
Hotels and similar establishments	Establishments	2 301	2 443	2 642	2 836	3 223
Restaurants and catering in accommodation	Establishments	6 876	7 196	7 517	7 545	7 415
Restaurants and catering	Establishments	12 223	12 308	13 069	13 305	14 408
Tour operators, travel agencies	Establishments	2 689	2 839	2 987	2 956	3 050

Sources: Central Statistical Office, Local Data Bank, Institute of Tourism.

StatLink http://dx.doi.org/10.1787/888932631610

Table 4.154. **Poland: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Tour operators, travel agencies	Employees	. .	. .	. .	. .	. .
Hotels, restaurants	Employees	230 375	241 764	278 253	258 704	241 727
Hotels, restaurants (in full-time equivalents)	Employees	152 560	163 330	183 425	180 892	175 663

Sources: Ministry of Sport and Tourism, Local Data Bank.

StatLink http://dx.doi.org/10.1787/888932631629

Table 4.155. **Poland: Tourism in the national economy**

2008	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million PLN	3 294	3 033	3 903
Food and beverage serving services	Million PLN	2 205	4 356	2 885
Passenger transport services	Million PLN	1 434	1 786	2 082
Travel agency, tour operator and tourist guide services	Million PLN	1 310	346	1 980
Cultural services[1]	Million PLN	657	1 954	1 349
Other services	Million PLN	317	4 548	12 198
Goods	Million PLN	6 119	8 294	. .
Total	**Million PLN**	**15 335**	**24 316**	**22 896**

1. Includes cultural and recreational services.

Source: Ministry of Sport and Tourism, Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932631648

Table 4.156. **Poland: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism share of GDP[1]	Percentage	5.7	6	5.9	5.3	5.3

1. Includes inbound, domestic and public expenditure on tourism as well as expenditure in Poland by residents on foreign trips.

Source: Institute of Tourism.

StatLink http://dx.doi.org/10.1787/888932631667

Portugal

Tourism in the economy

According to the latest data from the Portuguese Tourism Satellite Account (TSA), tourism consumption contributed 9.2% to GDP in 2010 (compared to 9.2% in 2008 and 8.8% in 2009).

The guests staying at collective accommodation in 2010 totalled 13.5 million, 4.9% above 2009, a year that had seen a 3.9% decline on the previous year. Over the period 2006-10, the guests total rose by 9.4%, an annual average rate of 2.3%. Of the 2010 total, 49.4% were resident guests and 50.6% foreign guests. The five leading international origin markets in 2010, in order of importance were Spain, United Kingdom, Germany, France and the Netherlands; together these five countries accounted for 30.7% of all arrivals, compared with 33.6% for the same five markets in 2006.

The number of overnight stays in collective accommodation by foreign tourists in 2010 was 23.68 million, 2% more than in 2009 and indicating an average length of stay of around 3.5 nights. Domestic overnight stays in collective accommodation in that year totalled 13.78 million, 4% up on the previous year and indicating a shorter average length of stay of approximately 2.8 nights.

According to the TSA, employment in tourism-characteristic activities has been increasing steadily as a percentage of total employment in recent years, reaching a provisional 8.2% in 2008, compared to 7.9% in 2006 and 8% in 2007.

International tourism receipts totalled EUR 7.6 billion in 2010, an increase of 10% on the previous year, and representing 43.3% of the total value of services exports.

Tourism organisation

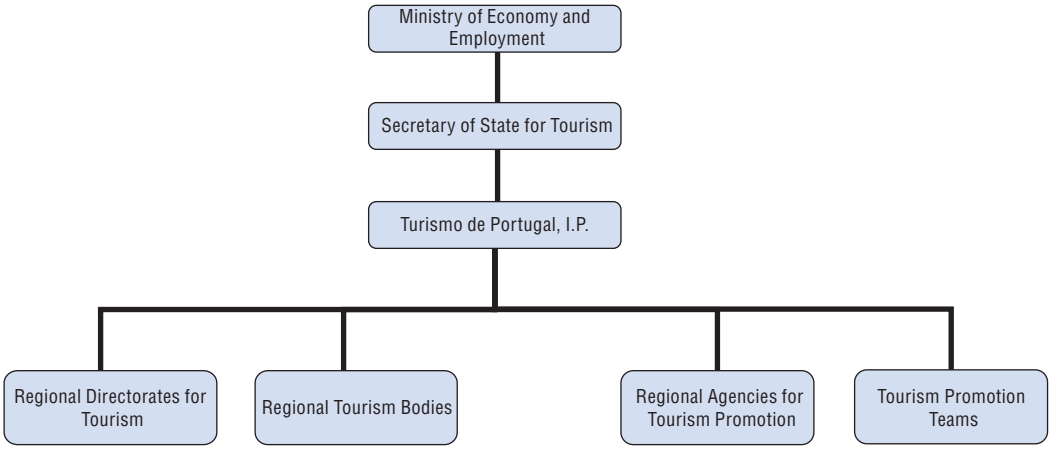
In 2011, following a change of government, the Secretary of State for Tourism was integrated into the Ministry of Economy and Employment (Figure 4.27).

Turismo de Portugal I.P. is the only body with direct responsibility for tourism policy at the national level. It covers the promotion, valorisation and sustainability of tourism activities, and has tourism promotion teams covering 21 priority tourism markets. The organisation develops and implements international promotion initiatives in co-ordination with the seven regional agencies for international tourism promotion (ARPTs – see below).

There are 11 Regional Tourism Bodies. These are public law corporate bodies with a specific territorial scope that act as destination management organisations with financial and administrative autonomy. Two Regional Directorates for Tourism also exist in the autonomous regions of Madeira and the Azores.

There are also seven regional agencies for international tourism promotion. These are non-profit, private law associations constituted by private companies and public sector bodies, which have a formal contractual relationship with Turismo de Portugal I.P. for developing promotional activities in international markets.

Figure 4.27. **Portugal: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy and Employment, 2012.

Tourism budget

The total budget of the national tourist authority (Turismo de Portugal) in 2010 was EUR 320.3 million, of which 43% came from the gambling tax and a further 23% from EU Structural Funds. EUR 114 million of the total was designated for investment in the industry, EUR 95 million for promotion, and EUR 58 million for investment in various funds. The promotional budget includes expenditure on promotion at national level, as well as the co-financing of regional promotion, to which private companies and regional bodies also contributed approximately 33.3% of the total budget in 2010.

Tourism-related policies and programmes

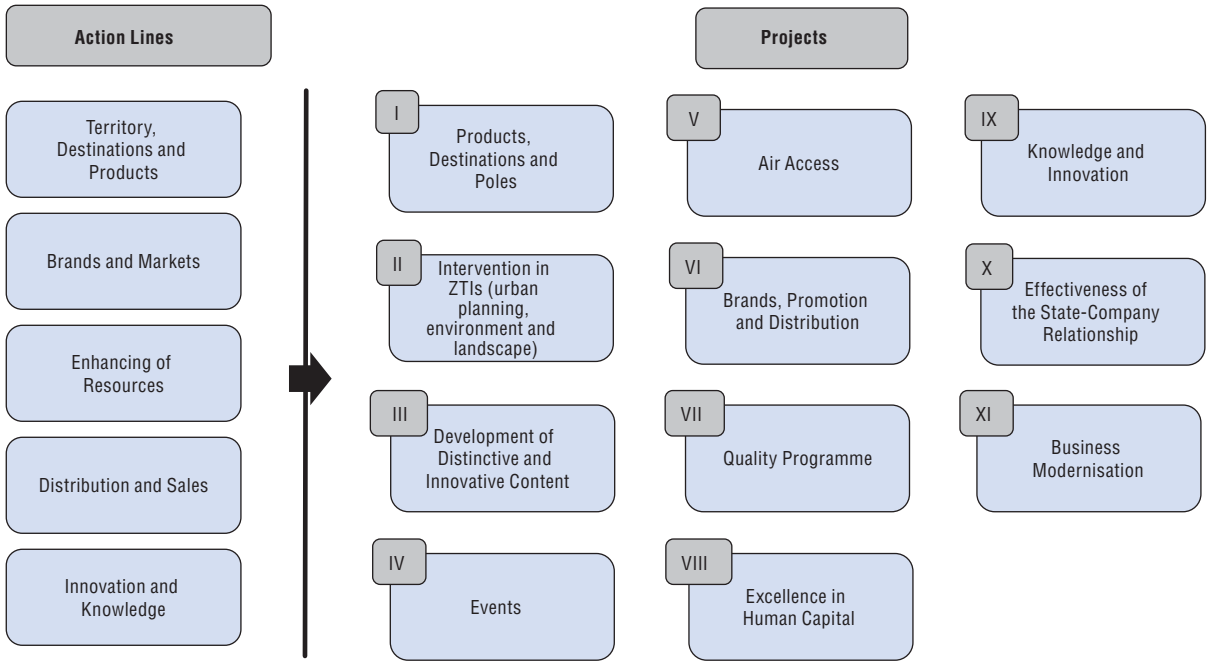
Medium to long-term tourism strategy

The National Strategic Plan for Tourism 2007-15 (PENT) is a government initiative that was agreed in 2007 and is being implemented by Turismo de Portugal I.P. over the period to 2015. It acts as the supporting framework for the sustained growth of tourism in the country. As a result of a review of the plan in 2010 and 2011, PENT now defines a stable path of action involving all parties, with clear targets and objectives. The aims are to enable tourism to provide a decisive contribution to the well-being of the Portuguese population and its cultural assets, through wealth generation, job creation, and an inherent capacity to promote territorial cohesion. PENT's implementation programme is structured around 5 action lines, based on 11 projects (Figure 4.28).

Legislative and regulatory environment

The recent focus of the legislative and regulatory environment for tourism has been on improving the relationship between the state and businesses by means of simplifying administrative procedures and processes.

Figure 4.28. **Portugal: National strategic action plan for tourism**



Source: Turismo de Portugal, 2012.

Recently approved legislation relevant to the tourism sector has set out a legal framework for the installation and use of tourism infrastructure such as hotels. Criteria were also established for energy efficiency, sustainable water usage, enabling access for people with reduced mobility, environmental certification, green areas, social tourism, and the creation of the National Tourism Registry.

Domestic and inbound tourism development

In partnership with the national airports company, ANA Airports, and the regional tourism promotion agencies, Turismo de Portugal has developed the Programme Initiative: pt, the aim of which is to support the promotion of airline routes of tourist interest. It is intended that this should stimulate all-year-round tourism demand by strengthening existing routes and creating new ones, and that this will have particular relevance during the winter months.

In accordance with the National Strategic Plan for Tourism, tourism has been recognised and included in the Competitiveness Pole in the framework of Collective Strategies for Efficiency. This strategic partnership – Competitiveness and Technology Centre "Tourism 2015" – brings together the most representative players of the tourism sector in Portugal: Turismo de Portugal I.P., CTP (Portuguese Tourism Confederation), Regional Bodies and the Regional Agencies for International Tourism Promotion.

In the field of tourism promotion, and in addition to the "Portugal: the beauty of simplicity" campaign in the European market, a specific campaign titled "It's about time you discovered Portugal" was directed to the Brazilian market , while another was designed to stimulate domestic tourism under the slogan of "Discover Portugal: a country that is worth a thousand".

Industry issues

Stimulating innovation is seen as a very important element in Portugal's tourism strategy. Turismo de Portugal has recently launched a project to establish a co-operative network for R&D in tourism (2011-13), in order to mobilise the capacity of universities for tourism research. This project aims to boost the potential impact of an R&D agenda for the sustainability and competitiveness of tourism, by stabilising the relationship between scientific and technological systems and all the actors involved in the tourism value chain, thereby ensuring appropriate funding for R&D projects with an impact on tourism.

Sustainable tourism development

In October 2011, Turismo de Portugal I.P. published its third Sustainability Report. This report has a clear orientation towards the sustainability concerns of Turismo de Portugal I.P. as well as the challenges of the tourism sector and its main stakeholders. The Sustainability Report is a pioneering initiative among national tourism administrations. It positions Turismo de Portugal I.P. as a leader in sustainability issues and practices, and seeks to influence third parties (in the tourism and other sectors) to adopt more sustainable practices. The report also contributes to the revision of the National Strategic Plan for Tourism, by integrating an annual analysis of key sustainability issues within the Plan.

Human resources

The efforts being made to develop and diversify the tourism product offer (in areas such as golf, health, cultural and city breaks, and gastronomy) are being combined with sophisticated skills training in these areas in order to smooth seasonality, increase labour qualifications, attain higher standards, and become more competitive in the global tourism market. The strategy for the development of human resources in tourism has been defined in collaboration with the most relevant players in the sector, in both the public- and private-sectors and within the context of the National Strategic Plan for Tourism (PENT).

Tourism education occurs within different structures and is offered by both public- and private-sector players; Turismo de Portugal has a network of 16 hospitality and tourism schools with over 50 years' experience which provide the national standards for professional education in this area.

There is a planned training policy for human resources in tourism, with considerable investment in professional training and domestic media campaigns designed to promote both the importance and dignity of tourism professions, and the types of professional training available.

The hospitality and tourism schools have been given greater student capacity and have improved their facilities and equipment. Seven new schools have opened throughout the country in the last four years; those in Lisbon and Porto, in particular, are equipped with the latest technology and have arrangements with hotels and restaurants to support training with practical on-the-job experience.

External factors

The international economic crisis that began in late 2008 significantly affected tourism, notably in some of Portugal's key origin markets. Given the fact that the tourism sector is heavily dependent on external demand, Turismo de Portugal has developed a set

of policies aimed at minimising the negative impact of reduced demand on tourism companies, and also stimulating external and domestic demand.

- The National Strategy for Adaptation to Climate Change is under development and specifically addresses the need in the tourism sector to define measures to be taken to safeguard the sector's sustainability.

Statistics and performance evaluation

Portugal has implemented the Tourism Satellite Account (TSA) for the reference year 2000 and publishes data on a regular basis. Currently there exists a series from 2000 to 2010, which has made a backward projection for the reference year of 2006.

As part of the sustainability report, a set of indicators is being developed for monitoring performance in this area. An environmental impact assessment and a survey of social responsibility among tourism enterprises are being carried out.

Statistical profile

Table 4.157. **Portugal: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	5 866	6 319	6 347	6 449	6 705
Number of nights spent	Thousands	12 350	12 968	13 024	13 243	13 783

Source: Statistics Portugal (INE), Hotels and Similar Establishments Survey.

StatLink http://dx.doi.org/10.1787/888932631686

Table 4.158. **Portugal: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Foreign arrivals at hotels and similar establishments	Thousands	6 511	7 048	7 110	6 466	6 806
Number of nights spent at hotels and similar establishments	Thousands	25 217	26 769	26 204	23 214	23 608
Top 5 markets						
United Kingdom	Thousands	7 258	7 705	7 302	5 670	5 495
Germany	Thousands	3 863	3 851	3 658	3 342	3 279
Spain	Thousands	3 195	3 381	3 070	3 204	3 278
Netherlands	Thousands	1 795	1 826	1 974	1 789	1 843
France	Thousands	1 241	1 442	1 590	1 595	1 619
Average length of stay	Days	3.9	3.8	3.7	3.6	3.5
International travel receipts	Million EUR	6 672	7 402	7 440	6 908	7 611

Sources: Statistics Portugal (INE), Crossborder Movements Survey, 2007, and Bank of Portugal.

StatLink http://dx.doi.org/10.1787/888932631705

Table 4.159. **Portugal: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	18 376	20 989	. .	. .	. .
International travel expenditure	Million EUR	2 658	2 869	2 939	2 712	2 953

1. Departures, including same-day visitors.

Sources: Statistics Portugal (INE), Crossborder Movements Survey, 2007 and Bank of Portugal.

StatLink http://dx.doi.org/10.1787/888932631724

Table 4.160. **Portugal: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants	Establishments	87 478	86 909	85 528	81 341	. .
Tour operators, travel agencies	Establishments	3 522	2 306	2 323	2 412	. .
Tourism characteristic activities	Establishments	. .	. .	. .	. .	. .

Source: Statistics Portugal (INE), Structural Business Survey.

StatLink http://dx.doi.org/10.1787/888932631743

Table 4.161. **Portugal: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants	Employees	246 121	247 876	252 158	. .	. .
Tour operators, travel agencies	Employees	8 953	9 134	9 436	. .	. .
Tourism characteristic activities	Employees	373 848	375 797	384 971	. .	. .
Tourism share of employment	Percentage	7.8	8.0	8.0	. .	. .

Source: Statistics Portugal (INE), Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932631762

Table 4.162. **Portugal: Tourism in the National Economy**

2006	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption
Accommodation services	Million EUR	928	1 854	. .
Food and beverage serving services	Million EUR	1 391	2 013	. .
Passenger transport services	Million EUR	1 409	1 878	. .
Travel agency, tour operator and tourist guide services	Million EUR	545	23	. .
Cultural services	Million EUR	412	184	. .
Other services	Million EUR	332	28	. .
Total characteristic products	**Million EUR**	**5 017**	**5 980**	**11 726**

Source: Statistics Portugal (INE), Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932631781

Table 4.163. **Portugal: Other economic indicators**

	Units	2006	2007	2008[1]	2009[1]	2010
Tourism consumption as a share of GDP	Percentage	8.7	9.2	9.2	8.8	9.2
Internal tourism consumption	Billion EUR	14.0	15.5	15.8	14.8	16.0

1. Preliminary figures.

Source: Statistics Portugal (INE), Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932631800

Slovak Republic

Tourism in the economy

In 2010, international tourism receipts reached EUR 1 684.4 million, up 0.6% on the previous year, amounting to 2.5% of GDP (2.6% in 2009). According to preliminary figures from the National Bank of Slovakia, international tourism receipts reached EUR 812.5 million in the first half of 2011, 5.6% up on the previous year. Expenditure by Slovak citizens travelling abroad in 2010 totalled EUR 1 470.7 million, 2.2% below the 2009 figure.

The total number of domestic and foreign tourists staying in accommodation establishments increased by 0.3% in 2010 to 3.39 million, of which 1.33 million were from abroad. The five leading foreign markets were the Czech Republic, Poland, Germany, Hungary and Austria, together accounting for 63% of all foreign arrivals in 2010.

The number of employees in tourism (accommodation establishments, restaurants and catering) was 103 600 in 2010, about 4.5% of the employed workforce in the Slovak Republic. In 2010, 3 126 facilities provided accommodation services (3 292 in 2009), offering 57 400 rooms with 147 500 bed places.

Tourism organisation

After residing within the Ministry of Economy until June 2010, tourism (including the Slovak Tourist Board – STB), was briefly transferred to the newly created Ministry of Culture and Tourism, before being re-assigned to the newly titled Ministry of Transport, Construction and Regional Development in November 2010 (Figure 4.29).

The responsibilities of the ministry's Tourism Section include: developing tourism as a national priority; designing, implementing and monitoring tourism policy; developing tourism strategies; preparing legislation for the tourism sector; developing investment incentives and assisting private sector tourism investors; compiling tourism statistics; overseeing the environmental integrity of tourism in co-operation with the Ministry of the Environment; representing the Slovak Republic in international tourism bodies and implementing cross-border co-operation in tourism; developing bilateral and multilateral tourism agreements; developing sector plans; and overseeing and monitoring the Slovak Tourist Board (STB).

Under the auspices of the ministry´s Tourism Section, an interdepartmental co-ordination centre to promote cycle tourism and hiking was established in 2011. Its main tasks are to provide support for the development of cycling tourism and hiking in the areas such as: proposing legislative measures to the development of hiking and cycle tourism and system of financing and maintaining marked hiking trails and cycling routes. It also will serve as a co-ordination and communication centre in this field.

The STB is a government agency funded from the state budget and is responsible for promoting and marketing the Slovak Republic as a tourist destination. It markets tourism at

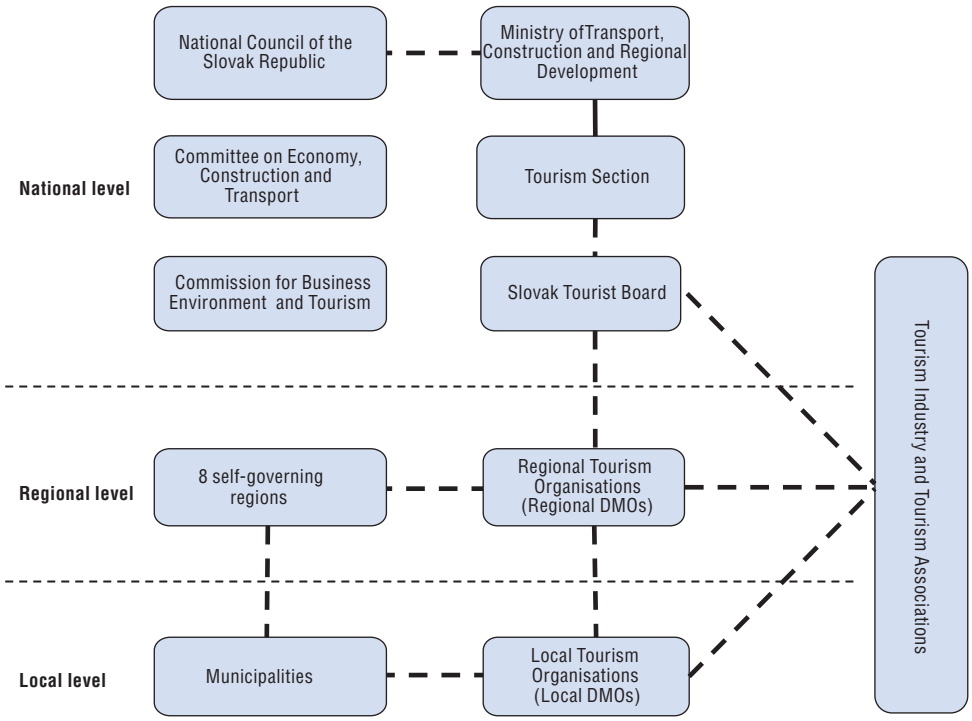
the national level; provides information on travel opportunities in the Slovak Republic; promotes a positive image of the country as a tourist destination abroad; supports the sale of tourism products; and implements the EU Structural Funds in the tourism industry. STB has seven national branch offices as well as offices located in the Czech Republic, Netherlands, Germany, Poland, Austria, Russian Federation, and Hungary.

The Slovak Convention Bureau (SCB), established in 2010 as a non-profit part of the STB, is based on a private-public partnership approach, and promotes the country as a congress destination.

At the regional level, tourism responsibilities were devolved in 2001 to eight self-governing bodies in the regional governments (Bratislava, Trnava, Nitra, Trenčín, Žilina, Banská Bystrica, Prešov and Košice) and municipalities. Also, local government in municipalities and towns play an important role in the development of tourism within their areas. Tourism associations as professional entities also contribute to the development of tourism at local and regional level, primarily in the fields of quality improvement, expanding the range of tourism products and services, professional training, the application of quality standards, and the communication of best practices.

In January 2011, representatives of the seven most important national tourism associations founded The Slovak Tourism Association, a voluntary professional organisation of employers in tourism. Membership will be expanded in future. The priorities of the Association are the unification of the tourism branch, taking an active approach to legislative changes in the area of tourism, and greater co-operation with the Slovak Tourist Board in promoting the Slovak Republic and supporting domestic tourism.

Figure 4.29. **Slovak Republic: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Transport, Construction and Regional Development, 2012.

Tourism budget

The budget for the Tourism Section of the ministry in 2010 was EUR 22.96 thousand, a reduction of almost 50% on the previous year. However, there was an increase of 45% in the Slovak Tourist Board's budget which rose to EUR 2 million in 2010 (Table 4.164).

The Slovak Republic has access to EU funds until 2013 through the National Strategic Reference Framework. The value of these funds in the period 2008-13 is EUR 172.6 million for the support of business activities in tourism, the development of tourism information services, and the presentation of the regions and the country within the Operational Programme, Competitiveness and Economic Growth.

Table 4.164. **Slovak Republic: The financing of tourism**

Euros

	2009		2010	
	State budget	EU structural funds	State budget	EU structural funds
Ministerial tourism budget	44 825	. .	22 958	. .
Slovak Tourist Board	1 437 293	11 674 049	2 065 915	36 938 179
of which:				
Overheads	1 437 293		2 065 915	
Marketing activities		6 028 962		5 637 769
Entrepreneurial support in tourism		5 645 087		31 300 410

Source: Ministry of Transport, Construction and Regional Development.

StatLink http://dx.doi.org/10.1787/888932631819

Tourism-related policies and programmes

The background to tourism policy is contained in the government's 2010-2014 Manifesto, in which it committed itself to supporting sustainability in tourism; completing the Tourism Satellite Account; enhancing the efficiency of tourism promotion; supporting Košice as European Capital of Culture in 2013; legislating to support the participation in tourism of disabled people; supporting tourism enterprises to raise quality; regulating the industry in the national interest; and supporting regional and local tourism associations.

The marketing strategy of the Slovak Tourist Board for 2011-13 was approved by the Slovak government in May 2011. The strategy defines quantitative and qualitative objectives, identifies measures to accomplish objectives, takes a more targeted approach to foreign markets and puts more emphasis on domestic tourism.

In 2007, a tourism development strategy to 2013 was developed, which aims to increase industry competitiveness; alleviate regional disparities; and create jobs. To achieve these aims, the strategy focuses on key elements such as summer tourism and waterside activities, spa and health tourism, winter tourism and sports, urban and cultural tourism, rural tourism, and agrotourism.

Legislation and regulations

The core legislation is the Tourism Support Act of 2010, as amended in 2011 to reflect the change of ministerial responsibility. The underlying Act describes the rights and obligations of tourism stakeholders, the organisational structure of tourism, the financing

of tourism development, and sets the framework for the launch and effective operation of local and regional tourism organisations responsible for the development of tourism within a respective region or defined territory. The amended Act aims to promote the efficient and fair distribution of public resources while guarding against cost over-runs and excessive demands being placed on the state budget in subsequent years.

An amendment to the Act governing investment assistance, approved in June 2011, enables the ministry to provide investment aid to tourism projects.

International and intra-regional activities

In April 2011, the state secretaries of the ministries responsible for tourism in the V4 countries (Czech Republic, Hungary, Poland and the Slovak Republic), signed a protocol on co-operation.

This was the culmination of the Slovak Presidency of the V4 marketing group, and defined the marketing and promotional activities to promote the sale of tourism products to be jointly implemented in overseas markets by the V4 countries.

The marketing and promotional activities of the V4 countries are implemented under the common slogan "European Quartet – One Melody". Joint marketing is carried out in the most distant origin markets – the United States, Japan, China and the Russian Federation, and, since 2010, India and Brazil.

Co-operative marketing of the V4 countries has had a very positive reception in international markets and is viewed as a model example of cross-border co-operation in tourism. In 2011, the national tourism organisations of the V4 countries brought together an overall budget of EUR 430 000 for these joint marketing activities.

Domestic tourism a priority

A key STB priority in 2010 was the support of domestic tourism. During the year, STB carried out several advertising campaigns, including a summer campaign, "Holiday in Slovakia", and a winter campaign, "Winter fun in Slovakia". The aim was to increase knowledge of the country as a holiday destination for nationals, as well as to attract visitors during the winter season from neighbouring countries such as Poland, the Czech Republic, Hungary and the Russian Federation.

Industry issues

The Slovak Republic (Bratislava, Košice) hosted the Ice Hockey World Championship in 2011. This enabled the STB to launch two projects focused on the continuous improvement in the quality of tourism services, mainly through a friendly and helpful approach to visitors. The "PlayFair" campaign, which involved signing up to the Ethics Code, was intended to draw attention to the fair provision of services, while the "Forget-me-not" project emphasised that a successful tourism industry is highly dependent on tourists' positive experiences and unforgettable memories of the tourism services they received.

In March 2010, the government adopted the Transport Development Strategy to 2020, aimed at ensuring the provision of an environmentally and energy-efficient transport system that will protect the environment and minimise harmful emissions.

Sustainable tourism development

Seven Central and Eastern European countries (Czech Republic, Hungary, Poland, Romania, Serbia, the Slovak Republic and Ukraine), sharing the Carpathian mountain range, adopted a Protocol on Sustainable Tourism to the Framework Convention on the Protection and Sustainable Development of the Carpathians in Bratislava, on 25-27 May 2011. The Protocol was drafted by UNWTO and UNEP, and lays the foundations for a co-ordinated approach to tourism and to the joint management of sustainable tourism developments in the region.

In order to renovate and develop cultural monuments the Ministry of Culture together with the Ministry of Labour, Social Affairs and Family implemented in 2011 a pilot project focused on reconstruction work at two Slovak castle ruins Šariš (Prešov region) and Uhrovec (Trenčín region) with the assistance of unemployed people. It is supposed to continue with this project in 2012 with the aim to renovate 15-20 castles and to employ appoximately 850 currently unemployed people.

Tourism Satellite Accounts

As noted above, the government states in its manifesto to undertake steps to implement the work required to complete a Tourism Satellite Account, including selected statistical surveys, so as to enhance the quality of input information on the share of tourism in GDP.

Also, on an annual basis, the Tourism Section of the ministry, in co-operation with the STB, intends to carry out a qualitative analysis of competitiveness of key Slovakian cultural, natural and artificially created attractions, in order to be able to measure the current position and to permit its subsequent evaluation. This will be publicised with the aim of motivating particular regions and especially DMOs to seek ways to improve quality and the management of tourism assets.

Statistical profile

Table 4.165. **Slovak Republic: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	6 447	6 810	6 727	5 490	5 382
Number of nights spent	Thousands	28 561	29 326	29 324	24 458	22 249

1. Same-day visitors excluded, (TSA).

Source: Statistical Office.

StatLink http://dx.doi.org/10.1787/888932631838

Table 4.166. **Slovak Republic: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Number of arrivals at border[1]	Thousands	30 592	32 624	. .	. .	. .
Number of visitors[2]	Thousands	17 781	18 975	19 205	. .	. .
Number of tourists in accommodation establishments total[3]	Thousands	1 612	1 684	1 767	1 298	1 327
Top 5 markets						
Czech Republic	Thousands	455	491	537	425	433
Poland	Thousands	224	244	308	165	162
Germany	Thousands	190	176	165	134	132
Hungary	Thousands	122	94	90	56	51
Austria	Thousands	61	63	62	50	52
Number of same-day visitors[4]	Thousands	5 583	5 740	6 186	. .	. .
International travel receipts	Million SKK	44 985	49 751	55 153	50 446	50 753
International passenger transport receipts	Million SKK	4 037	8 112	8 927	. .	. .

1. Only until 2007.
2. Including transit and same-day visitor (TSA).
3. Accommodation statistics (collective and private rented accommodation establishments).
4. Without transit.

Sources: Statistical Office, National Bank.

StatLink http://dx.doi.org/10.1787/888932631857

Table 4.167. **Slovak Republic: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	3 503	3 937	4 114	3 638	3 066
International travel expenditure	Million SKK	31 349	37 721	45 913	45 313	44 306
International passenger transport expenditure	Million SKK	5 299	7 351	9 230	. .	. .

1. Excluding same-day visitors (TSA).

Sources: Statistical Office, National Bank.

StatLink http://dx.doi.org/10.1787/888932631876

Table 4.168. **Slovak Republic: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation	Establishments	2 477	2 449	2 734	2 961	. .
Food and beverage-serving industry	Establishments	15 025	15 032	15 430	13 619	. .
Railways passenger transport	Establishments	3	3	2	1	. .
Road passenger transport	Establishments	3 418	3 175	3 316	3 049	. .
Water passenger transport	Establishments	30	32	34	21	. .
Air passenger transport	Establishments	19	19	16	12	. .
Transport equipment rental	Establishments	673	671	749	764	. .
Travel agencies and other reservation services industry	Establishments	1 079	1 103	1 154	1 254	. .
Cultural industry	Establishments	1 242	1 347	1 379	1 395	. .
Sports and recreational industry	Establishments	2 984	3 425	3 739	3 756	. .
Characteristic tourism industry	Establishments	26 950	27 256	28 553	26 832	. .
Retail trade of country-specific tourism characteristic goods	Establishments	62 303	58 201	58 592	59 223	. .
Country-specific tourism industries	Establishments	8 964	8 213	10 061	11 503	. .
Total	**Establishments**	**98 217**	**93 670**	**97 206**	**97 558**	**. .**

Source: Statistical Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631895

Table 4.169. **Slovak Republic: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010
Accommodation	Employees	14 402	15 279	16 003	13 761	. .
Food and beverage-serving industry	Employees	39 720	43 642	44 175	56 742	. .
Railways passenger transport	Employees	5 022	4 967	4 955	4 975	. .
Road passenger transport	Employees	18 699	18 288	18 097	17 666	. .
Water passenger transport	Employees	796	717	669	83	. .
Air passenger transport	Employees	834	989	953	116	. .
Transport equipment rental	Employees	1 410	1 451	1 484	1 414	. .
Travel agencies and other reservation services industry	Employees	2 296	2 878	2 731	3 380	. .
Cultural industry	Employees	9 592	9 669	8 609	9 179	. .
Sports and recreational industry	Employees	12 330	12 578	13 168	13 114	. .
Characteristic tourism industry (international comparable)	Employees	105 101	110 458	110 844	120 430	. .
Retail trade of country-specific tourism characteristic goods	Employees	190 928	188 333	193 041	209 245	. .
Country-specific tourism industries	Employees	19 490	18 393	21 468	22 193	. .
Tourism employment in percentage of total employment	Percentage	15.05	14.64	14.64	15.99	. .
Tourism share of total employment	Percentage	5.01	5.10	4.99	5.47	. .
Total	**Employees**	**315 519**	**317 184**	**325 353**	**351 868**	**. .**

1. Number of full-time equivalent jobs in tourism characteristic enterprises (TSA).
Source: Statistical Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932631914

Table 4.170. **Slovak Republic: Tourism in the national economy**

2008	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption
Accommodation services	Million EUR	336	326	662
Hotels and other lodging services	Million EUR	287	326	613
Second home services on own account or for free	Million EUR	49	0	49
Food and beverage serving services	Million EUR	245	389	634
Passenger transport services	Million EUR	546	308	854
Travel agency, tour operator and tourist guide services	Million EUR	78	5	83
Other tourism services (cultural services, recreation, other entertainment services and other tourism services)	Million EUR	225	116	341
Country-specific tourism characteristic goods	Million EUR	244	795	1 039
Petrol	Million EUR	70	130	200
Foodstuff and other goods	Million EUR	174	665	839
Total	**Million EUR**	**1 674**	**1 939**	**3 613**

Source: Statistical Office.

StatLink http://dx.doi.org/10.1787/888932631933

Table 4.171. **Slovak Republic: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal tourism consumption	Million EUR	3 287	3 567	3 615	. .	. .
Inbound tourism consumption	Million EUR	1 879	2 012	1 940	. .	. .
Domestic tourism consumption	Million EUR	1 408	1 555	1 675	. .	. .
Tourism direct GDP (TDGDP)	Million EUR	1 455	1 559	1 552	. .	. .
Tourism direct gross value added (TDGVA)	Million EUR	1 284	1 400	1 406	. .	. .
Gross value added of tourism industries (GVATI)	Million EUR	4 827	5 184	5 697	. .	. .
Internal tourism consumption share of final consumption[1]	Percentage	. .	7.91	7.22	. .	. .
Inbound tourism consumption share of total exports of goods and services	Percentage	4.04	3.77	3.48	. .	. .
Inbound tourism consumption share of total exports of goods and services[2]	Percentage	. .	3.91	3.61	. .	. .
Inbound tourism consumption share of GDP	Percentage	3.41	3.27	2.90	. .	. .
TDGDP share of GDP economy	Percentage	2.64	2.53	2.32	. .	. .
TDGVA share of GVA economy	Percentage	2.58	2.52	2.31	. .	. .
GVATI share of GVA economy	Percentage	9.71	9.34	9.37	. .	. .

1. Final consumption: households (domestic concept), general government, non-profit institutions.
2. Exports minus consumption of non-resident households (domestic concept).

Source: Statistical Office.

StatLink http://dx.doi.org/10.1787/888932631952

Slovenia

Tourism in the economy

Tourism is considered as an important development and economic activity in the strategic development plans of Slovenia due to its cross-sectoral nature. With suitable government support, the sector is seen as having good growth potential. Tourism, given its employment-generating potential, could become one of the leading sectors of the economy and make a major contribution to the achievement of the development objectives defined in Slovenia's Development Strategy 2007-13 and in the future programme for 2014-20.

In 2006, the latest year for which Tourism Satellite Accounts data are available, tourism contributed 5.5% to GDP. In 2010, travel exports (excluding fares) amounted to EUR 1 935.4 million, 7.3% above 2009 and 24.4% higher than in 2006. Tourism export represents 40.4% of all services exports in 2010.

The number of tourism enterprises (hotels, other accommodation, restaurants, tour operators and travel agents) totalled 9 375 in 2010, 4% above 2009. Total employment in these activities in 2010 was 34 233, 3.8% less than in 2009.

Total international tourist arrivals (to all accommodation facilities) were 1.869 million in 2010, a 2.5% increase on the previous year. The five leading origin markets – Italy, Austria, Germany, Croatia and UK – accounted for 766 000 or 41% of this total. In 2010, 8.9 million overnight stays were registered, of which 56% were by foreign tourists. Domestic overnight tourism arrivals in 2010 reached 1.137 million, 2.1% down on the previous year, while domestic overnight stays, at 3.91 million nights, were 4.1% down.

The number of outbound trips (private and business) was 2.59 million in 2009 and rose to 2.87 million in 2010 with expenditure (travel imports) rising from EUR 912.7 million in 2009 to EUR 923.1 million in 2010.

Tourism organisation

Legislative issues concerning tourism come under the Parliamentary Committee on Tourism and the Parliament**.** The preparation and implementation of tourism policies and strategies are the responsibility of the Minister of the Economy. Annual tourism policies and five-year tourism development strategies are produced, with all administrative issues being controlled by the Tourism Directorate, established in 2004. The directorate is divided into two divisions (Figure 4.30).

The Tourism Development and Promotion Division (TDPD) is responsible for tourism policy and the implementation of strategy and tourism legislation, as well as the co-ordination of sectoral policies which have an impact on tourism. TDPD also takes care of international and EU relations in the field of tourism.

The main task of the Investment Policy and Bussiness Environment Division is to implement tourism investment policy and public financial support for investment projects in tourism SMEs. The division prepares calls for tender, applies and evaluates contracting procedures, and administers payments from EU and national budgetary funds to eligible contractors .

The promotion and marketing of Slovenia as a tourist destination is the responsibility of the Slovenian Tourist Board (STB). STB operates on the basis of an annual working programme approved by the government. It carries out marketing and promotion activities within the framework of a five-year national strategy for tourism development and marketing. STB was established in 1995 as a state-funded organisation and is allowed to undertake some commercial activity in the market. It was re-organised in 2010 into a fully state-funded public institution. For international trade fairs and advertising abroad, industry members are charged fees. The STB maintains six offices in Europe, co-operates with many foreign offices worldwide on a contractual basis, and in some cases operates within Slovenian embassies abroad. STB is member of the ETTC.

Other relevant bodies dealing with tourism in Slovenia include the Slovenian Tourism Council, established in 2010, which, under the presidency of the Prime Minister, involves a cross-section of ministerial and private sector representatives and is the key body for the discussion and co-ordination of tourism development issues on a cross-ministerial level. Members include ministers from the main national ministries, STB, Tourist Association (TAS), Tourism and Hospitality Chamber, Tourism Research Council and five industry representatives.

Small and medium-sized enterprises (SMEs), including those in tourism, are assisted in their investment and development projects by the Slovene Enterprise Fund and by the Public Agency for the Promotion of Entrepreneurship and Foreign Investment.

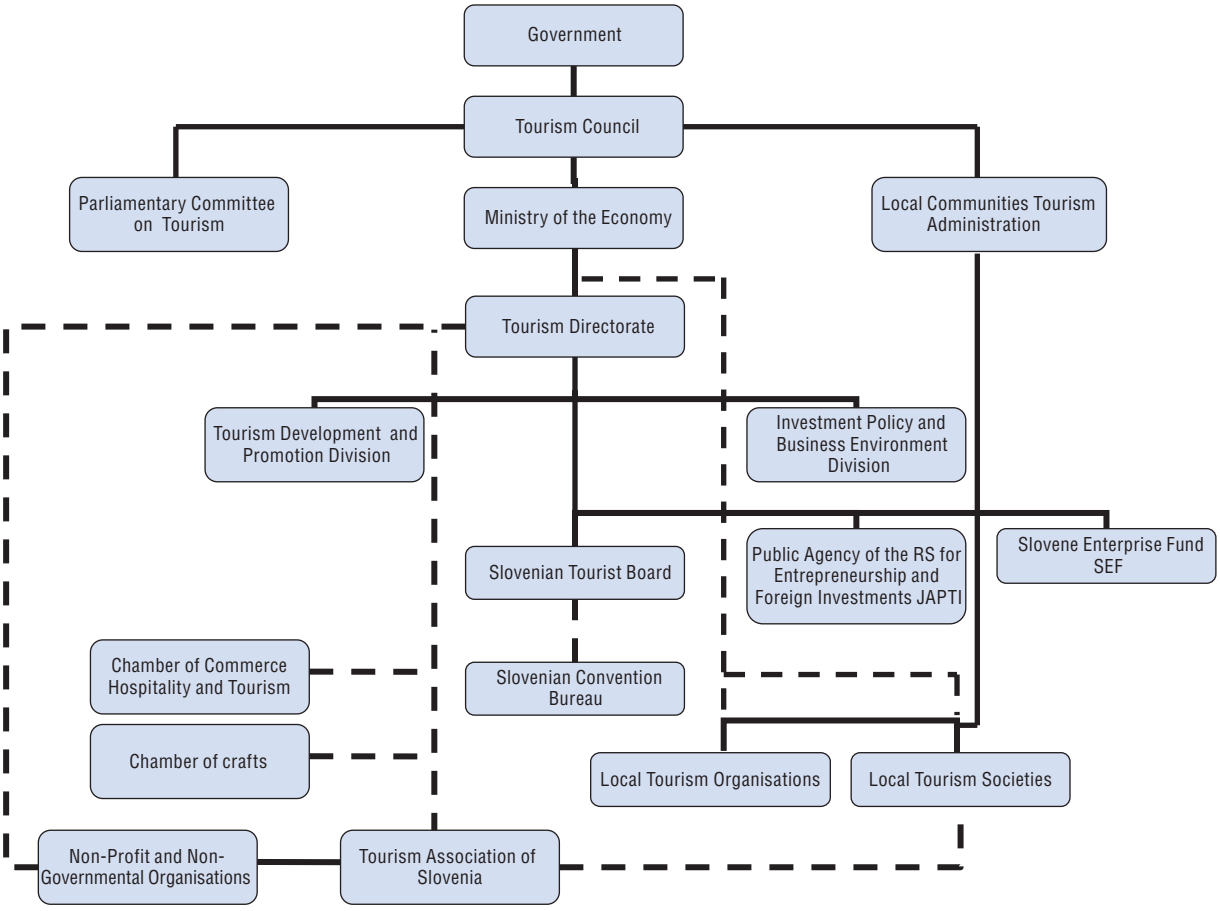
The most important NGO in the field of tourism is the National Tourist Association of Slovenia (TAS). This has been in exsitence for over 100 years, and incorporates more than 655 local civil societies (clubs of friends of tourism) throughout the country. TAS activities which support national tourism policy objectives are co-financed by the state budget. Other important organisations at national level are the Chamber of Commerce, Hospitality and Tourism, the Chamber of Craft, the Trade Union for Tourism and Catering Workers, the Association of Slovene Travel Agents, the Slovenian Spa Association, the Slovenian Convention Bureau and the National Tourist Association/International Institute for Tourism (a private institution for development and research in the field of tourism which co-operates with government on specific projects and is a partner in many Euroepan projects under the EU Teritorial Co-operation/Objective 3).

Tourism budget

The national budget for tourism in 2010 amounted to EUR 272 000 in addition to EUR 8.915 million granted to the Slovenian Tourism Board. Together these budgets represented an increase of 3.1% on 2009 . In addition, Slovenia benefits from funding from the European Union for tourism development. In 2010, this amounted to EUR 29 million (EUR 34.4 million in 2009).

While the national budget is the main source of funding for tourism, to supplement this, the marketing and promotion of the country abroad is based on the principle of co-funding with the private sector. EU structural funds from various Sectoral Operational

Figure 4.30. **Slovenia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy, Directorate of Tourism, 2012

programmes are largely used in the tourism sector for the high quality renovation of existing facilities and the construction of new tourist facilities, as well as the development and management of tourist destinations. For 2007-13, the European Regional Development Fund (ERDF) allocated EUR 145 million for tourism projects in Slovenia. To the end of 2010, four calls for proposals had been issued resulting in the confirmation of 99 private and NGO investment projects. In addition, 34 public investment projects, in fields such as sport, recreation, restoration of cultural heritage, tourism infrastructure for young people (Youth hostels), and for enhancing regional destination management, were confirmed.

Tourism-related policies and programmes

Medium to long-term tourism strategy

The 2007-2011 tourism strategy was based on a new sustainable development model for tourism aimed at optimising and implementing all available development resources at all levels (industry, public and NGO). Priority was given to quality renovation and construction of accommodation, leisure, wellness and sport facilities, and the improvement of destinations and industry competitiveness (Box 4.19). With SMEs' investment projects co-financing by national and EU funds, Slovenia has acquired over

4 000 additional beds in the hotel sector, new golf courses, new and renovated wellness, spa and skiing facilities, all of which have created additional employment. The organisation, networking and sustainable management of tourist destinations have been strengthened, and "green" tourism entrepreneurship has been encouraged. A new tourism strategy for 2012-16 is being drafted.

Box 4.19. **Examples of tourism development initiatives**

In recent years Slovenia has concentrated on successful tourism development, green tourism and the promotion of the country abroad, as well as investment promotion, human resource issues, quality improvement and the adoption of international quality standards, such as the EU Flower for accommodation and the Blue Flag system for beaches. Currently, the emphasis is on issues such as appropriate destination management..

The gap between demand and the supply of a sufficiently skilled tourism workforce is a major problem, especially in the hotel and catering industry. To improve this situation, the Slovenian tourism administration in partnership with the Chamber of Commerce, Chamber of Tourism and Catering, Chamber of Crafts and the National Institute for Vocational Education and Training, organises workshops, seminars and media campaigns each year to support and promote vocational, entrepreneurial skills in tourism- and hospitality-related jobs. The annual "We know how to do it" media campaigns have met with a very positive response in this area.

Slovenia participates in the pilot project "European Destinations of Excellence" and grants national awards to winning destinations. To improve the marketing, promotion and visibility of Slovenian tourism, the Ministry of the Economy and the Slovenian Tourism Board launched a new tourism brand for Slovenia "I FEEL SLOVENIA".

To support sustainable tourism projects and investments, the government assesses applications under calls for tender for the co-financing of tourism infrastructure construction, and also encourages investors that propose sustainable investment projects for the preservation and revitalisation of cultural heritage, as well as environmentally friendly investments.

Key objectives of the 2012-16 Tourism Development Strategy of Slovenia

The working name of the new strategy is 2012-16 Partnership for the Sustainable Development of Slovenian Tourism with priority given to repositioning Slovenia in global markets as an undiscovered, excellent, green, active and healthy destination in the heart of Europe (Box 4.20).

Domestic and inbound tourism development

The recent global financial and economic crisis affected Slovenian tourism substantially in both 2009 and 2010, although 2011 has seen a recovery. This recovery partly reflects political unrest in competing Mediterranean destinations, and also the fact that Slovenia has been able to spread its tourism season in areas such as thermal spas and health resorts, which can operate throughout the year and are capable of adjusting rapidly to increased demand triggered by changes in competing destinations. Substantial changes in demand have been seen in areas such as the choice of accommodation, where overnight

Box 4.20. **Slovenia: Main objectives of the Tourism Development Strategy 2012-16**

- Increasing the economic value of tourism (incomes and profits of the HORECA sector, more and better jobs in tourism, more tourism SMEs, more tourist arrivals, and a greater number of overnight stays):
  - planned annual growth of overnight stays: 2%;
  - planned growth of tourist arrivals: 4%;
  - annual growth of travel export revenues: 6-8%; and
  - basing the economic growth and competitiveness of tourism SMEs on a sustainable development paradigm focusing on innovation, a more favourable business environment, better co-operation between private, public and civil society and efficient and innovative marketing and promotion activities.
- Increasing the quality and volume of tourism activity to raise the overall competitiveness of SMEs, products, services and destinations:
  - incentives for green SMEs investments in better quality of services and products, stimulating the construction of green tourism facilities, increasing sustainable transport access to destinations, incentives for cultural and natural heritage protection to enable better economic valorisation of these assets, measures and incentives in human resources development to assure a competent and professional tourism workforce; the new strategy also envisages activities aimed at an improved data and knowledge base for efficient tourism planning, enhancing sustainable management and organisation in tourist destinations, introducing quality labels in tourism, and strengthening the promotion of the national tourism brand "I feel Slovenia" to increase the visibility of Slovenia as an attractive tourist destination.

stays in hotels are rising while stays in apartments and camps are falling. Average length of stay and tourists' peripheral spending have been falling, however, while demand for package services has been increasing, because these enable consumers to predict holiday or travel expenses more easily.

Statistics and economic evaluation of tourism

The Tourism Satellite Account (TSA) has yet to be fully introduced in Slovenia. Two special surveys are conducted by National Statistical Office: a survey on foreign tourists and a survey on foreign travellers at road border crossings and at tourism attractions. Additional indicators can be calculated from the results of the TSA from 2003 which have been extrapolated to 2006. No further TSA surveys have been carried out since then.

Periodic evaluations of progress towards the objectives contained in the five-year tourism strategy are carried out every year at the Slovenian Tourism Forum. This is the key policy co-ordination platform between the private, public and civil sectors, at which representatives of all tourism stakeholders meet and discuss results, and agree on future activities and challenges.

Statistical profile

Table 4.172. **Slovenia: Domestic overnight tourism**

	Units	2006	2007	2008[1]	2009	2010
Overnight stays in all types of accommodation establishments[2]	Thousands	3 233	3 393	3 963	4 077	3 909
Overnight stays in hotels and similar establishments	Thousands	1 746	1 839	2 175	2 234	2 138
Tourist arrivals in all types of accommodation[2]	Thousands	868	930	1 126	1 161	1 137
Tourist arrivals in hotels and similar establishments	Thousands	484	523	643	648	626

1. Break of series.
2. Including private accommodation.

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932631971

Table 4.173. **Slovenia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008[1]	2009	2010
Total international arrivals in all means of accommodation[2]	Thousands	1 617	1 751	1 958	1 824	1 869
Total international arrivals in hotels and similar establishments	Thousands	1 247	1 386	1 532	1 411	1 422
Top 5 markets						
Italy	Thousands	309	316	346	352	348
Austria	Thousands	165	169	173	169	164
Germany	Thousands	136	141	148	125	123
Croatia	Thousands	82	88	99	82	83
United Kingdom	Thousands	70	71	69	55	48
International travel receipts	Million EUR	1 555.5	1 665.4	1 826.6	1 803.9	1 935.4
International passenger transport receipts	Million EUR	90.5	132.1	174.8	153.9	136.7

1. Break of series.
2. Including private accommodation.

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932631990

Table 4.174. **Slovenia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	2 680	2 496	2 459	2 586	2 874
Number of private trips	Thousands	2 196	2 021	1 937	2 102	2 369
Number of business trips	Thousands	484	475	522	485	505
International travel imports	Million EUR	772.3	831.5	922.2	912.7	923.1
International passenger transport imports	Million EUR	66.9	84.5	171.5	127.5	123.1

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632009

Table 4.175. **Slovenia: Enterprises in tourism**[1]

	2006	2007	2008	2009	2010
Hotels and similar establishments	303	314	334	363	386
Other accommodation establishments	436	500	536	605	641
Restaurants	6 846	6 962	7 095	7 399	7 670
Tour operators and travel agencies	486	532	594	649	678
Total	**8 071**	**8 308**	**8 559**	**9 016**	**9 375**

1. Included are registered legal or natural persons which were active during the reference year (had either turnover or employment).

Sources: National Statistical Office, Structural Business Statistics.

StatLink http://dx.doi.org/10.1787/888932632028

Table 4.176. **Slovenia: Employment in tourism**[1]

	Units	2006	2007	2008	2009	2010
Total	**Employees**	**33 506**	**34 979**	**36 144**	**35 583**	**34 233**
Men	Employees	13 006	13 552	14 159	14 293	13 981
Women	Employees	20 500	21 427	21 985	21 290	20 252
Hotels and similar establishments	Employees	8 722	9 427	9 720	9 398	9 177
Men	Employees	3 218	3 401	3 497	3 431	3 344
Women	Employees	5 504	6 026	6 223	5 967	5 833
Other accommodation establishments	Employees	1 219	1 215	1 225	1 211	1 221
Men	Employees	448	463	487	486	493
Women	Employees	771	752	738	725	728
Restaurants[2]	Employees	21 769	22 340	23 344	23 188	22 052
Men	Employees	8 683	8 949	9 533	9 733	9 486
Women	Employees	13 086	13 391	13 811	13 455	12 566
Tour operators and travel agencies	Employees	1 796	1 997	1 855	1 786	1 783
Men	Employees	657	739	642	643	658
Women	Employees	1 139	1 258	1 213	1 143	1 125

1. Paid employment and self-employed persons.
2. Restaurants, bars, canteens and catering.

Sources: National Statistical Office, Statistical Register of Employment.

StatLink http://dx.doi.org/10.1787/888932632047

Table 4.177. **Slovenia: Tourism in the national economy**

2006	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million EUR	149	292	. .
Food and beverage serving services	Million EUR	204	164	. .
Passenger transport services	Million EUR	136	146	. .
Travel agency, tour operator and tourist guide services	Million EUR	34	10	. .
Cultural services	Million EUR	24	16	. .
Recreation and other entertainment services	Million EUR	115	308	. .
Other goods and services	Million EUR	480	713	. .
Total	**Million EUR**	**1 142**	**1 649**	**1 678**

Sources: Ministry of the Economy, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932632066

Table 4.178. **Slovenia: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal domestic tourism consumption share of final consumption	Percentage	12.6	. .	. .	. .	. .
Tourism share of GDP	Percentage	5.5	. .	. .	. .	. .
Tourism exports share of exports of services	Percentage	42.8	39.3	36.5	40.5	40.4

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632085

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 almost 10% of GDP and 11% of employment. Although a slight reduction on previous years, tourism continues to contribute substantially to offsetting the trade deficit. As the UNWTO estimates, with 52.7 million foreign visitors in 2010 (+1% as compared to 2009) and tourism receipts of close to EUR 39.621 billion (+4% as compared to 2009), Spain in 2010 consolidated its position as the fourth largest destination globally in terms of arrivals, and the second largest in terms of receipts.

Tourism expenditure reached EUR 48.3 billion (+2% with respect to 2009) and Spain holds first place in the European Union in terms of hotel overnight stays, with 268 million. The unemployment rate in tourism was 14.8%, compared with the national rate of 20%.

In summary, trends in the industry in 2010 were positive and, according to data from the Institute for Tourism Studies (IET), this trend has continued in 2011. In 2011, international tourist arrivals increased by 7.6% to reach 56.7 million for the period, while all inbound visitors (including excursionists) were up to 6.1 million, which means a 6.5% increase compared to the same period of the previous year. Total expenditure by tourists in 2011 rose by 7.9% to reach EUR 52.8 billion.

Tourism organisation

Tourism comes under the Ministry of Industry, Energy and Tourism (Figure 4.31) acting through the offices of the State Secretariat for Tourism. The State Secretariat is responsible for defining, developing and implementing tourism policy, and for any related promotional activities that fall within the sphere of the central government's responsibility.

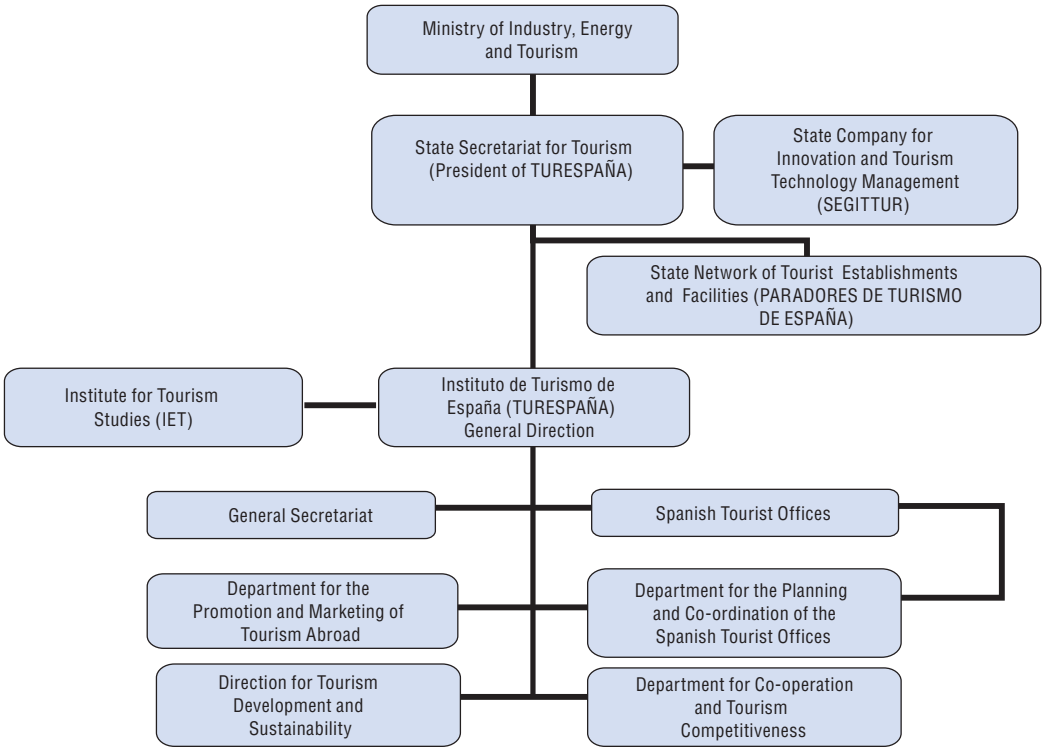
The Spanish Tourism Institute (TURESPAÑA) is the administrative unit of central government charged with promoting Spain abroad as a tourist destination. It carries out activities in the following areas:

- planning, developing and executing activities aimed at promoting Spain as a tourist destination in international markets;
- supporting the marketing of Spanish tourism products abroad in co-operation with regional and local authorities and the private sector; and
- establishing the strategy, plan of action and investments for new establishments of *Paradores de Turismo de España*.

In order to achieve its promotional and marketing goals effectively, TURESPAÑA operates through an international network of 33 Spanish Tourist Offices abroad, which are part of Spain's embassies and consulates.

The Instituto de Estudios Turísticos (IET or Institute for Tourism Studies) was created in 1962, and since 2009 has been under the control of TURESPAÑA. This is a public body whose functions include researching the factors that influence tourism and developing, assessing and collecting statistical information and data on the tourism sector. It also creates, disseminates and co-ordinates the knowledge and intelligence on tourism that is generated by the various administrative units of the ministry and TURESPAÑA.

Figure 4.31. **Spain: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Industry, Tourism and Trade, 2012.

Under the Spanish Constitution, the autonomous regions are responsible for the promotion and regulation of tourism within their own territories. This does not inhibit state intervention, however, since the state develops and undertakes international relations, the promotion and marketing of tourism abroad, the design and development of tourism policy and the overall regulation of tourist activity, in addition to its role in national economic planning in which tourism is a key component. The autonomous regions take care of tourism promotion and organisation, urbanism, public works and infrastructure and historic heritage management in their own territories.

Local entities (provinces and municipalities) manage their own tourism interests at the local level. Their powers are mainly in tourism promotion and information. Thus one important organ is the *Patronato de Turismo* (mostly in the main cities) and the "Congress Offices"; the latter depend on the *Patronato* to carry out the integrated management of city tourism promotion, and they support the private sector in their commercial strategy to attract congresses and fairs.

This distribution of powers creates a network of inter-administrative relations and various instruments of co-operation, whose functions are to bring coherence to the actions of public authorities in tourism matters. Co-operation is the key, since there are common interests that have to be appropriately matched and combined in order to ensure maximum possible operational effectiveness.

Paradores de Turismo de España is a state company under the control of the Spanish Tourism Institute, whose principal function is the management and operation of state-owned properties, mostly historic buildings that have been purpose-adapted as hotels. This has been enormously successful in recovering and conserving Spain's historical heritage. There is currently a network of 93 *Paradores* in operation.

Three other tourism-related bodies should be mentioned:

- The Inter-Ministry Committee for Tourism (*Comisión Interministerial de Turismo*) is a collegiate, advisory and executive co-ordination body whose members represent those national ministries that have responsibility for tourism-related matters.
- The Sectoral Tourism Conference (*Conferencia Sectorial de Turismo*) is the collegiate, advisory and executive co-ordination body which brings together public representatives from central government and the autonomous regions with tourism responsibilities.
- The Spanish Tourism Board (*Consejo Español de Turismo* – CONESTUR) is an advisory body which brings together all the territorial tourism administrations (state, regions and provinces-cities) and the private tourism sector (*e.g.* chambers of trade, the National Employer's Association [CEOE], professional associations, trade unions and a wide spectrum of tourism professionals).

Tourism budget

Under the Constitution, the autonomous regions are responsible for the co-ordination of tourism in their regions, and do not directly affect the state budget or national taxation. They operate autonomously and rely on their own budgets.

At the national level, the 2011 budget for the General Secretariat for Tourism and Domestic Trade is EUR 722.6 million (EUR 607.2 million in 2010), the budget for TURESPAÑA is EUR 201.8 million (EUR 153.8 million in 2010), and the budget for tourism promotion is EUR 83.8 million (EUR 66.4 million in 2010).

Inside this general budget for TURESPAÑA, there are benefits from several *ad hoc* tourism funds. EUR 6 million is available for statistics, EUR 39.4 million for publicity campaigns and EUR 0.4 million for investment in real estate and in the network of *Paradores*. There is also a budget of EUR 2 million for *Intelitur* and *Segittur* (State Company for Innovation and Tourism Technology Management), and for Innovation Entreprise Associations.

The main sources of funding for TURESPANA are the *Paradores* (EUR 9 million), commercial transactions (EUR 6 million), refunds from Spanish offices abroad and transfers from the ministry (EUR 135 million).

Tourism-related policies and programmes

Legislative and regulatory environment

The legislative powers in tourism are vested mainly in the autonomous regions. The horizontal character of the tourism sector means that it is affected by general laws and regulations such as those dealing with consumer legislation, transport, public health and the environment.

In 2010, a series of national tourism regulations were revoked in order to allow the autonomous regions greater legislative autonomy regarding the regulation of travel agencies, cafeterias, restaurants, tourism accommodation, bungalows, and camping.

In recent years, the NTO has been trying to co-ordinate the activities of all tourism actors to eliminate barriers to the provision of tourism services, especially intermediary activities such as accommodation and tourism guides. This brings Spanish practice into line with European Union Directives governing free access to service activities.

Tourism initiatives

- In 2006, TURESPAÑA introduced a Customer and Relationship Management (CRM) system. The CRM system creates an integrated tourism information and customer relationship service. The objective of this initiative is to increase the number of customer sales by improving the knowledge of consumers' requirements and meeting their needs and expectations, with a resulting positive impact on customer loyalty.
- The official website of TURESPAÑA (*www.Spain.info*) was created in 2002, and remodelled in 2009, to assist tourists when planning their trip to Spain. During this time, the portal has been adapted to the changing needs of customers and has transformed from an information and database portal to a site where images and the user experience are critical. There are 24 versions, each with specific content to meet the needs of individual markets, and there also four international versions in English, French, German and Spanish.
- Spain is also active in *Intelitur* (Centre for Knowledge, Intelligence and Tourism Innovation). This is a common project driven by the State Secretariat for Tourism and the High Council of Chambers of Commerce. *Intelitur*'s objectives are to:
  - gather and transfer knowledge in the tourism sector;
  - strengthen innovation and technology transfers, bringing new ways for companies to improve their market position and increase their competitiveness;
  - promote and encourage technological development and diffusion of best practice in tourism to ensure that the product offer adapts to new challenges and opportunities.
- The Tourism Plan Horizon 2020 includes a work stream focussing on "valuing the customer" and is directed at improving the tourism experience and securing Spain's position as a tourist destination. This work includes the Perceived Quality Programme *(Progama Calidad Percibida)*, which aims to improve the quality of tourism enterprises and destinations, and also improving the visitor experience by encouraging a "culture of detail", before, during and after their trip.
- Plan RenovE and Plan FuturE are two Spanish government initiatives that put EUR 1.9 billion at the disposal of the tourism sector. To date EUR 3.6 billion has been invested in 3 380 projects, with EUR 1.9 invested for every EUR 1 of the budget credit. Over two years

the plans together have created 77 000 jobs and the programmes' success has led to an additional EUR 300 million for 2011 being made available.

- Plan RenovE: established in 2009, this plan has a budget of EUR 1 billion, and is designed to reduce the negative impacts of the financial crisis on the tourism sector. It is intended to be an ongoing programme with the objective of improving the tourist offer (sustainability, accessibility, quality, and infrastructure), and access to credit for small tourism-related businesses, through the provision of low interest loans with repayment terms of 5-12 years.
- Plan FuturE: focuses on improvements to energy saving and environmental conservation. This programme is a partnership between the State Secretary for Tourism and the ICO (Official Credit Insitute), and seeks to improve access to credit for tourism projects aiming to increase or improve: the sustainability of tourism facilities; energy savings and efficiency; environmental management systems; implementation of quality systems; accessibility; reforms to increase innovation and new technologies; differentiation of the tourism offer.

- In the area of public infrastructure, the Tourism Infrastructures Modernisation Fund (FOMIT), worth EUR 200 million, is at the disposal of municipalities for the modernisation of infrastructure and tourism accommodation; EUR 127 million have been spent to date.
- The Spanish Tourism Board (CONESTUR) recently granted its support for one of the main challenges of tourism – the *Plan de Turismo Litorial Siglo XXI* (21st Century Plan for Coastal Tourism). This attempts to re-define the coastal tourism offer that is so vital to the national economy (generating 52.6 million tourists, more than 164 million domestic trips, and around EUR 49 billion in expenditure). The State Secretariat for Tourism has made huge efforts to change the Spanish tourism model since the creation of the Tourism Plan 2020 and has introduced specific activities such as the Programme for the Integrated Revalidation of Mature Tourism Destinations, which affects four pilot destinations: the beaches of Palma in the Balearic Islands, the Costa del Sol in Andalusia, San Bartolomé de Tirajana and Puerto de la Cruz in the Canary Islands.

Statistical profile

Table 4.179. **Spain: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	154 968	146 782	157 615	158 850	148 591
Number of nights spent	Thousands	653 919	660 187	681 694	683 867	643 722

1. Number of tourism trips.
Source: Institute of Tourism Studies.

StatLink http://dx.doi.org/10.1787/888932632104

Table 4.180. **Spain: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals[1]	Thousands	58 004	58 666	57 192	52 178	52 677	56 694
Top 5 markets							
United Kingdom	Thousands	16 210	16 296	15 775	13 297	12 440	13 611
Germany	Thousands	10 140	10 081	10 063	8 935	8 814	9 031
France	Thousands	9 082	9 004	8 149	7 955	8 125	8 498
Italy	Thousands	3 379	3 623	3 354	3 188	3 490	3 767
Netherlands	Thousands	2 549	2 503	2 480	2 089	2 276	2 776
Number of same-day visitors	Thousands	38 148	40 241	40 478	39 722	41 067	43 173
International travel receipts	Million EUR	40 715	42 061	41 901	38 125	39 621	43 026
International passenger transport receipts	Million EUR	4 966	5 310	5 745	4 446	5 002	. .

1. Number of tourists at borders.
Source: Institute of Tourism Studies.

StatLink http://dx.doi.org/10.1787/888932632123

Table 4.181. **Spain: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010	2011
Number of tourism trips	Thousands	10 678	11 276	11 229	12 840	13 623	. .
International travel expenditure	Million EUR	13 266	14 360	13 834	12 086	12 663	12 415
International passenger transport expenditure	Million EUR	2 899	3 368	4 633	3 813	4 555	. .

Source: Institute of Tourism Studies.

StatLink http://dx.doi.org/10.1787/888932632142

Table 4.182. **Spain: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010	2011
Hotels and restaurants, *of which:*	Establishments	282 118	287 055	289 218	290 676	289 614	287 434
Hotels, campsites and other provision of short-stay accomodation	Establishments	20 662	21 907	22 603	23 079	22 924	23 288
Restaurants, bars and canteens	Establishments	261 456	265 148	266 615	267 597	266 690	264 146
Transport[1]	Establishments	210 060	215 078	86 231	85 731	81 618	83 345
Travel agencies and tour operators	Establishments	8 880	9 885	10 970	11 028	10 895	10 992
Other services	Establishments	66 108	71 795	74 810	77 148	77 441	78 051
Total[1]	**Establishments**	**567 166**	**583 813**	**461 229**	**464 583**	**459 568**	**459 822**

1. Break of series; from 2008, excludes freight and only includes passengers.
Source: National Institute for Statistics.

StatLink http://dx.doi.org/10.1787/888932632161

Table 4.183. **Spain: Employment in tourism**

	Units	2006		2007		2008		2009		2010		2011	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Hotels and restaurants (Hostelería)	Thousands	640	763	652	798	640	812	635	786	625	745	637	755
Transport (including travel agencies and tour operators)	Thousands	597	125	612	132	236	96	239	90	239	92	234	88
Other services	Thousands	237	137	234	147	259	150	256	137	271	148	280	138
Total	**Thousands**	**1 474**	**1 024**	**1 499**	**1 077**	**1 136**	**1 058**	**1 131**	**1 013**	**1 135**	**985**	**1 151**	**981**

Source: Labour Force Survey (EPA).

StatLink http://dx.doi.org/10.1787/888932632180

Table 4.184. **Spain: Tourism in the national economy**

2007	Units	Final domestic tourism consumption by households	Inbound tourism consumption	Total internal tourism consumption
Accommodation services	Million EUR	16 445	11 781	31 827
Food and beverage serving services	Million EUR	14 355	12 353	27 359
Passenger transport services	Million EUR	6 869	6 547	18 512
Travel agency, tour operator and tourist guide services	Million EUR	2 475	397	6 123
Cultural, recreation and other entertainment services	Million EUR	1 316	1 104	3 095
Other services	Million EUR	4 779	9 064	15 591
Goods	Million EUR	4 444	5 867	10 311
Total	**Million EUR**	**50 682**	**47 113**	**112 818**

Source: National Institute for Statistics, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932632199

Table 4.185. **Spain: Other economic indicators**[1]

	Units	2006	2007	2008	2009	2010
Internal domestic tourism consumption share of final consumption	Percentage	14.3	14.1	. .	. .	. .
Tourism share of GDP[1]	Percentage	10.9	10.8	10.4	9.9	10.2
Tourism share of employment	Percentage	12.7	12.7	10.8	11.3	11.5

1. Provisional estimate for 2008 and advance estimate for 2009.

Source: National Statistics Institute, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932632218

Sweden

Tourism in the economy

The contribution of the tourism sector to the Swedish economy is relatively stable at around 3% of GDP.

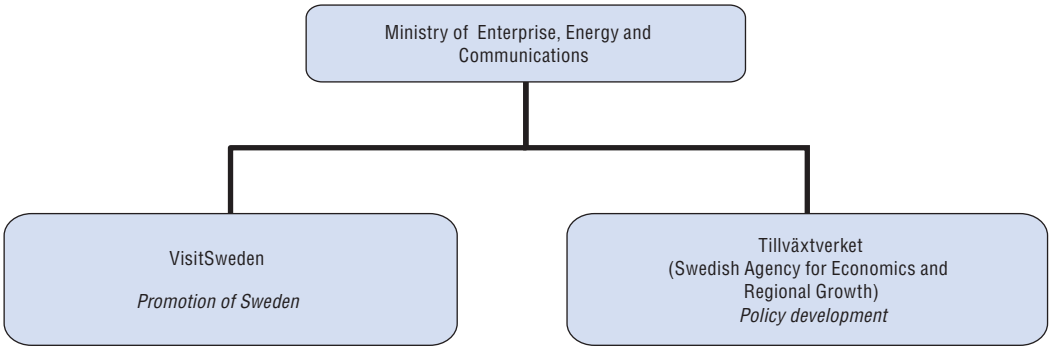
The total number of nights spent by domestic visitors in 2011 was 40 million, up from 39.6 million in 2010. Over the same three years, nights spent by international visitors rose from 11.9 million in 2008 to 12.9 million in 2011, an annual average rise of 3.7%. While no data on international arrivals are available, it is known that the five leading origin markets for Sweden are Norway, Germany, Denmark, Netherlands and the United Kingdom. Total earnings from international tourism (excluding transport receipts) in 2010 were SEK 79.9 billion compared with SEK 73.9 billion in 2008, an average rate of increase of 4% a year.

Some 162 000 people were employed in the tourism sector in 2010, 46% of whom worked in the hotel sector. In that year, there were 2 051 hotels in the country.

Tourism organisation

The structure of tourism organisation at the national level has not changed since 2005 when the Swedish parliament decided on a dual structure approach, with Tillväxtverket (Swedish Agency for Economic and Regional Growth) responsible for the development of entrepreneurship and regional development, and VisitSweden (owned 50/50 by the government and the Swedish tourism industry) responsible for marketing Sweden abroad as a tourist destination (Figure 4.32).

Figure 4.32. **Sweden: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Enterprise, Energy and Communications, 2012.

At the regional and local level, there are tourism organisations managed respectively by regional and community authorities, although there are no formal links between the different administrative levels. National organisations are based in Stockholm, and maintain no regional offices. Tillväxtverket, however, does have a regional structure (NUTS II level) handling issues related to structural funds only.

The need for active co-operation in tourism on the part of stakeholders is fully recognised and co-operation is thus commonplace. In 2001, Tillväxtverket was charged with the task of handling co-operation between government agencies relating to tourism.

Tourism budget

The budget for tourism is integrated in the general budget for Tillväxtverket, and has since 2012 amounted to about SEK 20 million, of which some 60% is used for procurement of statistical data and surveys.

The budget for Visit Sweden is about SEK 110 million annually from the government, which is matched by a similar sum from industry stakeholders.

There are no specific tourism funds, with the exception of a foundation with the purpose of promoting knowledge and development within the tourism sector. This foundation finances scholarships, in the form of annual awards of SEK 100 000 (*Stora Turismpriset*), to actors in the field of tourism who have developed innovative, high quality and sustainable products and services.

There are no specific tourism taxes in Sweden and therefore, tourism funding is derived mainly from general government budgets. There are occasionally, however, specific activities financed by the government, in addition to the general budget. For example, lower employer contributions for persons below the age of 26, which is beneficial for the sector of tourism that employs many young persons during seasons. Taxes for ski lifts were decreased from 12% to 6%.

Tourism-related policies and programmes

Government-led strategies

A tourism strategy initiated and developed by the industry was presented in the summer of 2010. This was developed largely by the tourism industry itself and is now the industry's main development tool. To date, this has resulted in the establishment of a destination development consultancy which will help Swedish destinations to reach an international market.

The Swedish Agency for Economic and Regional Growth was commissioned in 2011 to co-ordinate government involvement in tourism activities. As tourism cuts across the activities of a large number of government bodies, it was felt necessary to have some method for co-ordinating government actions. In the absence of any formal tools for vertical co-ordination between the different levels of government, this is mainly handled through knowledge development and through the sharing of experiences and examples of good practice.

Following an initiative from the Västra Götaland region, the government has contributed to the development of a national quality and sustainability assessment system for entrepreneurs and activities within the tourism sector. Also, through Tillväxtverket, the government is financing the establishment of a tourism development centre that will

function as a one-stop shop for industry stakeholders as well as a centre for the co-ordination of government agency initiatives.

The handling of investments in infrastructure and in tourism attractions such as the cultural and natural heritage, presents another challenge. The government has a different role in tourism in this area, because a large proportion of the actual attractions or drivers for tourism are publicly owned and managed. This emphasises the need to focus on understanding the tourism sector. If tourism attractions can be created as a "by-product" of necessary public investments, this creates an example of effective governance for the sector.

Facing climate challenges and a different demographic situation, questions of sustainability and tourism will be some of the most important questions for the self-governed regions in the future. Also, the development of an industry-driven strategy has helped to clarify perspectives and the need for better co-ordination within the industry.

Funding issues

In the Budget Bill for 2012 the government presented an initiative in the field of tourism for 2012-2014. SEK 60 million will be invested in selected tourist destinations that have the potential to attract international tourism. This initiative will also include activities related to small tourist companies within these destinations (business development activities, quality assessment, sustainable development, etc.).

With regard to the regulatory environment, it was decided at the end of 2011 to lower the rate of VAT on restaurants and catering services from 25% to 12%. This was implemented at the beginning of 2012, and therefore it is too early to evaluate the impact of this change, the results of which will be monitored by the government.

Transport issues

The main Swedish international airport, Arlanda, is currently seeking a new environmental concession for operations at the airport. There are two main problems to solve – the current restrictions on emissions and the need to handle noise levels in such a way that the third runway can be fully utilised.

Statistics and economic evaluation of tourism

Sweden is currently producing a yearly Tourism Satellite Account (TSA), the results of which show that tourism is contributing a relatively stable 3% of GDP. The country is also starting to investigate the possibility of creating regional TSAs.

In 2011, Sweden started a new national survey on inbound tourism. Data for 2011 will be available after April 2012.

Statistical profile

Table 4.186. **Sweden: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of nights spent	Millions	. .	. .	38.1	38.6	39.6

Source: Swedish Agency for Economic and Regional Growth.

StatLink http://dx.doi.org/10.1787/888932632237

Table 4.187. **Sweden: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total nights spent	Millions	. .	. .	11.9	12.3	12.8
International travel receipts	Billion SEK	. .	. .	73.9	78.5	79.9
International passenger transport receipts	Billion SEK	. .	. .	7.4	7.1	7.2

Source: Swedish Agency for Economic and Regional Growth.

StatLink http://dx.doi.org/10.1787/888932632256

Table 4.188. **Sweden: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourist trips	Millions	. .	. .	13.3	11.7	13.0
International travel expenditure	Billion SEK	. .	. .	97.2	91.2	95.6
International passenger transport expenditure	Billion SEK	. .	. .	. .	. .	. .

Source: Swedish Agency for Economic and Regional Growth.

StatLink http://dx.doi.org/10.1787/888932632275

Table 4.189. **Sweden: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotel	Establishments	. .	. .	2 022	2 028	2 051
Restaurants	Establishments	. .	. .	18 348	18 987	. .

Source: Swedish Agency for Economic and Regional Growth.

StatLink http://dx.doi.org/10.1787/888932632294

Table 4.190. **Sweden: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels, restaurants	Employees	. .	. .	67 000	70 500	75 300
Retail	Employees	. .	. .	29 900	33 500	31 800
Culture, recreation and sports	Employees	. .	. .	12 800	13 700	13 800
Tour operators and travel agents	Employees	. .	. .	12 300	11 900	11 700
Transport	Employees	. .	. .	18 100	19 700	20 000
Total	**Employees**	**. .**	**. .**	**150 600**	**159 900**	**162 100**

Source: Swedish Agency for Economic and Regional Growth.

StatLink http://dx.doi.org/10.1787/888932632313

Table 4.191. **Sweden: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation	Billion SEK	36.9	4.9	
Food and beverage	Billion SEK	20.7	14.4	
Passenger transport	Billion SEK	32.9	10.6	
Travel agencies and tour operators	Billion SEK	10	0.076	
Culture and recreation	Billion SEK	8.9	5.7	
Other services	Billion SEK	4.4	0	
Goods	Billion SEK	31	28	
Total	**Billion SEK**	**167.3**	**87.1**	
Tourism GDP	Percentage			2.9

Source: Swedish Agency for Economic and Regional Growth, Statistics Sweden.

StatLink http://dx.doi.org/10.1787/888932632332

Table 4.192. **Sweden: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal domestic tourism consumption share of final consumption	Percentage	. .	. .	6.6	6.5	6.6
Tourism share of GDP	Percentage	. .	. .	2.8	3.0	2.9
Government revenue from tourism	Billion SEK	. .	. .	33.0	35.0	35.7

Source: Swedish Agency for Economic and Regional Growth.

StatLink http://dx.doi.org/10.1787/888932632351

Switzerland

Tourism in the economy

Tourism is a major component of the Swiss economy. In 2009, this sector employed some 145 000 people (FTE), amounting to 4.1% of total employment. The share of tourism in GDP amounted to 2.9% in 2009.

Swiss hotels accounted for 36.2 million overnight stays in 2010, 1.7% more than in 2009 but 3% down on the recent peak year of 2008. Between 2006 and 2010, the number of overnight stays grew by 1% a year on average.

Tourism to Switzerland remains very popular in international markets, with arrivals in hotels in 2010 reaching 8.6 million, the highest on record. The five leading origin markets of Germany, UK, France, the United States and Italy together accounted for 4.9 million arrivals, or just over half (56%) of total arrivals. Germany alone accounts for over a quarter of all arrivals and is by far the largest origin market.

Tourism organisation

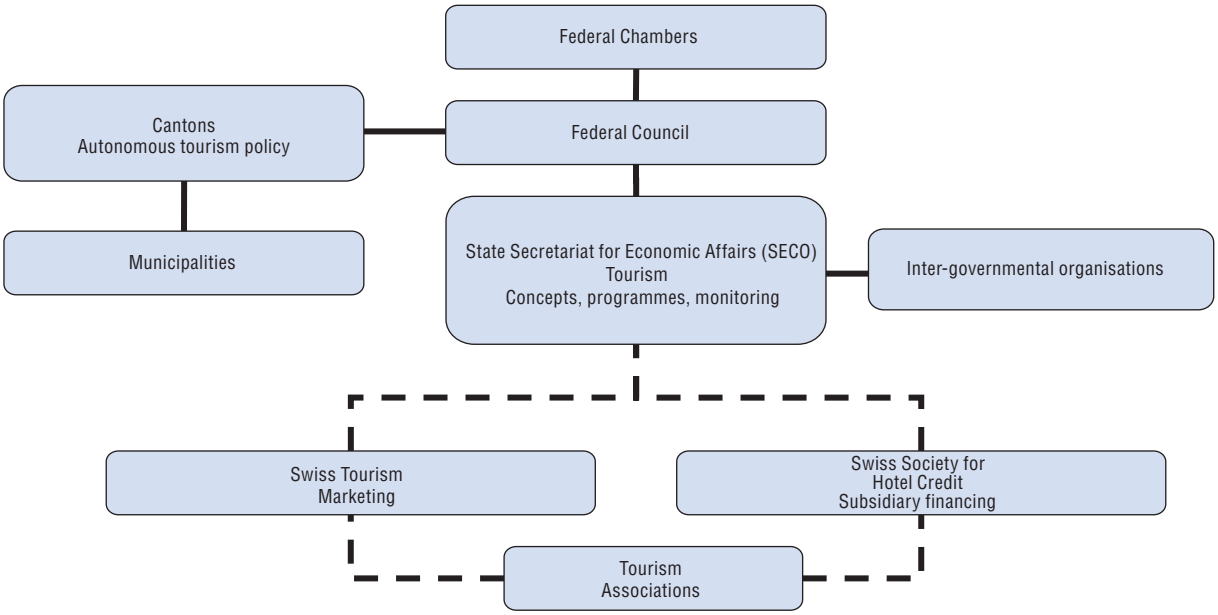
The State Secretariat for Economic Affairs (SECO) and the Federal Department of Economic Affairs are responsible for implementing national policy towards tourism, which is shaped by many different policy bodies at national and regional levels; for example, the Cantons have an autonomous tourism policy (Figure 4.33). Swiss Tourism and the Swiss Society for Hotel Credit (SGH) are two companies that have been established by the Swiss Confederation; the former is tasked with promoting Switzerland as a tourist destination, while the latter promotes the accommodation sector. Various professional associations are closely associated to tourism policy development.

Tourism budget

The resources committed to promoting tourism by the Swiss Confederation amounted to CHF 164.5 million in 2011 (Table 4.193). The largest share of this funding was used to finance a temporary planned increase in loans to the SGH of CHF 100 million. Suisse Tourisme was granted CHF 59 million by the Swiss Confederation, of which CHF 12 million were used to offset the negative impact of the strong Swiss Franc. A sum of CHF 5 million was granted in addition to innovation and co-operation in tourism and small sums to the production of information and documentation, and for Swiss affiliations to international organisations.

At the end of 2011, the Swiss parliament approved a payment frame of CHF 222 million for tourism marketing during the years 2012 to 2015 and an obligatory credit of CHF 20 million for the promotion of innovation, co-operation and knowledge building in tourism.

Figure 4.33. **Switzerland: Organisational chart of tourism bodies**



Source: OECD, adapted from State Secretariat for Economic Affairs (SECO), 2012.

Table 4.193. **Switzerland: The financing of tourism**

	Units	2008	2010
National Tourism Office	Thousand CHF	47 750	47 750
Swiss Society for Hotel Credit	Thousand CHF	0	0
Innovation and co-operation in the tourism sector	Thousand CHF	4 800	6 000
Information and documentation	Thousand CHF	121	124
International organisations (World Tourism Organization)	Thousand CHF	485	410
Total	Thousand CHF	53 156	54 284

Source: Secretariat of State for the Economy.

StatLink http://dx.doi.org/10.1787/888932632370

Tourism-related policies and programmes

Defining Switzerland's tourism positioning

In June 2010, the Swiss Federal Council approved a new growth strategy for tourism which sets out the major lines of development for the medium- and long-term. Implementation will begin in 2012.

The new national tourism policy and its guiding principles are designed to portray Switzerland as an attractive and successful tourist destination. The country is seen as one of the most competitive in the world in terms of tourism – unique, inimitable and internationally renowned – offering an extraordinary concentration of tourist attractions. In the future, Switzerland must be capable of winning market share within the Alps.

It is felt that Swiss tourism needs to capitalise more on its potential, to create more jobs, and to increase the value-added of its regions. It must also assert its importance to the national economy. Tourism enterprises, which contribute to both national and regional

growth, must make their presence felt in global markets. Tourism in Switzerland is seen as being of high quality and exemplary in its application of sustainablility principles.

Tourism strategy

Federal tourism policy relies on four main strategies to fulfil its goals (Table 4.194). These are:

- pursue strategic issue management (Strategy 1);
- strengthen inter-disciplinary tasks (Strategy 2);
- increase the attraction of the tourism offering (Strategy 3);
- strengthen Switzerland's presence as a tourism country (Strategy 4).

Strategy 1: The context in which Swiss tourism operates is rapidly changing. By adopting a proactive approach to the management of its strategic issues, the Swiss Confederation can deal with issues relating to tourism policy in a timely manner and in greater depth. It must assume its mantle as market leader with greater assurance and position its policy in this area. "Cross-cutting" themes such as climate change must also be addressed from the standpoint of tourism.

The proactive management of strategic issues is aimed at rapidly identifying any risks that might arise, and at taking the measures required in response. One essential aspect of issues management is to identify potential conflicts within the Swiss tourism sector. As part of the proactive management of issues, the basis of tourism policy must be improved and international collaboration stepped up.

Strategy 2: The scope for development of tourism enterprises depends on a number of sectoral policies. Tourism policy must therefore seek to ensure that such policies improve the market opportunities of enterprises. These are what are known as inter-disciplinary tasks. They include not only economic measures, but also all policies that impact tourism.

It is a basic requisite for tourism policy to address inter-disciplinary issues. The aim in particular is to improve the internal consistency of policies by seeking ways to ensure their co-ordination and to secure co-operation between all actors. Four policy areas are particularly important for tourism: territorial organisation and development, agriculture and the food industry, climate and environmental policy.

Table 4.194. **Switzerland: Tourism policy aimed at growth**

Improvement in the framework conditions		Promotion of tourism destination	
Strategy 1	Strategy 2	Strategy 3	Strategy 4
Pursue strategic issue management	Strengthen inter-disciplinary tasks	Increase the attraction of the tourism offering	Strengthen Switzerland's presence as a tourism country
• Bases for the policy on tourism	• Embedding of the policy on tourism within the location and economic policy	• Promotion of innovation, co-operation and knowledge building (Innotour)	• National tourism office (Switzerland Tourism)
• International co-operation	• Co-ordination and co-operation in the federal policy (sectoral policies)	• Promotion of the hotel industry (SGH)	• Co-ordination and co-operation in the federal promotion of the location

Source: State Secretariat for Economic Affairs (SECO), 2012.

StatLink http://dx.doi.org/10.1787/888932632389

Strategy 3: The attractiveness of Swiss tourism supply must be constantly improved to ensure that the country remains competitive. The responsibility for this primarily lies with enterprises. The Swiss Confederation can facilitate their task and support them by encouraging innovation, co-operation and investment. The Innotour Act on the promotion of innovation, co-operation and knowledge building in tourism provides Switzerland with an effective instrument. The Innotour Act has entered into force on 1 February 2010 (Box 4.21).

Box 4.21. **The Innotour Act**

After the positive experience in implementation and after two prolongations of the transient act, Innotour will be converted into a permanent act on account of the very good evaluation results. At the same time, it will be updated in harmonisation with the growth strategy of the Federal Council for Switzerland as a tourism destination. For financing Innotour the Swiss parliament has approved an obligatory credit of CHF 20 million for the years 2012 to 2015. Innotour will comprise the two previous crucial promotion points of innovation and co-operation, which will be supplemented by a third key promotion point, *i.e.* knowledge building (including knowledge merger). The promotion of innovation will remain the most important objective of Innotour. Top priority will be the creation of new business opportunities and the improvement of existing services. Promotion of co-operation aims at developing new products and at creating competitive structures. Knowledge building will concentrate on the improvement of training and further training, the utilisation of experience as well as on the exchange of information in Swiss tourism. Innotour concentrates promotion on a national level, which means that most of the means will be spent on projects with national orientation and for national co-ordination tasks. With the introduction of the new instrument of model projects, regional and local projects will still be promoted. In this respect a complementary orientation of the promotion means of Innotour and the new regional policy will be implemented.

Hotels are a key part of the tourism sector. A tourism country such as Switzerland therefore needs an attractive portfolio of competitive hotels. The Swiss Confederation has entrusted the promotion of the hotel sector to the SGH. The SGH grants subordinated credits to hotel establishments located in tourism areas, and provides advice to hotel establishments and tourisms enterprises throughout the country.

Strategy 4: The Swiss Confederation supports the promotion of Switzerland as a tourism destination. Promotional efforts should be aimed at strengthening and co-ordinating the marketing operations that are aimed at enterprises and tourism organisations and already carried out at local, regional and cantonal levels.

Switzerland must present a united and convincing image in its foreign markets, a task carried out by Switzerland Tourism and part-funded by the Swiss Confederation. As part of the sharing of tasks with local and regional tourism organisations, Switzerland Tourism's work primarily consists of prospecting for new and also more distant markets. Its activities in the domestic market are co-ordinated with its partners. Switzerland Tourism provides consultation on the development of internationally marketable products. By using own distribution channels, Switzerland Tourism will assist the local suppliers and will help to develop new product lines.

Implementation of the growth strategy will be based, from 2012 onwards, on four-year programmes. The first of these will cover the period 2012-15, and is currently under development by SECO. It will be published in the spring of 2012.

The implementation programmes with respect to the growth strategy for Switzerland as a tourism destination are programmes of the Swiss Confederation. The growth strategy for Switzerland as a tourism destination will be concretised by means of the implementation programmes. Main areas shall be defined and core projects shall be identified which shall contribute to achieving the tourist aims of the Swiss Confederation. Moreover, it has been planned that the Federal Council will define the position of Swiss tourism every four years in future. The implementation programmes shall establish a basis for the systematic position definition of the Federal Council on Swiss tourism.

The determination of a limited number of main areas in the implementation programme shall have a central significance. This procedure prevents frittering away activities. At the same time, identification and implementation of a larger number of core projects can ensure that tourist politics can be implemented dynamically and flexibly.

Statistical profile

Table 4.195. **Switzerland: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	14 811	15 633	15 997	15 564	16 203
Number of nights spent[2]	Thousands	34 848	36 365	37 334	35 589	36 208

1. Arrivals in hotels and similar establishments.
2. Nights spent in hotels and similar establishments.

Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632408

Table 4.196. **Switzerland: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	7 863	8 448	8 608	8 294	8 628
Top 5 markets[1]						
Germany	Thousands	2 107	2 249	2 344	2 294	2 238
United Kingdom	Thousands	785	835	826	691	732
France	Thousands	585	634	671	686	701
United States	Thousands	725	727	652	610	680
Italy	Thousands	499	542	553	547	521
International passenger transport receipts	Million CHF	2 558	3 046	3 364	2 736	2 983
International travel receipts[2]	Million CHF	13 544	14 621	15 598	15 377	15 606[3]

1. Arrivals in hotels and similar establishments.
2. Including non-tourism elements.
3. Provisional data.

Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632427

Table 4.197. **Switzerland: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010[2]
International passenger transport expenditure	Million CHF	2 440	2 620	2 630	2 090	2 243
International travel expenditure[1]	Million CHF	11 556	12 120	11 782	11 847	11 625

1. Including non-tourism elements.
2. Provisional data.

Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632446

Table 4.198. **Switzerland: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation for visitors	Establishments	. .	. .	. .	. .	. .
of which: hotels and similar establishments	Establishments	5 693	5 635	5 582	5 533	5 477
Food and beverage serving activities	Establishments	. .	. .	21 241	. .	. .
Passenger transportation	Establishments	. .	. .	3 601	. .	. .
Travel agencies and other reservation services activities	Establishments	. .	. .	2 342	. .	. .
Other tourism industries	Establishments	. .	. .	. .	. .	. .
Total	**Establishments**	**. .**	**. .**	**. .**	**. .**	**. .**

Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632465

Table 4.199. **Switzerland: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation services	Employees	35 280	37 705	39 351	36 197	. .
of which: hotels	Employees	32 166	34 476	36 027	32 951	. .
Food and beverage serving industry	Employees	35 257	36 310	37 072	37 176	. .
Passenger transport services	Employees	15 093	15 638	16 575	16 208	. .
Travel agency, tour operator and tourist guide services	Employees	12 381	12 670	13 184	12 964	. .
Cultural services	Employees	1 832	1 867	1 912	1 941	. .
Recreation and entertainment services	Employees	3 092	3 158	3 246	3 273	. .
Other tourism services	Employees	1 224	1 264	1 270	1 283	. .
Other connected tourism goods	Employees	32 795	33 784	34 520	34 250	. .
Non-tourism products	Employees	2 328	2 395	2 483	2 393	. .
Tourism share of employment	Percentage	4.2	4.2	4.2	4.1	. .
Total	**Employees**	**139 281**	**144 791**	**149 613**	**145 684**	**. .**

Source: Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632484

Table 4.200. **Switzerland: Tourism in the national economy**

2005	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million CHF	1 946	2 511	3 170
Food and beverage serving industry	Million CHF	2 441	2 057	2 102
Passenger transport services	Million CHF	3 174	2 556	1 963
Travel agency, tour operator and tourist guide services	Million CHF	1 987	62	1 322
Cultural services	Million CHF	141	139	132
Recreation and entertainment services	Million CHF	443	401	385
Other services	Million CHF	357	120	276
Goods	Million CHF	5 286	2 447	. .
Total	**Million CHF**	**18 421**	**12 027**	**12 647**

Sources: Secretariat of State for the Economy; Federal Statistical Office, Tourism Satellite Accounts.

StatLink http://dx.doi.org/10.1787/888932632503

Table 4.201. **Switzerland: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal tourism consumption	Thousand CHF	. .	. .	35 978	34 904	. .
Internal tourism consumption share of GDP	Percentage	. .	. .	7	7	. .
Tourism receipts share of GDP	Percentage	. .	. .	2.6	. .	. .
Tourism expenditure share of GDP	Percentage	. .	. .	4	. .	. .
Tourism share of GDP[1]	Percentage	. .	. .	2.9	2.9	. .

1. Direct added value.

Sources: Secretariat of State for the Economy; Federal Statistical Office.

StatLink http://dx.doi.org/10.1787/888932632522

Turkey

Tourism in the economy

Tourism is one of the most dynamic and fastest developing sectors in Turkey. In 2010, tourism receipts accounted for 2.8% of GDP; adding in the indirect effects of tourism, it is estimated that tourism contributes 3.6% of GDP in total.

Almost 28.6 million foreign tourists came to the country in 2010, 5.7% more than in 2009. Since 2004, the average annual rate of growth in arrivals has been 8.5%. While Germany remains the most important origin market, accounting for 15.3% of the total with 4.4 million visitors, the Russian Federation has been growing very rapidly, doubling the number of visitors to the country since 2004. These two origin markets, together with the next three largest (UK, Iran and Bulgaria), accounted for 47% of all arrivals in 2010. Some 6.6 million nationals travelled abroad in the same year, giving a positive balance on the tourism account, including travel fares, of USD 17.3 billion.

Turkey, with a share of 6% in the European tourism market, has shown rapid growth in both tourist arrivals and revenues, and is now ranked 7th among the worlds' tourist destinations in terms of arrivals, and 10th in terms of receipts. Tourist arrivals increased from 2.1 million in 1985 to 28.6 million in 2010, while receipts increased from USD 840 million to USD 20.8 billion over the same period. Thanks to increases in tourism receipts, Turkey has been able to offset about one-third of its merchandise trade deficits in the last 15 years.

Direct employment in the tourism sector in 2010 is estimated at 3.3 million people. Turkey has a total bed capacity of 1.4 million and 6 035 travel agents are active in the sector.

Tourism organisation

For over four decades, Turkey has continued using five-year development plans prepared by the Ministry of Development. The ministry sets out basic policy decisions for the tourism sector and allocates the necessary budget for implementation. It also carries the responsibility for the co-ordination of national and regional development at the highest level.

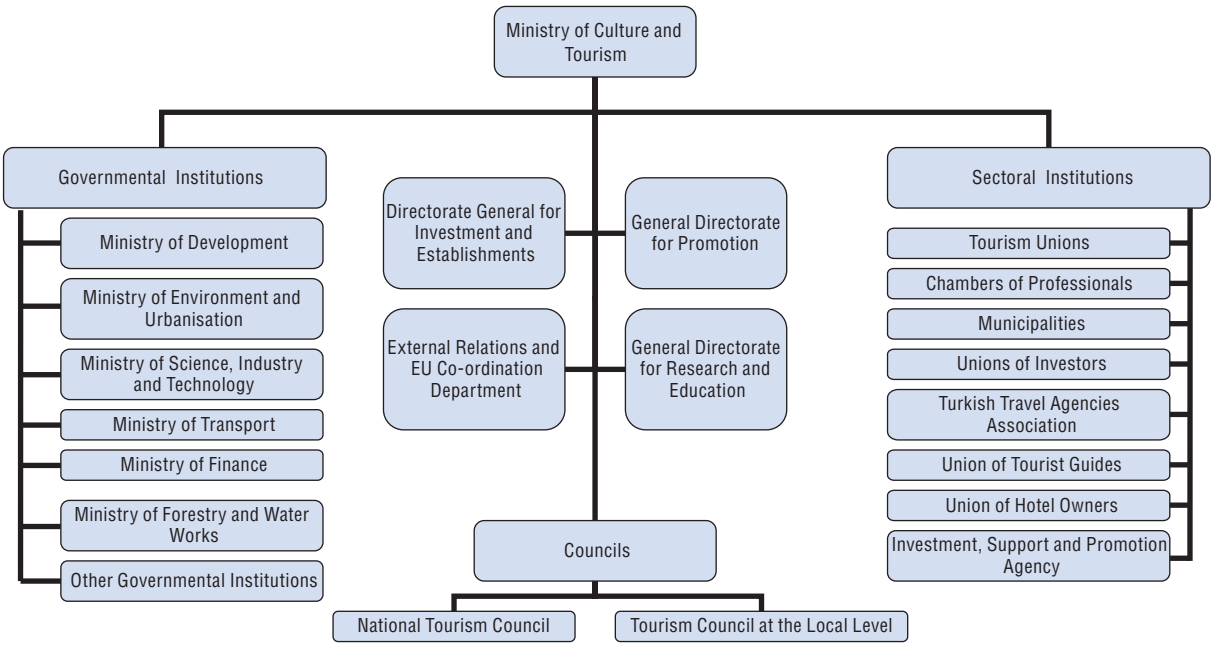
The Ministry of Culture and Tourism (Figure 4.34) is responsible for:

- declaring "Culture and Tourism Preservation and Development Regions", "Tourism Centres" and "Historical" and "Natural" sites where special measures of protection and preservation are enforced;
- providing infrastructure and public services in accordance with the yearly implementation programmes;
- elaborating and approving land use plans in declared tourism areas and centres;

- promoting the country abroad;
- carrying out research and producing statistical data;
- following up the intervention of government bodies, local administrations, professional associations, unions and non-governmental organisations.

The Ministry of Culture and Tourism, Ministry of Environment and Urbanization, and Ministry of Forestry and Water Works are responsible for the co-ordination of land-use plans as well as Environmental Impact Assessment (EIA) studies to ensure that all physical development is in harmony with the environment. The three ministries have their provincial units which work under the co-ordination and authority of the provincial governor. They have to follow up the implementation of investments and reinforce the legal framework.

Figure 4.34. **Turkey: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Culture and Tourism, 2012.

Tourism budget

The total tourism budget of the Ministry of Culture and Tourism (MoCT), including investment, transfer and operating budgets, was approximately TRY 1.119 million (EUR 562 million) in 2010. The five largest components are devoted to investment and establishments (17%), promotion (12.7%), monuments and museums (16.1%), the state opera and ballet (12.3%) and state theatres (9.9%).

The tourism investment budget of the Ministry of Culture and Tourism accounted for TRY 205.9 million (EUR 103 million) for 2010.

The main source of funding for tourism infrastructure needs (both transport and technical infrastructure) is allocated from the general budget. In addition to various programmes of the Ministry of Culture and Tourism, the construction of tourist roads is carried out by the General Directorate of State Highways; marinas and small craft harbours

by the General Directorate of Ports and Airports; and marine meteorological stations by the General Directorate of State Meteorological Works. Other ministries and government agencies also invest in tourism-related projects. The overall investment budget of the tourism sector (including other administrations investing in tourism besides MoCT) was TRY 299.6 million (EUR 151 million) for 2010. A budget of TRY 300.8 million (EUR 135 million) is proposed for 2011. The overall budget for tourism is TRY 350.8 million (EUR 151 million) for the year 2011.

Investment in accommodation facilities and other tourism-related services is made by the private sector, although the government offers various forms of support to eligible projects, notably those enhancing regional competitiveness. Performance evaluation in the tourism sector is carried out by the General Directorate of Investment and Establishments, whereas evaluating the performance of public spending is the responsibility of public institutions such as Ministry of Finance and Turkish Court of Accounts.

Tourism-related policies and programmes

For over 40 years, Turkey has used five-year development plans as a major instrument of overall development, although the content (goals, priorities, tools) and the public/private balance have changed. Parallel to these macrolevel changes in tourism, emphasis shifted from the "pioneering" role of the State in all aspects of tourism activity to a greater role assumed by the private sector, NGOs and new combinations of various organisations in joint co-operative action.

In the current Ninth Development Plan (2007-13), emphasis on tourism goals and policy began to shift to improved quality (both in facilities and services), environmental sustainability and a more egalitarian approach in spreading the beneficial effects of tourism particularly to the less developed areas. The new goals of Turkish tourism were to create an efficient tourism sector, including both public and private sector elements, with high international competitiveness and to ensure the preservation and enhancement of the country's natural cultural and historical environment in a sustainable manner (Box 4.22).

Medium Term Programmes (MTPs) are prepared annually with a three-year time horizon as a legal requirement. The MTP prepared for the period 2011-13 is in the context of this provision, and complies with existing principles, policies and priorities for the tourism sector.

Turkey has gradually put into action a body of legislation concerning tourism in order to:

- regulate the establishment and operation of tourism operators;
- promote tourism development;
- protect and preserve certain vulnerable areas; and
- provide financing for certain projects requiring heavy investment.

The Tourism Encouragement Law of 1982, amended in 2003, is the basic law governing tourism in Turkey. Its purpose is to ensure that the required measures are taken for the regulation and development of the tourism sector and for providing a dynamic structure and mode of operation.

The Coastal Law is another important legal device for the protection and conservation of coastal areas, particularly from indiscriminate and illegal construction.

Box 4.22. **Turkish cultural heritage and tourism**

The Silk Road Project: Due to its geographical location, Anatolia is one of the most important junction points of the ancient Silk Road between China and Europe. Comprising the restoration and sustainable use the *caravansaries* (inns built around a large court to accommodate caravans along trade routes – the "hotel chains" of the Seljukides and Ottoman periods), the project provides a launch pad for strengthening the Silk Road brand, facilitating travel along the Silk Road and enhancing destination management.

The Hittite Culture Tourism Development Zone: One of nine thematic zones addressed in the Tourism Strategy of Turkey (2023), and includes the ancient World Cultural Heritage Site of Bođazköy (Hattusha). Within the Tourism Development Zone, preparation and implementation of restoration projects for vernacular architecture and cultural assets are underway.

Alliances for Cultural Tourism in Kars: Geographically concentrated in Turkey's Eastern Anatolia region, on the border with Georgia and Armenia, is a joint programme started in November 2008, utilising the respective capacities of four UN Agencies (UNDP, UNESCO, UNWTO, UNICEF) in co-operation with the Ministry of Culture and Tourism. The programme is based on existing national strategies, including the Ninth Development Plan (2007-2013), Tourism Strategy Action Plan (2007-2013) and the Tourism Strategy of Turkey (2023). The result is a participatory governance model for strategic direction, and prioritisation and co-ordination of cultural heritage protection and cultural tourism delivery in Turkey's less-developed region. Within the framework of the joint programme, a special collaboration with Kafkas University has been developed in order to map the intangible cultural heritage of the province.

The Law on Conservation of Cultural and Natural Heritage of 1983 and Special Environmental Protection Areas are the most important public measures which have been taken in order to manage the relationship between tourism, the environment and national/regional development.

The National Environmental Action Plan (NEAP) describes the responsibilities for increasing environmental awareness, and for achieving improved environmental management and sustainable economic, social and cultural development. Implementation is carried out according to the protocol signed in 1998 by the Ministry of Environment and State Planning Organisation. Environmental Impact Assessments (EIAs) are compulsory in Turkey for tourism investment projects.

The Ministry of Culture and Tourism in 2009 has issued the Tourism Strategy for Turkey – 2023 and Action Plan for 2013 to set a framework and roadmap for investments in Turkey. In this strategy, there are a variety of programmes for planning, investment, organisation, R&D, services, strengthening transport and technical infrastructure, promotion and marketing, education, city branding, the diversification of tourism products, the rehabilitation of existing tourism areas and the improvement of destinations in order to support tourism development with sustainable environmental policies.

The ministry also aims to achieve an appropriate institutional structure through the establishment of tourism councils that operate at national, regional, provincial and local level within the context of good governance, to ensure full and active participation of the tourism sector.

The Ministry of Culture and Tourism works in co-operation with the Ministry of Environment and Urbanisation and Ministry of Forestry and Waterworks, as well as Local Administrations for the restoration and evaluation of historic buildings, natural sites and national parks.

The Ministry of Culture and Tourism implements various plans and programmes for the promotion of tourism, transport, environmental protection and international and intra-regional activities, and highlights the importance of innovative tools to be employed in related fields.

The Ministry of Culture and Tourism has executed many successful projects in recent years. Among these, projects that involve the establishment of tourism routes are important. Tourism destination management programmes such as the Lycian Itinerary, the route of St. Paul and Frigian Valley Thermal Area incorporate many different tourist destinations into a coherent, single itinerary. These itineraries have been prepared with ambitious aspirations, such as to open up and highlight cultural cities of major importance in the country. Such itineraries enable individuals and groups to experience historical and cultural Turkey, embracing the cultural heritage of many different eras and periods of the country's past.

In Istanbul, which was the European Capital of Culture in the year 2010, projects related to convention (MICE), cruise tourism and coastal area are carried out. In addition to Istanbul and Antalya, programmes are carried out to promote 15 other cities that offer potential as city and cultural tourism brands. In this area, projects are being implemented to international standards in areas such as city museums, transport systems, and physical and social infrastructure.

Statistical profile

Table 4.202. **Turkey: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of arrivals	Thousands	. .	. .	. .	60 888	68 373
Nights spent	Thousands	. .	. .	. .	510 961	555 145
Average length of stay	Days	. .	. .	. .	8.4	8.1

Source: Turkish Statistical Institute (TURKSTAT), Household Domestic Tourism Survey.

StatLink http://dx.doi.org/10.1787/888932632541

Table 4.203. **Turkey: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	19 820	23 341	26 337	27 077	28 632	31 456
Top 5 markets							
Germany	Thousands	3 762	4 150	4 416	4 488	4 385	4 826
Russian Federation	Thousands	1 853	2 465	2 879	2 695	3 107	3 468
United Kingdom	Thousands	1 679	1 916	2 170	2 427	2 674	2 582
Iran	Thousands	866	1 058	1 135	1 383	1 885	1 879
Bulgaria	Thousands	1 178	1 240	1 255	1 407	1 434	1 491
International travel receipts	Million USD	16 851	18 487	21 951	21 249	20 807	23 020

Source: Turkish Statistical Institute (TURKSTAT), Departing Visitors Survey.

StatLink http://dx.doi.org/10.1787/888932632560

Table 4.204. **Turkey: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010	2011
Number of tourism trips[1]	Thousands	4 063	4 956	4 893	5 561	6 557	6 282
International travel expenditure	Million USD	2 742	3 260	3 507	4 146	4 825	4 976
International passenger transport expenditure	Million USD	412	460	522	369	489	. .

1. Departures.
Source: Turkish Statistical Institute (TURKSTAT), Tourism Statistics Survey.

StatLink http://dx.doi.org/10.1787/888932632579

Table 4.205. **Turkey: Enterprises in tourism**

	Units	2006			2009			2010		
		Investment licenced	Operation licenced	Total	Investment licenced	Operation licenced	Total	Investment licenced	Operation licenced	Total
Hotels	Establishments	699	2 005	2 704	536	2 131	2 657	645	2 113	2 758
Motels	Establishments	5	20	25	2	17	19	5	15	20
Holiday villages	Establishments	41	97	138	40	81	121	41	82	123
Thermal hotels	Establishments	. .	. .	. .	11	22	33	15	29	44
Boarding houses	Establishments	43	75	118	21	52	73	19	51	70
Campsites	Establishments	5	8	13	2	6	8	4	4	8
Inns	Establishments	1	4	5	. .	1	1	1	2	3
Apart hotels	Establishments	19	107	126	48	100	148	48	103	151
Special licenced establishments	Establishments	22	148	170	7	189	196	11	203	214
Golf facilities with accommodation	Establishments	5	2	7	4	1	5	1	2	3
Training and practice establishments	Establishments	1	3	4	. .	1	1	. .	1	1
Tourism complex	Establishments	6	2	8	6	1	7	7	1	8
Boutique hotel	Establishments	16	2	18	58	18	76	64	36	100
B Type holiday site	Establishments	3	1	4	12	2	14	10	2	12
Boutique holiday villa	Establishments	. .	. .	. .	2	. .	2	2	. .	2
Mountain house	Establishments	1	1	2	1	2	3	1	2	3
Ranch/Village house	Establishments	. .	. .	. .	3	1	4	2	1	3
Mountain pasture house	Establishments	. .	. .	. .	1	. .	1	1	. .	1
Total	**Establishments**	**869**	**2 475**	**3 344**	**754**	**2 625**	**3 379**	**877**	**2 647**	**3 524**

Sources: Ministry of Culture and Tourism, Turkish Statistical Institute, Central Bank.

StatLink http://dx.doi.org/10.1787/888932632598

Table 4.206. **Turkey: Other economic indicators**

	Units	2006	2007	2008	2009	2010	2011
Share of tourism receipts in GDP	Percentage	3.2	2.8	3.0	3.4	2.8	. .
Government revenue from tourism[1]	Million USD	16 851	18 487	21 951	21 249	20 807	23 020
Tourism share of GDP	Percentage	4	3.6	3.6	4.2	3.6	. .

1. Tourism receipts.
Source: Ministry of Culture and Tourism, Turkish Statistical Institute and Central Bank.

StatLink http://dx.doi.org/10.1787/888932632617

United Kingdom

Tourism in the economy

In the UK, tourism is one of the six biggest industries and the third-largest export earner. Tourism's direct gross value added (GVA) for 2009 was just under GBP 68 billion, representing 3.6% of total UK GVA. Tourism is one of the UK's biggest employers, with over 249 000 tourism businesses in the UK, representing 10% of total number of businesses, providing 1.74 million jobs. It creates wealth and employment in all parts of the country, creating jobs at every skill level in both full- and part-time employment.

In 2010, there were 29.8 million international arrivals in the UK, compared with 29.9 million in 2009 and 31.9 million in 2008. The five largest origin markets (France, Germany, the United States, Ireland and Spain, together accounting for 46.2% of all foreign visitors) enjoyed mixed fortunes in 2010. Increases were recorded from Germany (3 million arrivals, 8.1% more than in 2009), but the other four leading international markets recorded declines. Arrivals from the United States fell by 5.8% (from 2.9 million in 2009 to 2.7 million in 2010), while those from France fell by 4.4% (from 3.8 million to 3.6 million), the Irish Republic by 10.8% (from 2.9 million to 2.6 million), and Spain by 16.4% (from 2.2 million to 1.8 million).

International travel receipts (excluding transport receipts) stood at GBP 19.3 billion in 2009. Outbound travel from the UK in 2010 fell slightly from 2009 levels – to 55.6 million trips from 58.6 million trips, itself a significant fall from the 2008 level of 69 million trips. Spending abroad in 2009 was GBP 32.3 billion, a fall of 13.3% from the GBP 37.3 billion in 2008.

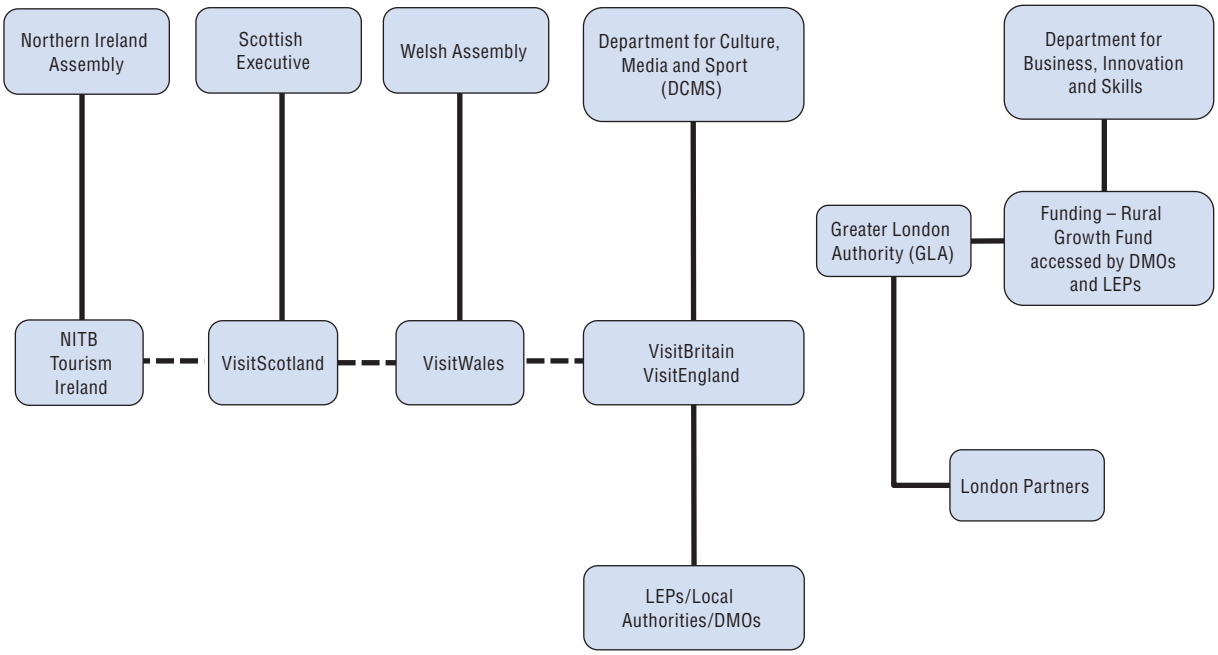
Domestic tourism in 2010 also demonstrated a slight fall to 373.3 million trips, down by 6.4% on the 2009 total of 398.8 million, which had been an increase on the 2008 total of 378.4 million.

Tourism organisation

The Department for Culture, Media and Sport (DCMS) is the sponsoring government department for tourism (Figure 4.35). Tourism is a devolved matter in Scotland, Wales, Northern Ireland and Greater London, but DCMS retains responsibility for tourism in England outside London.

The Development of Tourism Act 1969 established the British Tourism Authority and Tourist Boards for England, Scotland and Wales with responsibility for promoting the development of tourism to and within Great Britain. In Northern Ireland, the Northern Ireland Tourist Board (NITB) was established in 1948, and its constitution and continuation were affirmed by the Tourism (NI) Order 1992.

Figure 4.35. **United Kingdom: Organisational chart of tourism bodies**



Source: OECD, adapted from Department for Culture, Media and Sport, 2012.

VisitBritain is the national tourism agency, a non-departmental public body responsible to DCMS. Its primary responsibility is to promote Britain overseas. Visit Britain also has a statutory advisory function to advise government on international competitiveness. In addition to this remit, VisitBritain also incorporates VisitEngland which is responsible for promoting England within the UK and to selected overseas markets.

In Scotland, VisitScotland is a non-departmental public body responsible to Scottish Ministers. Its main role is to market Scotland in the UK and overseas, encourage the highest quality standards within the industry and operate an event strategy to support tourism. Enterprise Agencies, also responsible to Scottish Ministers, provide business support and investment to encourage growth within the tourism sector.

In Wales, the responsibility for promoting and developing tourism now lies with the Welsh Government and these functions are carried out by its tourism department, Visit Wales. Visit Wales is the Welsh Government's tourism team, within the Department for Business, Enterprise Technology and Science (BETS). Visit Wales is responsible for formulating tourism policy, encouraging investment in, and improving the quality of the visitor experience in Wales. Visit Wales is also responsible for marketing Wales within the UK and internationally. Tourism has recently been announced as a key sector of the Welsh economy and has created a sector panel to provide advice to the Minister for BETS on the opportunities and needs of the tourism sector in Wales. Tourism is big business in Wales. Tourists and visitors spend well over GBP 10 million a day in Wales. Recent work by the Welsh Economy Research Unit (WERU) at Cardiff University indicates that total annual tourism demand is around GBP 4.2 billion. The GVA attributable to tourism is at GBP 1.8 billion, equating to some 4.3% of GVA for the Welsh economy as a whole. This research

work also indicates that some 78 000 jobs (7.1% of the total Welsh workforce) are directly supported by tourism.

In Northern Ireland, tourism is managed by the NITB and Tourism Ireland Ltd. The functions of the NITB are to encourage tourism development in Northern Ireland, including the provision and improvement of tourist accommodation and tourist amenities, as well as promoting Northern Ireland domestically and in the Republic of Ireland. Tourism Ireland Ltd, on the other hand, markets Northern Ireland and the Republic of Ireland in overseas markets.

Tourism budget

DCMS funds VisitBritain and VisitEngland through a grant-in-aid funding settlement. Total government funding from DCMS to the British Tourism Authority, over the financial years 2011-12 to 2014-15, is GBP 128.6 million. Of this, GBP 95.6 million is allocated to VisitBritain and GBP 33 million to VisitEngland. Funding is not apportioned by VisitBritain on a national or regional basis, or by VisitEngland on a regional or area-specific basis.

Within this funding settlement, funding for top priority programmes is protected as far as possible. This includes funding (provided on the basis that it is match-funded by the private sector), for VisitBritain's core international marketing and PR activity, in both leading and emerging markets, and funding for VisitEngland's investment in and support for destination management organisations and local businesses, local authorities and enterprise partnerships involved in tourism.

There are other aspects of public funding support for UK tourism, such as the Regional Growth Fund, led by BIS as the sponsor Department and for which VisitEngland successfully bid for over GBP 19 million over three years.

There are also contributions from the Welsh Government, the Scottish Government, the Northern Ireland Assembly, and at the sub-national level from potential funding sources such as the Coastal Communities Fund, which although not specifically dedicated to tourism, may allow for future tourism-based bids.

Tourism-related policies and programmes

Tourism policy

In March 2011, DCMS published a document entitled Government Tourism Policy which sets out the government's strategy to help the tourism industry maximise its potential for growth. This is part of the government's policy, led by DCMS but supported by VisitEngland.

The strategy sets out three key aims:

- fund the most ambitious international marketing campaign ever in the years following 2012;
- increase the proportion of UK residents who holiday in the UK to match those who holiday abroad; and
- improve the sector's productivity to become one of the five most efficient and competitive visitor economies in the world.

Promotional initiatives

Over the next four years, VisitBritain will be running the GREAT Britain You're Invited programme, which will capitalise on the international interest generated by major events such as the Royal Wedding in 2011, the Queen's Diamond Jubilee, and Olympic and Paralympic Games in 2012, and showcase Britain to the world. The programme is backed by a GBP 100 million marketing fund, financed by the public and private sectors.

VisitBritain is also running a GBP 25 million GREAT Image campaign in 14 cities in nine key inbound tourism markets, making Britain's biggest ever tourism marketing campaign. The GBP 125 million investment in the GREAT Britain You're Invited and GREAT Image campaigns aims to attract 4.6 million visitors over four years, who will spend GBP 2.3 billion, creating 57 000 job opportunities.

Domestically, VisitEngland is leading a 2012 campaign with the aim of generating GBP 500 million in additional visitor spend and an extra 5.3 million short-break nights. VisitEngland's marketing effort is geared towards an all-England approach using both destinations and thematics within campaigns. For example, unaccredited 2012 media are being invited on escorted tours of England outside London and both the Torch Relay and the Cultural Olympiad will highlight activities throughout the whole country.

Product improvements

Work to improve the sector's productivity includes helping the industry to improve staff and management skills, preparing for changes in technology and information provision, cutting red tape and identifying sector-specific rules and regulations that are holding the industry back, streamlining UK visa processes, and improving the visitor welcome upon arrival at UK gateways. This process is being undertaken across a number of fronts including as a series of actions within various Tourism Action Plans led by VisitEngland.

Wales, Scotland and Northern Ireland

In Wales, the Welsh government has its own strategy for promoting and developing tourism – *Achieving our Potential* – published in 2006. Over the next three years, the priority in terms of marketing is to maintain the visitor economy's GBP 3.5 billion annual contribution to Wales, and to improve perceptions of Wales as a tourist destination in order to create an environment of increased demand for stakeholders in 2013 and beyond.

Alongside international and domestic marketing campaigns, Scotland will stage a second Year of Homecoming in 2014, with a series of Focus Years, highlighting some of Scotland's great assets and running from 2010 to 2013. These will co-ordinate national activity in tourism and the events industry.

In Northern Ireland, 2012 will be a significant year of celebration with the anticipated completion of an overall investment of GBP 300 million in tourism-related infrastructure. This will include the 100th anniversary of the maiden voyage of the Titanic in 2012, the 50th Anniversary of the Belfast Festival at Queens, and the completion of several key projects such as the Giant's Causeway Visitor Centre. This year, high profile events and celebrations are being marketed as Project NI 2012 which aims to raise Northern Ireland's profile as a tourist destination in overseas markets. The celebrations of 2012 will continue into 2013 as Northern Ireland celebrates Derry/Londonderry as UK City of Culture and Belfast will host the World Police and Fire Games.

Statistical profile

Table 4.207. **United Kingdom: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of nights	Millions	400.08	394.41	378.39	398.75	373.32

Source: United Kingdom Tourism Survey.

StatLink http://dx.doi.org/10.1787/888932632636

Table 4.208. **United Kingdom: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	32 713	32 778	31 888	29 889	29 803
Top 5 markets						
France	Thousands	3 693	3 404	3 636	3 784	3 618
Germany	Thousands	3 411	3 376	2 900	2 780	3 004
United States	Thousands	3 896	3 551	2 950	2 877	2 711
Ireland	Thousands	2 909	2 970	3 070	2 948	2 629
Spain	Thousands	1 981	2 227	1 974	2 164	1 809
Number of same-day visitors	Thousands	2 059	1 907	1 746	1 690	1 508
International travel receipts	Million GBP	18 803	19 292	19 598	19 353	20 969
International passenger transport receipts	Million GBP	4 886	4 740	4 796	4 972	5 388

Source: Office for National Statistics, International Passenger Survey, 2010.

StatLink http://dx.doi.org/10.1787/888932632655

Table 4.209. **United Kingdom: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Trips	69 536	69 450	69 011	58 614	55 562
International travel expenditure	Million GBP	34 291	35 692	37 256	32 188	32 360
International passenger transport expenditure	Million GBP	7 779	7 944	7 747	6 749	7 366

Source: Office for National Statistics, International Passenger Survey, 2010.

StatLink http://dx.doi.org/10.1787/888932632674

Table 4.210. **United Kingdom: Enterprises in tourism**

	Units	2006	2007	2008[1]	2009	2010
Hotels and other tourist accommodation	Establishments	16 300	13 160	15 726	15 157	15 075
Restaurants, bars and canteens	Establishments	135 335	135 610	120 779	113 953	112 769
Transport	Establishments	49 130	46 195	49 440	46 304	44 810
Travel agencies and tour operators	Establishments	10 850	10 820	6 804	6 537	6 363
Recreation services	Establishments	38 705	39 990	58 389	56 398	55 866
Total	**Establishments**	**250 320**	**245 775**	**251 138**	**237 233**	**234 883**

1. Break of series.

Source: Department for Culture, Media and Sport, Office for National Statistics.

StatLink http://dx.doi.org/10.1787/888932632693

Table 4.211. **United Kingdom: Tourism in the national economy**

2008	Units	Domestic tourism consumption	Inbound tourism consumption	Domestic supply at purchasers prices	Tourism ratio (%)[1]
Accommodation services	Million GBP	7 465	4 655	15 637	84.1
Food and beverage serving services	Million GBP	19 906	2 813	89 343	25.4
Passenger transport services	Million GBP	21 432	994	60 546	37.0
Travel agency, tour operator and tourist guide services	Million GBP	2 727	60	4 089	68.2
Cultural services	Million GBP	3 212	212	5 224	65.6
Recreation and other entertainment services	Million GBP	2 014	244	42 088	5.3
Other services	Million GBP	228	85	18 987	1.7
Goods	Million GBP	39 314	7 260	3 042 850	1.5
Total	**Million GBP**	**96 298**	**16 323**	**3 278 766**	**3.5**

1. Tourism ratio reconciles demand and supply through the computation of a simple ratio of the sum of all the demand side data components to the total obtained from the supply side data components.

Source: Office for National Statistics, Tourism Satellite Account, 2008.

StatLink http://dx.doi.org/10.1787/888932632712

Table 4.212. **United Kingdom: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism gross value added	Billion GBP	33.6	33.9	47	. .	. .
Tourism share of total gross value added	Percentage	2.9	2.7	3.6	. .	. .

Source: Office for National Statistics, Tourism Satellite Account, 2008.

StatLink http://dx.doi.org/10.1787/888932632731

United States

Tourism in the economy

Travel and tourism in the United States is a major contributor to GDP, accounting for 2.8% of value added in the US economy in 2010. Travel and tourism-related exports accounted for 25% of all US services exports and 7% of all goods and services exports in 2010.

According to the US Travel and Tourism Satellite Accounts (TTSA), the industry produced nearly USD 1.3 trillion in total economic output in 2010 (USD 783 billion of direct tourism output plus USD 545 billion of indirect tourism output by ancillary industries).

The travel and tourism industry is one of America's largest employers, supporting 7.5 million jobs in 2010, of which 1.2 million jobs were supported by travel and tourism-related exports. The employment total in 2010 is 12.5% below that of the recent peak year of 2007 when 8.6 million jobs were ascribed to the sector.

The United States welcomed 59.7 million international visitors in 2010, an increase of 8.7% on 2009. The largest origin markets are Canada and Mexico (accounting for 33% and 23% of total arrivals, respectively), followed by the United Kingdom, Japan and Germany.

International visitors collectively spent USD 134.4 billion on travel to, and tourism-related activities within, the United States in 2010, an increase of nearly 12% on 2009. In order of contribution (spending in USD), the top international markets for US travel and tourism-related exports are Canada, Japan, the United Kingdom, Mexico and Brazil.

Tourism organisation

The United States is highly decentralised with respect to travel and tourism. Public authorities manage travel and tourism at the national, state and regional levels. These include the federal government, state governments, and Destination Marketing Organisations. At the federal level, the Office of Travel and Tourism Industries (OTTI) in the International Trade Administration of the US Department of Commerce (DOC), serves as the national tourism office (Figure 4.36). DOC is the lead department responsible for travel and tourism. OTTI is the source of official tourism statistics and works to enhance the competitive position of the United States with respect to travel and tourism. It also serves as a central point of contact within the federal government and represents the United States in inter-governmental forums, including the OECD and APEC.

The newly created Corporation for Travel Promotion (CTP) is a non-profit corporation which will promote travel to the United States and work with the US government to communicate and improve the entry process for international visitors. The CTP will be supported until the end of the 2015 fiscal year by a share of the fees received from the

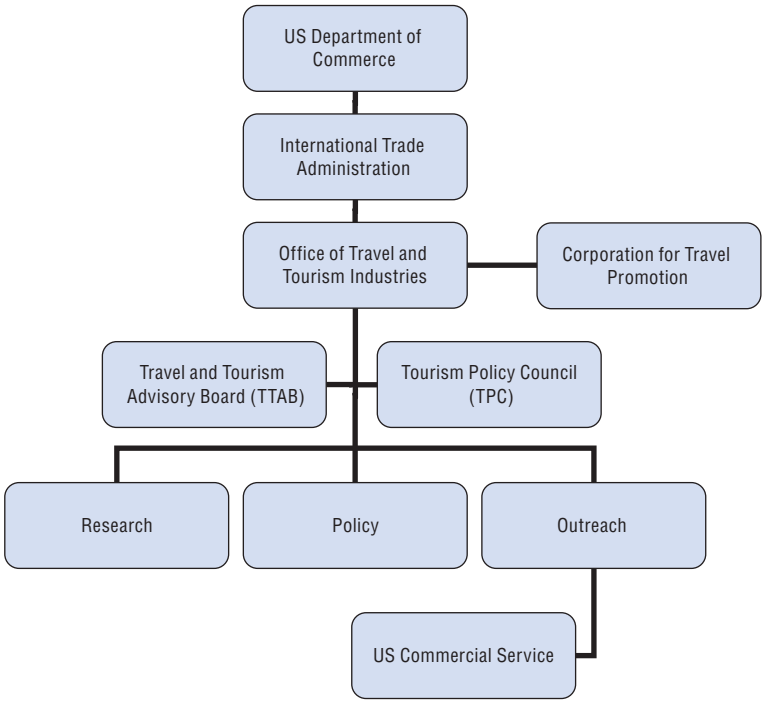
Electronic System for Travel Authorisation (ESTA), which are paid by international travellers coming to the United States from countries participating in the Visa Waiver Programme, and are matched by contributions from the private sector.

The federal government does not regulate travel and tourism as a distinct industry. However, some sectors, such as transport, are regulated at the federal level. States and local government may regulate the conduct of travel and tourism business within their jurisdiction. At the federal level, therefore, the Department of Commerce serves as a facilitator between the private sector and other federal agencies for policy co-ordination with respect to travel and tourism issues.

The process of policy deliberation at the Department of Commerce includes the Travel and Tourism Advisory Board (TTAB) and the Tourism Policy Council (TPC). The TTAB consists of appointed representatives from companies and organisations in the travel and tourism industry that provide policy input to the Secretary of Commerce.

The TPC is an inter-agency committee established by law for the purpose of ensuring that the nation's tourism interests are considered in federal decision-making. Its major function is to co-ordinate national policies and programmes relating to international travel and tourism, recreation and national heritage resources that involve federal agencies. The TPC reviews and responds to TTAB recommendations and provides additional insight from the public sector perspective on issues affecting travel and tourism nationally.

Figure 4.36. **United States: Organisational chart of tourism bodies**



Source: OECD, adapted from US Department of Commerce, 2012.

Tourism budget

OTTI obtains its funds from a congressional appropriation to the Department of Commerce, which then allocates resources to OTTI. In addition, OTTI sells research reports and data to generate additional operating revenues, along with inter-agency agreements that also generate funds. OTTI's operational budget for fiscal year 2011, including salaries, was approximately USD 3.8 million from all sources, including appropriated funds and sales of research data.

Tourism-related policies and programmes

The principal emphasis of policy recently has been how to facilitate travel while providing for the safety and security of travellers and the nation.

Travel Promotion Act

The intention of the Travel Promotion Act of 2009 is to increase international travel to the United States by improving the country's image around the world, thereby creating jobs and stimulating economic growth. The law established the Corporation for Travel Promotion (CTP) to communicate US entry policies, and otherwise promote leisure, business and scholarly travel to the United States.

The CTP will be supported through the end of fiscal year 2015 by a proportion of the fees (USD 10 out of a total fee of USD 14) charged for the Electronic System for Travel Authorisation (ESTA) as previously mentioned. Up to USD 100 million will be made available each year to the CTP from the ESTA fees based on the required matching funds. After fiscal year 2015, the fee will end unless it is reauthorized by the US Congress, and funding of the CTP would be by industry assessment only.

Visa and border security

During fiscal year 2010, the Department of State issued almost seven million visas to qualified applicants around the world. Since fiscal year 2005, the non-immigrant visa workload has risen by 175% in Brazil, 96% in China, and 52% in India. The Department of State is working to meet the demand for visas by streamlining operations and increasing capacity, although there remain challenges in meeting demand in these key markets, particularly during times of peak travel such as the summer months.

To meet growing customer demand, the Department of Homeland Security (DHS) has had programmes in place since 2006 to improve the customer service experience, including the Model Ports programme established in 20 airports across the country. A collaborative effort among DHS and public and private sector partners produced an array of programme initiatives, such as enhancing the queuing area of primary entry, improved signage that is easily understood by international travellers, waiting-time monitoring and reporting, the installation of a passenger service manager programme, and improvements to the diplomatic arrival processes. Additionally, the Global Entry programme allows faster clearance for pre-approved, low-risk travellers on arrival, allowing resources to be redeployed to reduce waiting times at the border.

Research and statistics

OTTI manages the Travel and Tourism Statistical System for the United States. The System provides national and local level data that tracks past performance, provides

insights into the future and offers key traveller characteristics data to guide research-based marketing campaigns. Specific programmes of the system include, but are not limited to:

- Travel and Tourism Satellite Accounts**,** an economic tool that accurately measures the impact of travel and tourism industries on the US economy, providing industry comparability and job generation based on the government's national accounts system.
- An International Arrivals Database from the Department of Homeland Security**,** which measures overseas travellers to the United States (excluding Canada and Mexico) by country, port, type of visa, and mode of transport.
- A Survey of International Air Travellers (In-Flight Survey), a primary research programme that collects more than 30 key characteristics on international travellers to and from the United States. The programme provides the only comprehensive, comparable estimates of the states and cities visited by overseas travellers, as well as international destinations visited by US residents.
- International travel receipts and payments data, which provide the sole source of data for the Bureau of Economic Analysis to develop estimates of travel and passenger fare exports and imports for the United States for more than 30 countries.
- The Travel Trade Barometer programme, an Internet trade survey conducted quarterly for several of the top inbound markets to the US, providing the tourism industry with a short-term forecast of travel demand and market conditions, and identifying travel barriers to the country for each participating country.

Statistical profile

Table 4.213. **United States: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight visitors[1]	Millions	1 052.49	1 092.45	1 071.26	1 008.20	1 049.47

1. Change of date source for domestic overnight visitors.
Source: Longwoods International, Inc. Travel USA®, February 2012.

StatLink http://dx.doi.org/10.1787/888932632750

Table 4.214. **United States: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	50 977	55 978	57 942	54 962	59 796
Top 5 markets						
Canada	Thousands	15 992	17 759	18 915	17 977	19 964
Mexico	Thousands	13 317	14 327	13 686	13 229	13 469
United Kingdom	Thousands	4 176	4 498	4 565	3 899	3 851
Japan	Thousands	3 673	3 531	3 250	2 918	3 386
Germany	Thousands	1 386	1 524	1 782	1 687	1 726
Same-day arrivals						
Canada	Thousands	24 181	24 881	24 698	21 277	24 938
Mexico	Thousands	108 020	94 283	92 992	84 124	77 323
International travel receipts (exports)	Billion USD	86.19	97.36	110.42	94.19	103.51
International passenger transport receipts (exports)	Billion USD	21.64	25.19	30.96	26.10	30.93

Sources: US Department of Commerce, Office of Travel and Tourism Industries; Statistics Canada; Banco de Mexico; US Department of Commerce, Bureau of Economic Analysis.

StatLink http://dx.doi.org/10.1787/888932632769

Table 4.215. **United States: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010[1]
Total departures (travellers)	Thousands	63 663	64 029	63 563	61 419	60 271
International travel expenditure (imports)	Billion USD	72.96	77.13	80.49	74.12	75.51
International passenger transport expenditure (imports)	Billion USD	26.646	27.681	31.841	25.137	27.279

1. Preliminary figures.

Sources: US Department of Commerce, Office of Travel and Tourism Industries; Statistics Canada; Banco de Mexico; US Department of Commerce, Bureau of Economic Analysis.

StatLink http://dx.doi.org/10.1787/888932632788

Table 4.216. **United States: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Air transportation services	Establishments	6 140	6 316	6 363	6 254	6 090
Passenger car rental	Establishments	8 033	8 042	8 180	7 877	7 568
Travel agencies	Establishments	17 521	17 164	16 902	15 889	15 194
Tour operators	Establishments	3 068	3 046	3 040	2 943	2 862
Convention and visitors bureaus	Establishments	938	990	1 013	1 015	982
Museums, historical sites, zoos and parks	Establishments	5 327	5 487	5 618	5 623	5 671
Amusements, gambling and recreation	Establishments	71 203	72 091	72 199	71 361	71 112
Traveller accommodations	Establishments	53 901	54 634	55 523	55 777	56 088
Food services and drinking places	Establishments	523 965	537 134	545 678	548 246	555 933

Sources: US Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

StatLink http://dx.doi.org/10.1787/888932632807

Table 4.217. **United States: Employment in tourism**

	Units	2006		2007		2008		2009		2010	
		Total	Direct	Total	Direct	Total	Direct	Total	Direct	Total	Direct
Traveller accommodation	Thousands	1 769	1 343	1 803	1 368	1 786	1 355	1 647	1 250	1 635	1 241
Transportation	Thousands	1 955	1 160	1 966	1 167	1 930	1 147	1 833	1 087	1 805	1 071
Air transportation services	Thousands	815	481	824	486	816	481	768	453	753	444
All other transportation-related industries	Thousands	1 140	679	1 142	681	1 115	666	1 065	635	1 052	628
Food services and drinking places	Thousands	2 288	1 936	2 389	2 022	2 289	1 937	2 027	1 716	1 998	1 691
Recreation, entertainment, shopping	Thousands	1 976	1 263	1 979	1 276	1 855	1 203	1 721	1 120	1 687	1 099
Recreation and entertainment	Thousands	948	649	965	660	930	637	856	586	834	569
Shopping	Thousands	1 028	614	1 014	615	925	566	865	534	853	530
All other industries	Thousands	455	262	458	264	423	243	406	233	398	229
All tourism industries	Thousands	8 443	5 964	8 594	6 096	8 283	5 885	7 633	5 406	7 523	5 331

Sources: US Department of Commerce, Bureau of Economic Analysis, US Travel and Tourism Satellite Accounts (TTSA).

StatLink http://dx.doi.org/10.1787/888932632826

Table 4.218. **United States: Tourism in the national economy**

2009	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption
Accommodation services	Billion USD	105.3	25.6	130.9
Food and beverage serving services	Billion USD	90.6	21.0	111.6
Passenger air transport services[1]	Billion USD	80.8	31.9	112.6
Travel arrangement and reservation services	Billion USD	33.2	1.5	34.7
Total	**Billion USD**	**579.5**	**119.6**	**699.1**

1. Includes international and domestic services.

Sources: US Department of Commerce, Bureau of Economic Analysis, US Travel and Tourism Satellite Accounts (TTSA).

StatLink http://dx.doi.org/10.1787/888932632845

Table 4.219. **United States: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal domestic tourism consumption	Billion USD	637	667	656	579	612
Tourism share of GDP	Percentage	2.6	2.6	2.6	2.7	2.8
Tourism exports as a % of services exports	Percentage	25.6	25.0	26.4	23.8	24.5
Total US travel and tourism exports	Billion USD	107.8	122.5	141.4	120.3	134.4

Sources: US Department of Commerce, Bureau of Economic Analysis, US Travel and Tourism Satellite Accounts (TTSA).

StatLink http://dx.doi.org/10.1787/888932632864

OECD Non-member Economies

Albania

Tourism in the economy

Albania's coastline extends to 362 kilometres and the country has more than 2 000 sites and items considered cultural monuments. Three of these – Butrinti, Berat and Gjirokaster – are declared World Heritage Sites and are protected by UNESCO. Albania has a favourable climate and many natural attractions capable of sustaining a diversified tourism sector.

Between 2007 and 2009, the tourism industry increased its contribution to the economy both in monetary terms and in terms of employment. However, income from tourism fell by 6% in 2010 even though the number of visitors has increased. This was due to a decrease in average daily visitor expenditure and also of average overnight stays. Income from tourism in 2010 totalled EUR 1 227 million compared to EUR 1 302 million in 2009. However, income in 2010 was still 4.9% above the level achieved in 2008, and 22.5% higher than in 2007 according to Bank of Albania figures.

Visitors to Albania in 2010, including excursionists, totalled 3.5 million, an increase of 29% on 2009. During the same period the number of international arrivals increased by 30%. Of that total, Europeans accounted for 92%, Americans 5%, visitors from Asia 2% and others 1%.

The tourism sector supported an estimated 41 000 jobs in 2009. In Albania there are currently 752 accommodation units with a capacity of 25 000 beds. When family accommodation is included, this total rises to over 40 000 beds. There are 250 travel agencies active in the tourism sector.

Tourism organisation

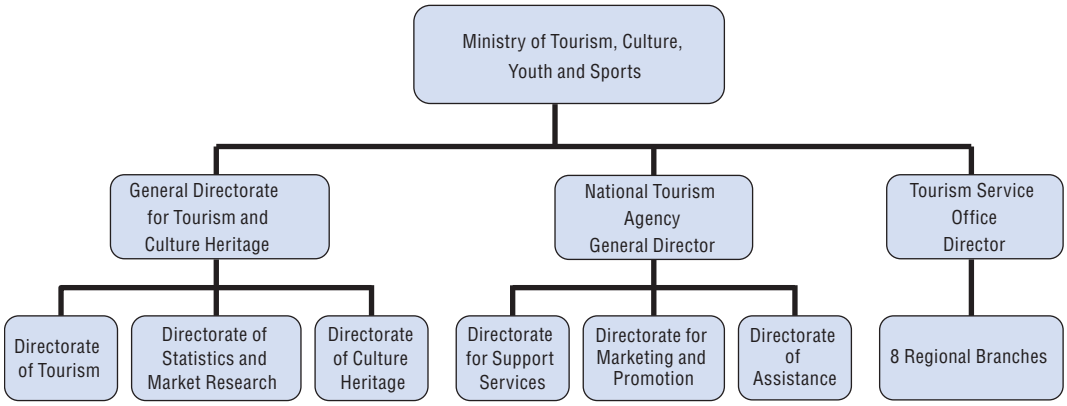
The organisation of tourism in Albania is under the responsibility of the Ministry of Tourism, Culture, Youth and Sports (Figure 4.37). The ministry is the competent authority for policy-making and programming in the tourism sector, for destination marketing and promotion, development control and regulation. It is also responsible for declaring Culture and Tourism Preservation and Development Regions, Tourism Centres, Historical and Natural sites where special measures of protection and preservation are enforced.

The ministry supervises the National Tourism Agency and Tourism Service Office. The National Tourism Agency is responsible for implementing marketing programmes, monitoring the development and hiring contracts in tourism areas, and for administering the incomes from leasing contracts (99 years) with private entities using the land in touristic areas for the development of tourism. It is also responsible for the promotion of Albania, advertising and communications policy and for arranging the country's participation in international exhibitions and events in Albania and abroad. The Tourism

Service Office is responsible for dealing with complaints made by visitors against all kinds of tourism enterprises and provides information concerning requirements for visiting Albania. It is structured on a regional level with nine regional branches.

There are two private national associations of tourism: the Albanian Tourist Operator Union and the Albanian Tourism Association.

Figure 4.37. **Albania: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, Culture, Youth and Sports, 2012.

Tourism budget

For 2010, the budget of the Ministry of Tourism, Culture, Youth and Sports, including investment, transfer and operating budgets, was approximately EUR 12.7 million. The National Tourism Agency had a budget of EUR 701 200, and the budget of the Tourism Service Office was EUR 83 900. The ministry also receives funding from other sources. The amount received from foreign donations was EUR 2.7 million.

The tourism investment budget of the Ministry of Tourism amounted to EUR 114 300 in 2010. The proposed investment budget for 2011 was EUR 115 000. Foreign investment in tourism was approximately EUR 1.5 million during 2010 and EUR 771 370 in 2011. Public investment in tourism is generally for infrastructure in addition to the various programmes of the Ministry of Tourism, Culture, Youth and Sports.

Tourism-related policies and programmes

Tourism is an important sector of the Albanian economy and a priority sector in the national agenda. The government's priority area for tourism for 2009-13 is the sustainable development of tourism closely linked to the economic and social development of the country. The main objective is to establish the country as one of the major Mediterranean destinations, given that Albania is seen as unique and offers a very wide range of historical and cultural attractions, and a rich natural heritage.

Tourism strategy

In June 2008, Albania approved the Tourism Sector Strategy 2007-13. This document was prepared under a process initiated by the Albanian government to co-ordinate the strategies of different sectors of the economy, with priority given to the need to revise the Tourism Development Strategy 2002-12 and to promote the Strategy and Action Plan for Tourism Development of Natural and Environmental Resources.

The strategy is based on:

- the development of sustainable tourism;
- the sustainable growth and development of cultural tourism, as well as the undertaking of positive steps, endorsed in long-term plans, aimed at increasing the number of tourists; and
- the need to recognise and invest in cultural tourism sites.

The strategy also intends to establish the principles and rules operating in the field of tourism, as well as the establishment and development of standards for tourist and related services. The purpose of tourism development in Albania is to enhance the quality of life of Albanians. The priorities set out in the Strategy are:

- **Development:** Structuring and development of tourism and its products are priorities in the short- and medium-term. Development potential is to be achieved through a combination of special interest tourism and business and conference tourism in the short- and medium-term, by developing these sectors in parallel to beach-based tourism in accordance with international standards.
- **Capacity building and institutional structures:** The creation of institutional structures at local and central level will guarantee the implementation of the strategy and create a legal framework in the field of tourism.
- **Investment:** The funding and creation of long-term mechanisms for natural and cultural areas is planned with a view to their preservation and development.
- **Intelligence:** Creating a system of collecting and processing statistical data and carrying out research on the tourism market.

One of the main challenges of this strategy was to implement a marketing and promotional programme aimed at creating the image and identity of Albanian tourism, and to establish Albania's position in the international tourism market as a destination of particular interest for a variety of different forms of tourism.

A new legal framework

During 2007 a new legal framework for tourism was adopted. This law was designed to cover a range of important aspects that were not addressed by previous legislation. Having assessed the issues that arose during the implementation of this law, and the need to align legislation with European Union practices, the Ministry of Tourism began to prepare a new law on tourism in 2010 which aims to:

- create a stimulating atmosphere for investment;
- harmonise tourism regulations; and
- improve the business climate.

The ministry is drafting this new law to take into account the comments and suggestions from representatives of the private sector and those of national and international consultants. The government has been, and remains, focused on creating the right conditions for businesses to compete and flourish. In order to encourage investment, several concrete steps have been taken, including:

- amending the law on concessions; and

- creating a foreign investment law that establishes favourable conditions for investors and specifies procedures for the proper promotion and protection of all categories of foreign investment.

Recent projects

The Ministry of Tourism, Culture, Youth and Sports has executed many successful projects in recent years. These have included, in co-ordination with UNDP, a project that was carried out to promote tourism and the environment for the District of Kukes. The project aims to contribute to the promotion of sustainable economic growth and attractiveness in the region of Kukes. By utilising the region's natural and social potential more fully, the project will maximise tourism's contribution to the regional economy, its impact on regional development, and facilitate cross-border co-operation.

Also, in co-operation with the Italian government, a tourism evaluation project has been carried out for the Permet Environmental Zone. This project, through the promotion and growth of tourism in the area of Permet, aims to use human resources (reducing the level of unemployment) and the area's natural attractions to strengthen agro-products (notably local food), and standardise the production and marketing sectors.

In co-operation with the Spanish government, the Heritage project for social and economic development has been carried out. This aims to support Albania's development potential through the promotion of Albania as a destination for cultural tourism, promoting cultural tourism at the local level and using cultural heritage to improve Albania's image in the world.

In co-operation with the European Commission, a project has been carried out on sustainable development centres and integral historical, cultural and traditional aspects of the country. This project represents a continuation of funding for the restoration and improvement of infrastructure and tourism development services at the local level in centres of historical and cultural heritage.

In terms of improving the planning system in tourist areas, (including aspects of integrated economic, social and environmental issues), the Albanian government and the World Bank designed the Integrated Plan for Tourism Development in the South Coast (Box 4.23).

Box 4.23. **Integrated Plan for Tourism Development in the South Coast**

This master plan identified the main criteria for the development of the area, in order to protect natural parks, protected areas, villages of cultural and historical value, the natural landscape and so on.

The development objective of the project is to establish and implement an integrated coastal zone management approach to reduce coastal degradation by:

- strengthening regulatory policy and governance of the coastal zone, land-use and regional planning, and institutional capacity at the central, regional and local levels; and
- initiating targeted municipal and community investments in the southern coast to improve environmental conditions, enhance cultural resources and encourage community support for sustainable coastal zone management.

Statistical profile

Table 4.220. **Albania: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	459	547	490	539	610
Number of nights spent	Thousands	1 009.8	1 422.2	1 127	1 401.4	1 525

Source: National Institute of Statistics.

StatLink http://dx.doi.org/10.1787/888932632883

Table 4.221. **Albania: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	937	1 127	1 420	1 856	2 417
Top 5 markets						
Kosovo	Thousands		276	325	674	1 179
Former Yugoslav Republic of Macedonia	Thousands	187	224	342	307	276
Italy	Thousands	68	85	99	99	125
Montenegro	Thousands		106	120	119	124
Greece	Thousands	56	58	86	100	113
International travel receipts	Million USD	1 012	1 378	1 714	1 827	1 613
International passenger transport receipst	Million USD	45	101	135	185	167

Source: National Institute of Statistics.

StatLink http://dx.doi.org/10.1787/888932632902

Table 4.222. **Albania: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	2 216	2 979	3 716	3 404	3 443
International travel expenditure	Million USD	965	1 268	1 555	1 585	1 362
International passenger transport expenditure	Million USD	24	63	89	107	92

Source: National Institute of Statistics.

StatLink http://dx.doi.org/10.1787/888932632921

Table 4.223. **Albania: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and similar accommodation	Thousands	10	11	9	11	. .
Passenger transportation	Thousands	4	5	5	5	. .
Self-employed	Thousands	17	18	20	22	. .
Travel agency and tour operator activities	Thousands	3	3	3	3	. .

Source: National Institute of Statistics.

StatLink http://dx.doi.org/10.1787/888932632940

Table 4.224. **Albania: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Government revenues from tourism	Million EUR	805	1 002	1 170	1 302	1 227

Source: National Bank.

StatLink http://dx.doi.org/10.1787/888932632959

Argentina

Tourism in the economy

Tourism in Argentina has demonstrated excellent performance in recent years. In 2010, Argentina's position in the global ranking of foreign tourist arrivals rose to 44th, from 47th in 2009 (UNWTO). Today, Argentina has the highest number of international tourist arrivals in South America, with 5.3 million in 2010, representing growth of 23% on the previous year.

Foreign tourist arrivals have grown at an annual average rate of more than 6.9% in the period 2006-10, while receipts from foreign tourists rose at an annual average of 7.2% over the same period. International travel exports totalled USD 4.9 billion in 2010, and international passenger transport exports totalled USD 687 million. Tourism exports (*i.e.* receipts from international visitors) were 36.8% of the value of total services exports in 2010.

Tourism's ability to create employment and job opportunities is well recognised in Argentina. In 2010, Argentina had 17 253 hotels and 4 498 travel agencies, and tourism industries employed 1.047 million people – 9.93% of total employment of 10.547 million – an increase of 4.13% on 2009. Generally, tourism in Argentina has flourished in recent years, impacting favourably on the country's socio-economic development.

Tourism organisation

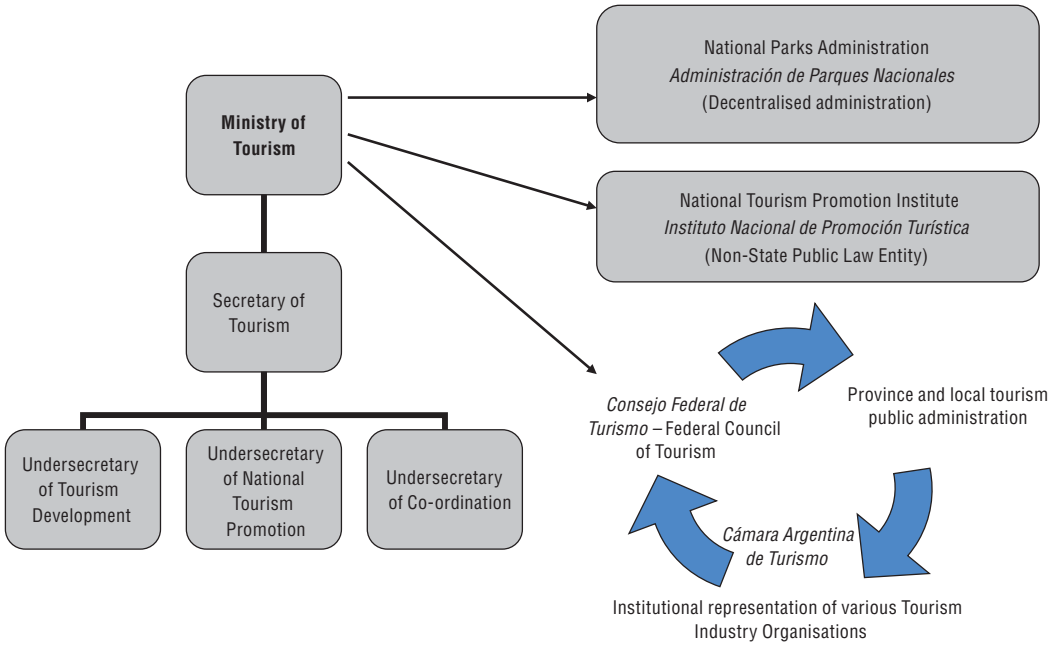
The current government of Argentina considers tourism to be a very high priority, and to reflect this, the Ministry of Tourism (MINTUR) was created in 2010 (Figure 4.38). The new ministry arises from the division of the former Ministry of Industry and Tourism, through Decree 919 in 2010. The ministry's goal is to formulate the public, decentralised and participative management of tourism in order to promote economic development, create jobs and promote wide social inclusion.

The government has undertaken actions that enhance the attractiveness and competitiveness of tourism resources so as to transform them into tourism products. The sector's multidisciplinary nature and economic, social, environmental, political and cultural impacts, necessitates planning and development management at local, regional and national levels.

Argentina has a network of public tourism bodies in each region. Regarding the links between the National Tourism Administration and the provinces and regions, the national government sees tourism as one of the key sectors in the promotion of social inclusion based on the principles of sustainability and competitiveness.

In 2005, the National Tourism Law 25.997, which covers the promotion, development, and regulation of all tourism activity, created the Federal Council of Tourism (CFT). CFT is a

Figure 4.38. **Argentina: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2012.

federal advisory body, comprising the tourism directors of Argentina's federal states, whose role – through a decentralised management process – is to help identify problems and find solutions, collecting requests from states and municipalities. CFT includes a representative of the Ministry of Tourism, and government officials from local public sector tourism bodies and the government of the Autonomous City of Buenos Aires. Its federal nature is optimal for consultation and the co-ordination of actions. It also incorporates municipal representatives in the definition of areas, corridors and tourist circuits, in order to achieve the participation of all stakeholders. The importance of tourism requires effective and integrated planning and management; co-ordination between the public and private sectors is seen as especially important.

A key issue is the creation of INPROTUR (*Instituto Nacional de Promoción Turistica, www.argentina.travel*) whose mission is to assist the President's Office in the promotion and development of the country's inbound tourism activity, regarding Chapter IV of the Law N° 25.997, defining strategies and establishing plans and projects to position Argentina in the international tourism market, and promoting destinations and products. The objective of INPROTUR is the development, diversification and growth of sustainable international tourism demand. The Ministry of Tourism also has social tourism programmes that aim to provide a holiday to the poor people. These programmes are held at the federal level, and in the Buenos Aires and Cordoba provinces.

Tourism budget

The 2011 budget of the National Tourism Administration is ARS 460.9 million.

There are also tourism programmes funded by the Inter-American Development Bank to support the improvement of competitiveness in tourism as well as to support tourism

municipalities in their sustainable management of tourism (*e.g.* waste management), notably BID-1648 (*Programa de la Mejora de la Competitividad del sector turismo en la Argentina*), and BID AR–L1025 (*Programa de residuos sólidos en municipios turísticos*).

Tourism-related policies and programmes

One of the most important national policies for the sector has been the monetary and exchange rate policy adopted by the Central Bank, which allows a competitive real exchange rate, widely promoting inbound tourism. In addition, regional integration within South America is an important policy. The share of tourists from neighbouring countries has increased considerably from 59.1% of total arrivals in 2005, to 66.4% in 2010.

In recent years, the country's tourism development has relied on domestic tourism. The Survey of Travel and Tourism estimates a total of 40.5 million trips and visits in 2006.

The Hotel Occupancy Survey registered a total of 34.4 million domestic nights spent in hotels and similar accommodation in 2010. This figure represented an increase of 11% compared to 2009. The number of domestic tourists staying at hotels increased by 6.9% over the year, and totalled 14.5 million in 2010.

Federal plan for sustainable tourism

In August 2004, the National Tourism Administration began the task of designing a state policy capable of developing the tourism sector nationally. One of the results is the strategic Federal Plan for Sustainable Tourism (PFETS), one of the most important tourism policies in the country. Its origin refers to the act of commitment signed by Federal Investment Council, the National Parks Administration, the Federal Council of Tourism, and the *Camara Argentina de Turismo* (CAT). This plan integrates a coherent set of macroprogrammes and policies that is being implemented by the Ministry of Tourism, with the support of state and regional organisations and private partners. Programmes and actions are evaluated regularly against the plan's stated objectives; during 2011, PFETS programmes have been reformulated with actions and objectives up to 2020.

Legislative and regulatory environment

The most important tourism legislation is the 2004 law 25.997, which covers the promotion, development, and regulation of all tourist activity. It established the necessary mechanisms for the creation, conservation, protection and utilisation of resources and national tourist attractions. It seeks to safeguard sustainable development, and to improve the quality of life of the population. It also establishes the mechanisms for the participation of, and consultation between, the public and private sectors.

International and intra-regional activities to enhance trade in tourism services

Tourism in Argentina is seen as facing increasing global competition. In response, it has been considered necessary to develop sustainable and high-quality tourism facilities, based on Argentina's diversity of landscapes and cultures. It has also been deemed necessary to strengthen co-operation with the countries whose populations can provide a

ready source of visitors to Argentina. The following are considered the most important international activities to enhance tourism activities:

- Co-ordination with the Ministry of Foreign Affairs on various actions for the promotion and conclusion of bilateral and multilateral agreements, and the organisation of bilateral political and technical meetings to facilitate tourism development.
- Participation of Argentina in international organisations and strategic forums related to tourism, such as meetings of the Tourism Ministers of the G20 (T20), European Union (EU), OECD, Organization of American States (OAS), the Ibero-American General Secretariat (SEGIB), summit of the South American – Arab countries (ASPA), and the World Tourism Organization (UNWTO).
- In order to consolidate the tourism sector through the organisation of technical meetings, Argentina participated in the IXth meeting of Tourism Ministers of MERCOSUR, in Asunción, Paraguay (14 and 15 May 2011), which resulted in a MERCOSUR tourism promotion programme in Japan, funding of tourism promotion of MERCOSUR, collaboration with INPROTUR in joint promotion in distant markets, a project to harmonise tourism statistics in the countries of South America, and the signing, by the ministers of tourism, of the Declaration of Asunción on Border Co-operation between the member states of MERCOSUR.

Marketing and promotion

INPROTUR also defines promotional actions (participation in tourism expositions, trade shows, workshops, press trips) in a so-called *Plan Operativo 2010*. In 2008, the Argentine brand plan was launched under the title of *Marca País*. This plan increased the number of international events held in the country (*www.argentina.travel/marcapais*).

Statistics and performance evaluation

Since 2003, the Ministry of Tourism has financed a series of statistical surveys (*Encuesta de Turismo Internacional, Encuesta de Ocupación Hotelera, Encuesta de Viajes y Turismo de los Hogares*) with INDEC (the national statistics office – *Instituto Nacional de Estadísticas y Censos*), and has provided a series of tourism statistics following the methodological recommendations of the UNWTO and other international organisations such as the OECD. The aim is to measure the impact of tourism on the national economy, through comparable methodologies among countries and over time.

This information will form the basis for a future Tourism Satellite Account (TSA). MINTUR has a TSA institutional platform, and has signed agreements with INDEC regarding this objective.

MINTUR has also worked to improve access to such statistical information for public and private sector users. At the beginning of 2011, MINTUR presented the website of the Undersecretary of Tourism Development (*http://desarrolloturistico.gob.ar*), and SIET (*Sistema de Información y Estadística Turística*), with survey data and border statistics, including the geo-referencing of different data. The Ministry of Tourism has also published a statistical yearbook since 2004, which is available on the Internet.

Statistical profile

Table 4.225. **Argentina: Domestic overnight tourism**[1]

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	. .	15 088	14 674	13 588	14 530
Number of nights spent	Thousands	32 965	35 608	34 279	31 043	34 447

1. Hotels and similar establishments.

Source: Ministry of Tourism, Hotel Occupancy Survey, Survey of Household Tourism, National Institute of Statistics and Census (INDEC).

StatLink http://dx.doi.org/10.1787/888932632978

Table 4.226. **Argentina: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	4 173	4 562	4 700	4 308	5 325
Top 5 markets						
Brazil	Thousands	572	742	874	718	1 197
Chile	Thousands	988	987	940	820	1 076
Europe	Thousands	662	738	766	722	751
Uruguay	Thousands	455	420	447	488	654
Paraguay	Thousands	317	355	391	390	432
International travel receipts	Million USD	3 899	4 984	5 296	4 476	4 942
International passenger transport receipts	Million USD	555	670	650	516	687

Sources: Ministry of Tourism, National Institute of Statistics and Census (INDEC).

StatLink http://dx.doi.org/10.1787/888932632997

Table 4.227. **Argentina: Outbound tourism: International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	3 892	4 167	4 614	4 981	5 307
International travel expenditure	Million USD	3 099	3 921	4 561	4 494	4 878
International passenger transport expenditure	Million USD	939	1 142	1 401	1 272	1 497

Sources: Ministry of Tourism, National Institute of Statistics and Census (INDEC).

StatLink http://dx.doi.org/10.1787/888932633016

Table 4.228. **Argentina: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels	Establishments	10 152	10 751	11 474	12 227	17 253
Travel agencies	Establishments	3 755	4 043	4 118	4 453	4 498

Source: Ministry of Tourism, Statistical Yearbook of Tourism.

StatLink http://dx.doi.org/10.1787/888932633035

Table 4.229. **Argentina: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Total employment in tourism-characteristic industries	Thousands	957	1 018	1 005	1 006	1 047
Hotels and similar	Thousands	42	57	49	56	49
Restaurants and similar	Thousands	317	321	325	307	343
Road passenger transport services	Thousands	313	340	336	349	358
Travel agencies and similar	Thousands	31	35	24	28	33
Other tourism industries	Thousands	253	266	271	265	264
Total employment	Thousands	9 874	10 201	10 291	10 422	10 547
Tourism employment in % of total employment	Percentage	9.69	9.98	9.77	9.65	9.93

Sources: Ministry of Tourism, Statistical Yearbook of Tourism, National Household Survey, National Institute of Statistics and Census (INDEC).

StatLink http://dx.doi.org/10.1787/888932633054

Table 4.230. **Argentina: Tourism in the national economy**

	Units	2006	2007	2008	2009	2010
Tourism exports as a % of exports of services	Percentage	40.5	40.7	37.7	34.8	36.8

Source: Ministry of Tourism, Statistical Yearbook of Tourism.

StatLink http://dx.doi.org/10.1787/888932633073

Brazil

Tourism in the economy

In 2010, there were 5.161 million foreign tourists to Brazil, of which 2.742 million originated in Brazil's five leading markets. The 2010 total was 7.5% above the total for 2009, but only 2.9% above the total registered in 2006.

The largest source of foreign tourists was Argentina, with 1.4 million tourists (27.1% of the total), followed by the United States (641 000 or 12.4%), Italy (245 000 or 4.7%), Uruguay (229 000 or 4.4%) and Germany (227 000 or 4.4%). Together these five origin markets supplied 53.1% of all Brazil's foreign tourists in that year.

Foreign exchange earnings from tourism (excluding fares) amounted to USD 5.9 billion, an increase of 11.6% on the previous year and 37.1% above the figure achieved in 2006. Outbound tourism, however, saw foreign exchange costs of USD 16.4 billion in 2010 resulting in a large deficit on the tourism account.

Domestic tourism represents around 85% of Brazil's tourism flow, a number that is growing every year with the improvement of the socio-economic standards of the country. The Ministry of Tourism has endeavoured to adapt the national tourism supply to meet this expanding demand. However, international tourist arrivals have not increased significantly in the last few years, requiring the government to make greater efforts in this area.

In 2010, there were 982 000 people employed in the formal tourism sector, 2.9% of the employed workforce, the same proportion as in 2006.

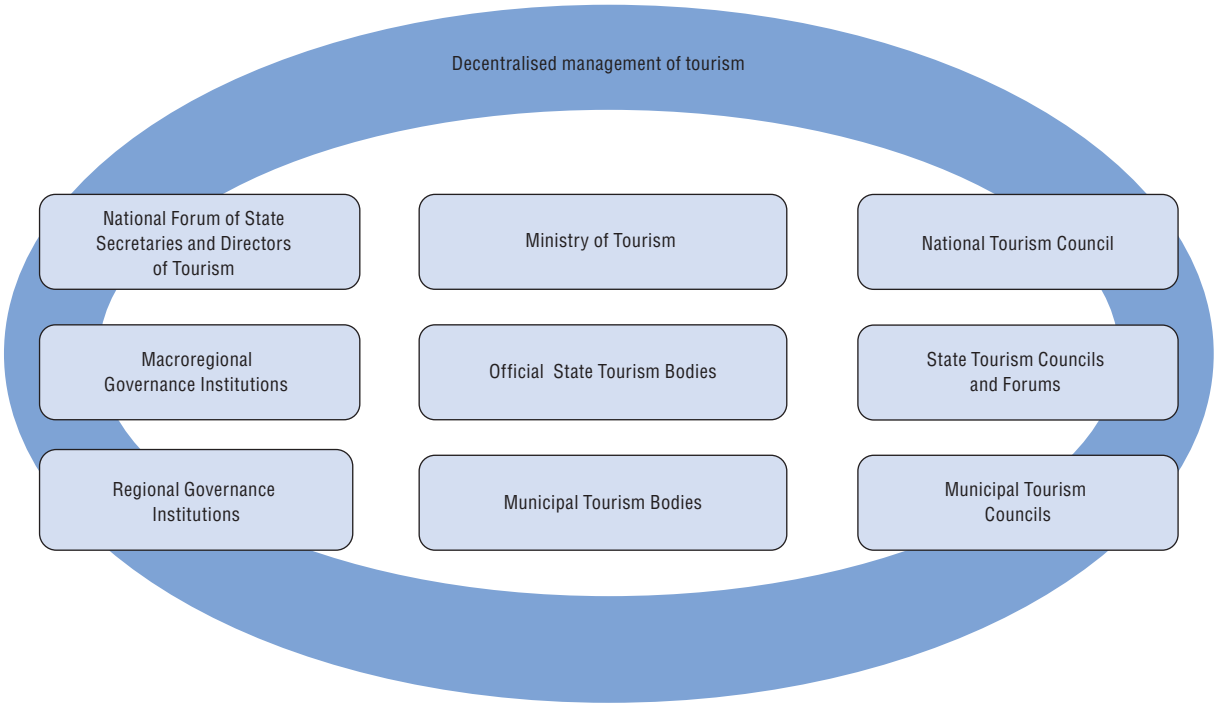
Tourism organisation

In 2008, the Tourism General Act was approved by the National Congress. It defines national tourism policy and also the responsibilities of government for planning, developing and stimulating the sector (Figure 4.39). The National Tourism System is formed by a strategic core, at the national level, composed of the Ministry of Tourism, the National Council of Tourism, the National Forum of State Secretaries and Directors of Tourism. At the state level, it is composed of the Official State Tourism Agencies, and State Tourism Fora and Councils in the 27 states. Since the new legislation, an inter-ministerial Committee for Tourism Facilitation was created, in order to integrate the actions of several federal bodies in tourism development.

Since 2004, the Ministry of Tourism has used a regional approach for tourism development. A total of 276 tourist regions were defined, covering 3 635 towns and cities, more than half of the country's urban areas. Of these, 62 tourist regions were prioritised, benefitting 65 tourist destinations and 519 towns and cities.

The Ministry of Tourism instituted a programme of decentralised and shared management of tourism, encouraging the consolidation of a network supporting tourism throughout the country. This involves the three sectors – public, private and the third sector. This model began in 2003, and consists of a national strategic core composed of the Ministry of Tourism, the National Council of Tourism (CNT), the National Forum of State Secretaries and Directors of Tourism – Fornatur, and a decentralised management network that includes Regional Governance Bodies, the Official State Tourism Agencies, the State Tourism Forums and Councils, the Municipal Tourism Bodies and Local Collegiates.

Figure 4.39. **Brazil: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2012.

Tourism budget

Considering the Ministry of Tourism as the National Tourism Organisation, the budget for 2009 was around BRL 3 billion, demonstrating that tourism has become a priority for the Federal government. In addition, a variety of credit facilities exist for the private sector – known as FUNGETUR, PROGER, FNE, FNO, FCO and BNDES.

In 2008, funding by public banking for investment by the private sector reached BRL 3.59 billion, and in the period 2003-08 total funding reached BRL 12.8 billion.

It is also important to highlight the investments made by the Inter-American Development Bank for tourism infrastructure which includes Ministry of Tourism programmes. Beyond federal government financing, there is also a technical facility for local communities by the ministry.

Currently the Ministry of Tourism utilises the Integrated System of Tourism Management (Sigtur), for evaluating and monitoring the performance of public spending in

tourism. The system contains information on all Ministry of Tourism´s programmes, their value and their results.

Also, there is a system of covenants between the central government and states, cities, other government entities and NGOs. This is known as Siconv, and is used for evaluating and monitoring contracts with enterprises, according to legislation in force.

Tourism-related policies and programmes

The National Tourism Plan 2012-15 consolidates the National Tourism Policy and presents the strategic guidelines for the development of tourism in Brazil. The National Plan is the result of an integrated effort, co-ordinated by the Tourism Ministry and involving industry and third sectors, through the National Council of Tourism.

The National Plan defines the sector contributions to economic and social development and poverty eradication, and provides the following directives for the development of Brazilian tourism: *i)* expansion of participation and dialogue with society; *ii)* the generation of job opportunities and entrepreneurship; *iii)* reducing social and regional disparities; *iv)* the promotion of sustainability; *v)* the incentive for innovation and knowledge; *vi)* the regionalisation as a territorial reference for planning; and *vii)* continuous monitoring and evaluation of the process.

Based on these strategic guidelines, six major objectives for the National Plan were set: *i)* encouraging Brazilians to travel domestically; *ii)* increasing tourist arrivals and spending; *iii)* increasing the competitiveness of Brazilian tourism; *iv)* strengthening the decentralised management of tourism; *v)* preparing Brazilian tourism for mega-events. For each of these objectives, indicators for success have been defined, with annual goals and strategic projects to achieve these developed.

International and intra-regional tourism activities

In 2004, the Ministry of Tourism started the Frontur initiative – covering the development of the Cross-Border Tourism Programme, with the aim of strengthening tourism within Mercosur.

Accessibility

There is currently a major programme to expand the country's airport capacity, one of the main gaps in Brazilian tourism. This is being achieved partly by encouraging private sector initiatives at the largest airports, *e.g.* for a specific programme of expansion, and by a reform of regional airports.

Sustainability

There are two current initiatives being undertaken by the Ministry of Tourism. The first, the Green Passport, is a global initiative aimed at encouraging tourists to adopt responsible consumption activities, showing how their choices can contribute to environmental conservation and to the improvement in the quality of life of residents of tourist destinations. The second, still in preparation, aims to incentivise the incorporation of sustainable strategies in the tourism supply chain, especially in areas such as water and energy consumption, waste recycling and carbon neutrality.

Human resources

A number of national institutions deal with the provision of suitable labour qualifications and skills, including those in the tourism sector. However, these are not always effective and co-ordinated, and the quantitative and qualitative analysis of the professional qualifications required in tourism is often weak or non-existent. There is also a lack of minimum standards for training courses. In order to deal with these shortcomings, the government has addressed the demands for professional qualifications in the tourism sector through programmes at a technical level developed in partnership with the Ministry of Education, and has also developed certification systems and standards.

For the FIFA World Cup in 2014, the Ministry of Tourism has created a specific programme of professional qualifications focusing on jobs related to customer service and tourism hospitality (Box 4.24). It is intended to train about 400 thousand professionals by 2014.

Box 4.24. **Global events: a driver for Brazilian tourism**

In the next few years, Brazil will host a series of events, including some of the biggest global sport events, such as the 2013 Confederation Cup, the 2014 FIFA World Cup, the 2015 Cup America, the 2016 Summer Olympic and Paralympic Games in Rio de Janeiro, besides other cultural and political events such as the 2012 United Nations Conference on Sustainable Development and the Catholic World Youth Day 2013. These events offer a unique opportunity to present Brazil and Brazilian tourism to the world. They also require priority attention from the Ministry of Tourism in order to prepare the supply chain to receive international tourists, cope with the significant increase in the flow of domestic tourists during the period of events, and ensure the high quality of the tourism products and services to be offered.

Statistical profile

Table 4.231. **Brazil: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	5 017	5 026	5 050	4 802	5 161
Top 5 markets						
Argentina	Thousands	933	922	1 018	1 211	1 400
United States	Thousands	722	696	626	604	641
Italy	Thousands	288	269	266	254	245
Uruguay	Thousands	255	226	199	189	229
Germany	Thousands	277	258	254	216	227
International travel receipts	Million USD	4 316	4 953	5 785	5 305	5 919
International passenger transport receipts	Million USD	261	331	324	330	261

Sources: Ministry of Tourism, Federal Police Department, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633092

Table 4.232. **Brazil: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	3 930	4 683	5 181	4 952	5 305
International travel expenditure	Million USD	5 764	8 211	10 962	10 898	16 422
International passenger transport expenditure	Million USD	1 737	2 223	2 307	1 999	2 918

Sources: Ministry of Tourism, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633111

Table 4.233. **Brazil: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation	Establishments	23 269	22 287	24 237	25 340	. .
Food	Establishments	209 142	170 559	175 655	187 041	. .
Passenger transport services	Establishments	. .	. .	. .	. .	. .
Travel agencies and tour operators	Establishments	14 531	12 861	13 402	14 055	. .
Other tourism services	Establishments	22 236	17 807	19 947	22 370	. .
All tourist activities	Establishments	269 178	223 514	233 241	248 806	. .

Sources: Institute of Geography and Statistics, Annual Survey of Services.

StatLink http://dx.doi.org/10.1787/888932633130

Table 4.234. **Brazil: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation	Employees	177 945	186 037	192 718	199 763	211 354
Food	Employees	152 579	168 596	184 562	194 671	216 156
Passenger transport services	Employees	345 666	359 605	374 786	384 749	402 305
Travel agencies and tour operators	Employees	40 275	41 755	46 605	48 442	53 918
Other tourism services	Employees	68 143	73 776	80 318	86 786	98 035
All tourist activities	Employees	784 608	829 769	878 989	914 411	981 768
Tourism share of total employment	Percentage	2.89	2.86	2.85	2.84	2.89

Sources: The Institute for Applied Economic Research (IPEA), Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932633149

Bulgaria

Tourism in the economy

Tourism has played an important role in Bulgaria's recent economic transition, and in 2010 accounted for 10.3% of GDP, down from the reported 17.1% in 2006. The sector employs 4% of the workforce.

In the first 11 months of 2011, 6.1 million foreign arrivals were recorded, 4.5% more than in the same period of the previous year. In 2010, according to UNWTO data, there were 8.4 million arrivals from abroad including excursionists, 6.4% above 2009. The five main origin countries for tourists to Bulgaria in 2010 were Romania, Greece, Turkey, Germany and the Former Yugoslav Republic of Macedonia, together accounting for 56% of all foreign visitors.

Income from international tourism in 2010 amounted to USD 3.571 billion, an increase of 3.8% on the previous year. Bulgaria had 3 500 accommodation units in 2010, of which approximately half were hotels or similar establishments. The total number of beds available for visitors was 245 000, a slight decrease on the previous year.

Tourism organisation

The Bulgarian Ministry of Economy, Energy and Tourism is responsible for implementing tourism policy and co-ordinating the activities of other ministries and institutions (Figure 4.40). The ministry's main activities in tourism are international relations; the regulation of the tourism sector; development of the tourism product; providing assistance to regional, local and branch tourist organisations; national marketing and advertising; market research; and tourism market analysis and forecasting.

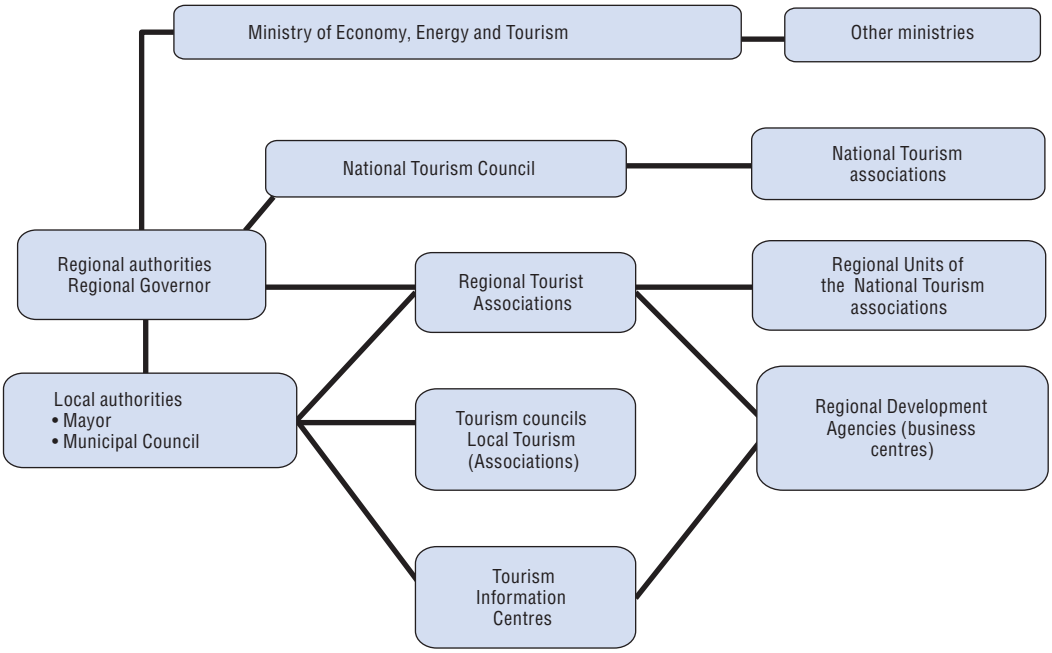
The National Tourism Council (NTC) functions as a governmental consultative body under the authority of the Minister of Economy, Energy and Tourism. It aims to assist in the implementation of a national tourism policy. The members of the NTC are representatives of tourism-related ministries and institutions, national, regional, local and branch tourist associations, associations of air, land and water transport undertakings, and national consumer representatives.

The tasks and activities of the NTC are to:

- approve the national funding support for tourism marketing, including the annual programme for national tourism advertising, and to co-ordinate its implementation;
- analyse the effects of promotional activities;
- make recommendations on proposed tourism development programmes and propose measures to raise the quality of all tourist services in the country;
- comment on draft regulations affecting the provision of tourist activities; and

- discuss issues related to tourism infrastructure, foreign investment in tourism, fulfilment of charter programmes, and consumer protection.

Figure 4.40. **Bulgaria: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy, Energy and Tourism, 2012.

Tourism budget

In 2010, the national budget for tourism amounted to BGN 6.76 million, in addition to a sum of BGN 3.4 million which was allocated for tourism marketing. The Ministry of Economy, Energy and Tourism receives EUR 32.7 million for tourism matters and EUR 4.9 million of national public funding from the European Union's Operative Programme for Regional Development 2007-13.

Tourism-related policies and programmes

Medium to long-term tourism strategy

In April 2009, the Council of Ministers adopted a National Strategy for the Sustainable Development of Tourism in Bulgaria 2009-2013, the strategic aims of which are to:

- ensure a higher profile for Bulgaria as a tourist destination in the global tourism market;
- improve the tourism infrastructure at national, regional and municipality levels;
- apply international standards, best European practices, product innovation, high technologies and human resources in the tourism industry; and
- preserve, protect and improve the quality of current tourism resources.

At the end of 2009, the Council of Ministers adopted a Strategic Plan for the Development of Bulgarian Cultural Tourism. This sets out a unified approach to the evauation and management of national historical, cultural and natural resources.

Legislative and regulatory environment

Bulgaria's Tourism Act is currently under amendment to bring it into line with the 2006 European Services Directive. Subordinate legislation affecting tourism includes provisions for a unified system of tourist information, the classification of accommodation, tourist cottages, food and entertainment businesses, and ordinances covering beaches, insurance, tour operators and travel agents, ski routes and various tourism professions such as mountain guides, barmen, and chefs. Other laws, such as those relating to taxation, affect tourism but come under the control of other ministries.

Since 2010 the Ministry of Economy, Energy and Tourism has been planning changes in the legislative framework. The draft of a new Tourism Act will lay down the following main changes:

- the establishment of a Bulgarian Tourism Organisation as a state enterprise to implement tourism marketing activities; the Board of Directors is planned to include representatives from the professional organisations of hoteliers and tour operators;
- granting special status to tourist regions and their management organisations under the new Act and involving local governmental administrations and local and regional tourist associations; regional tourism management organisations will plan their own activities for promotion (such as regional marketing and branding, product development, the provision of services to tourists and regional co-ordination), in order to promote regional brands and tourist product; the management organisations will be funded mainly through the money collected by the tourist tax; and
- the introduction of regulations for tourist guides, mountain guides and ski instructors/teachers, where it is envisaged that regulation of these activities will be carried out by professional and branch associations.

Competitiveness, sustainability and environmental responsibility

The key document is the National Strategy for the Sustainable Development of Tourism in Bulgaria 2009-2013.

Dealing with the first priority of diversifying the national tourism product, increasing the quality of services and protecting consumers' rights, action is planned to improve the tourism environment in resorts and populated areas and to increase the share of tourist establishments that can offer service throughout the year.

Attention is also to be paid as a priority to implementing energy saving technologies and energy efficiency measures in the tourism industry, and to make greater use of solar energy technologies with the specific aim of improving the sustainability of tourism resources. This approach will include:

- the encouragement of effective innovation systems and renewable energy sources;
- the application of good practice and the encouragement of new investment in energy and eco-management in accommodation establishments;
- developing programmes and measures for sustainable development related to energy saving and eco-friendly technologies in buildings and in the management of tourist sites;
- applying eco-friendly technologies and systems and the European quality standards (EMAS, EU Eco-Label) for accommodation services;
- using protected natural areas as a resource for the sustainable development of tourism;

- minimising energy consumption (*e.g.* in air conditioning and heating systems); and
- controlling air and water quality and achieving sustainable waste management.

One of the aims of the National Strategy is the conservation and valorisation of tourist resources, whether natural or man-made. An action plan for activities in this area includes the adoption of sustainable tourism development, the effective management of protected areas, maintaining a high level of recreational capacity within eco-systems and landscapes, and monitoring the impact of tourism on biological diversity.

Human resource issues

The National Strategy identifies tourism as a key factor in the development of the labour market, and proposes labour training by specialists in the field of tourism. Two specific aims in labour market development are identified:

Productivity and competitiveness improvements:

- putting into practice alternative training and education methods – distant, multimedia, interactive;
- encouraging employers in tourism to invest more in professional training and to provide integrated on-the-job training programmes;
- improving tourism training within SMEs in less-populated areas;
- using flexible forms of employment;
- providing lifelong training programmes and developing good practice in tourism services and cluster activities; and
- reviewing the terms and conditions for green card (employment permits) for foreign workers.

Improving the quality of training and education in the knowledge-based economy:

- using modern communication technologies within the tourism industry;
- improving the quality and professional qualification of tourism industry employees at all levels, *e.g.* in services, marketing and management;
- monitoring the system of training and qualification of staff and the mechanisms for sustainable partnerships between trainers and businesses; and
- synchronising procedures for issuing work permits for the staff of foreign tour-operators and travel agents working in Bulgaria during the tourist season.

Statistical profile

Table 4.235. **Bulgaria: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	2 232	2 582	2 799	2 443	2 328
Number of nights spent	Thousands	5 467	6 059	6 493	5 900	5 696

1. Total number of guests in accommodation facilities.

Sources: Ministry of Economy, Energy and Tourism, National Bank and National Statistical Institute.

StatLink http://dx.doi.org/10.1787/888932633168

Table 4.236. **Bulgaria: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	7 499	7 726	8 533	7 873	8 374
Top 5 markets						
Romania	Thousands	1 117	1 541	1 769	1 399	1 445
Greece	Thousands	649	868	881	924	1 018
Germany	Thousands	664	692	760	898	853
Former Yugoslav Republic of Macedonia	Thousands	713	241	323	310	410
Russian Federation	Thousands	218	249	297	296	390
International travel receipts	Million USD	2 612	3 713	4 203	3 728	3 571
International passenger transport receipts	Million USD	705	468	546	497	626

Sources: Ministry of Economy, Energy and Tourism, National Bank and National Statistical Institute.

StatLink http://dx.doi.org/10.1787/888932633187

Table 4.237. **Bulgaria: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	4 180	4 515	5 727	4 993	3 676
International travel expenditure	Million USD	1 478	1 880	2 291	1 750	1 232
International passenger transport expenditure	Million USD	621	262	291	200	226

1. Total number of overnights tourists.

Sources: Ministry of Economy, Energy and Tourism, National Bank and National Statistical Institute.

StatLink http://dx.doi.org/10.1787/888932633206

Table 4.238. **Bulgaria: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation for visitors	Establishments	2 887	3 300	3 217	3 533	3 540
of which: Hotels and similar establishments	Establishments	1 348	1 526	1 646	1 784	1 823
Travel agencies and other reservation services activities	Establishments	180	360	1 980	2 162	2 314

Sources: Ministry of Economy, Energy and Tourism, National Bank and National Statistical Institute.

StatLink http://dx.doi.org/10.1787/888932633225

Table 4.239. **Bulgaria: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism balance over GDP[1]	Percentage	3.9	5.2	4.5	4.1	5.1
Tourism openness over GDP[2]	Percentage	17.1	16	14.9	11.3	10.3

1. Tourism balance is equivalent to inbound minus outbound tourism expenditure.
2. Tourism openness is equivalent to inbound plus outbound tourism expenditure.

Sources: Ministry of Economy, Energy and Tourism, National Bank, National Statistical Institute.

StatLink http://dx.doi.org/10.1787/888932633244

Croatia

Tourism in the economy

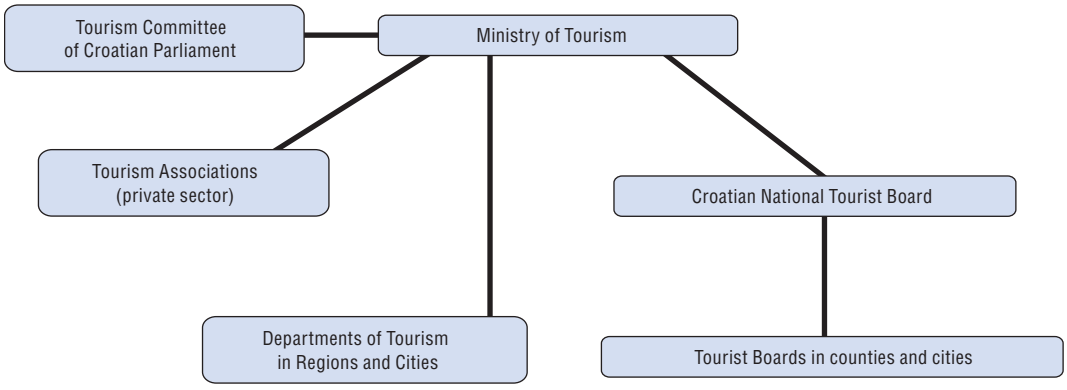
Croatia has seen a steady increase in the number of international arrivals, from 7.99 million in 2006 to 9.11 million in 2010, with an annual average increase of 3.3%. International tourism receipts (travel exports) in local currency terms have remained broadly stable at between HRK 45 and HRK 50 billion per year during this period.

The share of tourism in GDP, according to the Croatian National Bank, was 13.6% in 2010 (although the country's experimental Tourism Satellite Account for 2007 suggests that the figure was closer to 8.3% in that year). Tourism is important in the national economy, accounting for almost three-quarters of all export services revenues (72.5%), and employing approximately 4.4% of the total workforce in 2010.

Tourism organisation

The national body overseeing tourism is the Ministry of Tourism (Figure 4.41). The ministry is responsible for strategies, policies and measures at the national level and proposes laws regulating tourism and the hospitality industry, the tourist board system and tourist taxes.

Figure 4.41. **Croatia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2012.

Promotion is the responsibility of the Croatian National Tourist Board (CNTB), the President of which is *ex officio* the Minister of Tourism. The Board is managed by an executive director, and is constituted as a governmental type of organisation, although the employees are not civil servants. At the regional level, incorporated within the county

authority offices, there is usually a department/section responsible for tourism and hospitality (all littoral counties have a dedicated department, while continental counties usually have one person dedicated to tourism within the Economic Affairs Department). They are responsible for some classification procedures and permits.

The government also appoints a special committee for the preparation and monitoring of the tourism year, members of which come from a number of line ministries (*e.g.* transport, ecology) and public institutions/organisations (*e.g.* transport companies, National Protection and Rescue Directorate). The committee is convened by the minister several times a year according to need.

The Tourism Committee of the Croatian Parliament establishes and monitors the implementation of policy, and, in enacting legislation and other regulations, has the rights and duties of the competent working body. The Ministry of Tourism also co-operates with a number of NGOs and professional associations (*e.g.* associations of travel agents, hoteliers, camping sites).

Tourism budget

The budget allocated to the Ministry of Tourism in 2009 was HRK 243.6 million. In 2010, this figure was reduced by 7% to HRK 226.6 million, or 0.20% of the total state budget. Of the total 2010 budget, HRK 112 million is granted to the CNTB for promotional activities, HRK 6.5 million more than in 2009. EU funds were used to support the preparation of the Draft Strategy for Social Tourism in Croatia through technical assistance (Phare 2005). The main sources of funding for tourism development are the state budget, together with funds from private and public companies for projects such as transport infrastructure, hotels and apartments.

According the Sojourn Tax Act and the Tourist Boards Membership Fee Act, part of these funds are used to improve tourists' experiences and creating plans for tourism development.

Tourism-related policies and programmes

Strategic planning

The strategic goals of Croatian tourism, according to the Strategy of Tourism Development 2010, are:

- the development of an integral and integrated offer in a tourist destination, based on synergy between all destination stakeholders in the public and private sector;
- establishing a spatial plan for Croatian tourism for the purpose of preserving attractive natural resources;
- the continuous protection and implementation of, and respect for high ecological standards and the long-term sustainable realisation of tourism's potential;
- increasing the quality of all accommodation facilities, primary and secondary, and adapting categorisation criteria to international quality standards; and
- supporting the production of organic food and its sale via the tourism sector.

The Ministry of Tourism has prepared a new Strategic Plan 2011-13, the objective of which is to position Croatia as one of Europe's leading tourist destinations. The first specific goal is to develop the tourism sector through the development of SMEs in tourism, addressing human resource issues, creating conditions for high quality and safe stays of

visitors in the country and developing tourism in underdeveloped areas. A second goal is to achieve the effective promotion of tourism products and services by improving the working quality of the CTNB and of the whole tourist board system, and encouraging promotion at the regional and local level.

The Ministry of Tourism, in co-operation with the Ministry of Sea, Transport and Infrastructure, has also prepared a new Nautical Tourism Development Strategy for the period 2009-19.

Quality and environmental issues

The Ministry of Tourism together with the Ministry of Environmental Protection and Construction established the Croatian system for the "Friend of the Environment" label award which is given to providers of accommodation in hotels and campsites. The main objective of the award is the promotion of products which have a lower impact on the environment than other established products, thus contributing to the more efficient use of natural resources and a higher level of environmental protection.

Hotels, tourist resorts, tourist apartments, rooms, houses and other accommodation facilities as well as camping sites and marinas must meet prescribed standards, as specified by the Ministry of Tourism, for their type and category. Hotels may, at their own request, seek a special designation "label" (there are 17 types of special labels, *e.g.* business, congress, meetings, club, casino, family, small and friendly, health and fitness, wellness, diving club). Every three years the Ministry of Tourism re-evaluates label awards to ensure that standards are still being met, and can revoke licenses if this is not the case. The Regulation on Quality Certificate is currently in preparation for accommodation facilities.

Transport

With more than 90% of international tourists arriving in Croatia by road, government efforts are focused on finishing the motorway network to improve the accessibility of tourist destinations and raise travel safety standards. The construction of the Split-Dubrovnik motorway is underway, while bottlenecks on the Zagreb-Split motorway have been eliminated by the construction of additional tunnel capacity at Mala Kapela and Sveti Rok. A new international border crossing road Macelj and the remaining part of the road to the Slovenian border were opened to traffic in 2009.

Product improvement

Within the Ministry of Tourism budget there are special provisions for funding a number of projects dealing with the development of original Croatian souvenirs; heritage preservation; tourism education and training; enhancing quality in the hospitality sector; the development of rural tourism and new tourism products; public tourism infrastructure; and events and other promotional activities.

Government policy is based on the premise that tourism development enhances the quality of life and living standards of residents. Thus the CNTB is promoting its ecological and educational campaign "I Love Croatia", the main goal of which is to promote cleanliness and make destinations more appealing. General prosperity is enhanced through income generated by tourism (directly or indirectly), notably in employment creation in many sectors. The Ministry of Tourism also tries to assist tourism enterprises to start their own businesses or expand existing ones.

Response to the economic crisis

In the face of global economic crisis, the government has implemented measures of the Tourism Action Plan for 2009 and 2010, with outcomes including facilitating travel to Croatia by suspending the visa regime for citizens of Ukraine, the Russian Federation and Kazakhstan; facilitating the entry of foreign tourists on the basis of valid Schengen residence permits and visas; holding meetings with representatives of professional associations and the private sector in tourism about joint activities; providing additional funds for promotion; and establishing a special committee to regularly monitor tourism industry performance during the course of the year.

Statistics and performance evaluation

Croatia piloted a Tourism Satellite Account for 2007 in compliance with recommendations by UNWTO, OECD and EUROSTAT. Although there were some problems with the methodology of data gathering, the information provided has proved very valuable.

Statistical profile

Table 4.240. **Croatia: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011
Number of overnight stays[1]	Thousands	1 667	1 793	1 789	1 577	1 493	1 529
Number of nights spent	Thousands	5 907	6 347	6 401	5 759	5 424	5 603

1. Arrivals in all means of accommodation (collective and private accommodation facilities).
Source: Croatian Bureau of Statistics.

StatLink http://dx.doi.org/10.1787/888932633263

Table 4.241. **Croatia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	7 988	8 559	8 665	8 694	9 111	9 927
Top 5 markets							
Germany	Thousands	1 410	1 411	1 405	1 463	1 525	1 661
Italy	Thousands	1 082	1 082	1 009	1 058	1 018	1 150
Slovenia	Thousands	871	965	985	963	1 017	1 100
Austria	Thousands	677	714	692	776	810	892
Czech Republic	Thousands	566	636	589	579	606	638
Total international arrivals in hotels and similar establishments	Thousands	3 742	3 910	3 920	3 684	3 955	4 308
Top 5 markets							
Germany	Thousands	589	541	527	511	534	583
Austria	Thousands	368	384	367	416	441	487
Italy	Thousands	487	468	424	428	417	422
Slovenia	Thousands	276	299	305	239	268	309
France	Thousands	323	296	275	242	231	233
International travel receipts	Million HRK	45 883.4	49 409.6	53 801.5	46 730.6	45 191.5	. .
International passenger transport receipts	Million HRK	1 773.8	1 974.3	1 946.8	1 622.2	1 135.3	. .

Sources: Croatian Bureau of Statistics, National Bank.

StatLink http://dx.doi.org/10.1787/888932633282

Table 4.242. **Croatia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010	2011
Number of tourism trips	Thousands	. .	1 717	1 890	2 052	1 578	2 016
International travel expenditure	Million HRK	4 279.6	5 261.1	5 531.9	5 309.7	4 582.3	. .
International passenger transport expenditure	Million HRK	194.0	212.1	212.7	145.7	144.8	. .

Sources: Croatian Bureau of Statistics, National Bank.

StatLink http://dx.doi.org/10.1787/888932633301

Table 4.243. **Croatia: Enterprises in tourism**[1]

	Units	2006	2007	2008	2009	2010[4]
Hotels[2]	Establishments	. .	. .	733	777	818
Other accommodation establishments	Establishments	. .	. .	1 793	1 941	1 813
Restaurants[3]	Establishments	. .	. .	16 150	17 670	16 838
Tour operators and travel agencies	Establishments	. .	. .	1 657	1 689	1 723
Total	**Establishments**	**. .**	**. .**	**20 333**	**22 077**	**21 192**

1. Based on Structural Business Statistics methodology.
2. Hotels and similar establishments.
3. Restaurants, bars, canteens and catering.
4. Preliminary data.

Sources: Croatian Bureau of Statistics, Structural Business Statistics.

StatLink http://dx.doi.org/10.1787/888932633320

Table 4.244. **Croatia: Employment in tourism**

	Units	2006		2007		2008		2009		2010		2011	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees by tourism industries	Employees	22 501	26 979	24 081	28 692	23 851	31 686	22 728	28 991	22 529	28 829	23 308	29 414
Accommodation	Employees	12 012	17 288	12 536	18 044	13 231	18 478	12 804	17 334	12 596	16 982	12 974	17 302
Food and beverage serving activities	Employees	7 480	8 220	8 205	9 016	8 512	10 106	7 763	8 599	7 753	8 960	8 089	9 134
Travel agency and tour operator services	Employees	3 009	1 471	3 340	1 632	2 108	3 102	2 161	3 058	2 180	2 887	2 245	2 978
Tourism employment in percentage of total employment	Percentage	3.5	5.2	3.6	5.2	3.5	5.6	3.4	5.3	3.6	5.3	3.8	5.4

Source: Croatian Bureau of Statistics.

StatLink http://dx.doi.org/10.1787/888932633339

Table 4.245. **Croatia: Tourism in the national economy**

2007	Units	Domestic tourism consumption	Inbound tourism consumption
Accommodation services	Million HRK	1 653	12 836
Food and beverage serving services	Million HRK	1 669	13 049
Passenger transport services	Million HRK	1 717	1 287
Travel agency, tour operator and tourist guide services	Million HRK	331	352
Cultural, recreation and other entertainment services	Million HRK	169	2 357
Other goods and services	Million HRK	3 519	16 676
Total	**Million HRK**	**9 058**	**46 556**

Source: Institute of Tourism, experimental Tourism Satellite Account for Croatia for 2007, 2010.

StatLink http://dx.doi.org/10.1787/888932633358

Table 4.246. **Croatia: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism exports as % of exports of services	Percentage	73.73	74.04	73.9	75.43	72.53
Tourism export share of GDP	Percentage	15.8	15.5	15.6	13.9	13.5
Tourism share of GDP	Percentage	. .	8.3	. .	. .	. .

Source: National Bank.

StatLink http://dx.doi.org/10.1787/888932633377

Cyprus [1, 2]

Tourism in the economy

Inbound overnight trips totalled 2.17 million in 2010, an increase of 1.5% on 2009. The main origin countries, in order of importance, are the United Kingdom, which accounted for 45.8% of tourist arrivals, Russian Federation (10.3%), Germany (6.4%), Greece (5.9%) and Sweden (5.1%). The number of same-day visitors in 2010 reached 277 000 compared to 229 000 in 2009, an increase of 21.3%. The number of outbound trips increased by 4.7% to 1.1 million in 2010.

However, both inbound visitors numbers and same-day visitors in 2010 were lower than in 2006; by 9.5% and 1.6% respectively. Over that period, arrivals from the United Kingdom decreased by 26.8%, although there was a 95.1% increase in inbound visitors from the Russian Federation. The number of outbound trips increased by 38.3% between 2006 and 2010.

Tourism Satellite Accounts were created on a pilot basis for 2003-07. The Tourism Value Added for 2007 amounted to CYP 711 million and the share of Tourism Value Added in GDP was estimated to be 7.8%. Inbound tourism consumption in 2007 corresponds to 84% of internal tourism consumption. In 2007 the number of full-time equivalent jobs in tourism was 58 236.

Tourism organisation

The Ministry of Commerce, Industry and Tourism is the central government body responsible for tourism. It formulates the sector's legal and administrative framework, and adopts policies promoting an appropriate business environment (Figure 4.42). Tourism administration and policy issues are dealt with by the ministry which has a secretariat especially for these matters.

The executive body for the development of tourism in Cyprus is the Cyprus Tourism Organisation (CTO) which has a semi-governmental status and is administered by a nine-member Board of Directors, directly appointed by the Council of Ministers. The mission of the CTO is to organise and promote tourism in Cyprus. Under a Director General there are four departments: strategy, marketing, quality assurance and administration, and accounts/financial services and registry. The CTO's budget for 2011 was EUR 71.8 million.

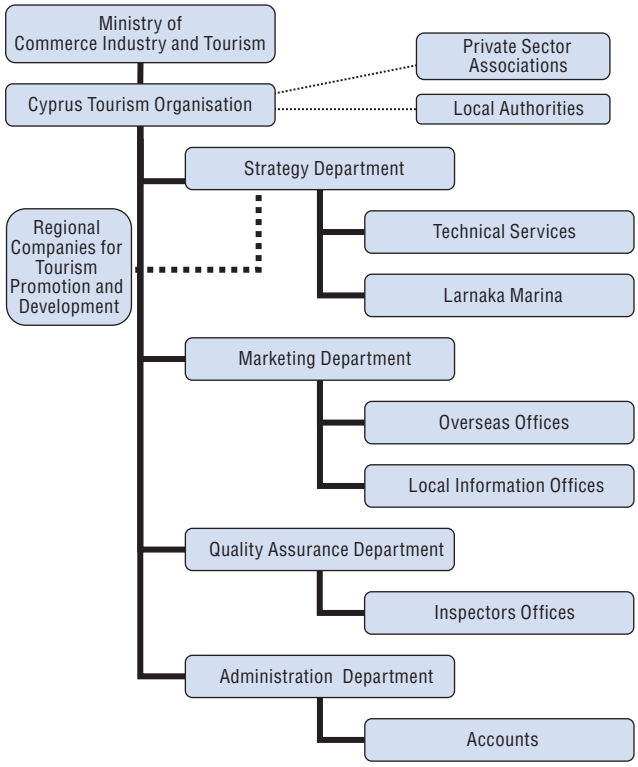
CTO has a head office in Nicosia and operates 45 local, regional and overseas offices, as well as an office at the Larnaca Marina. The CTO, through its Quality and Assurance Department, monitors the standards and services offered by hotel and catering establishments.

CTO liaises with all stakeholders in the management and implementation of tourism policies, and sits on an Advisory Committee with the private sector to discuss matters of significant tourism interest.

Other stakeholders in the industry have joined forces to form not-for-profit Regional Tourism Development and Promotion Companies, which are responsible for the drafting,

promotion, implementation and monitoring of regional tourism strategies under the direction of the national tourism strategy. They receive both administrative and financial support from the CTO, until they are able to become self-funded.

Figure 4.42. **Cyprus: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Commerce Industry and Tourism, 2012.

Tourism-related policies and programmes

Strategic Plan 2011-2015

The CTO has initiated a new Tourism Strategy 2011-2015. The main objectives of the strategy are to distinguish and promote Cyprus' competitive advantages and successfully reposition it on the tourist map, with the aim of providing a multi-dimensional and high quality tourism experience. The strategy focuses on product development, marketing, services and quality in all links of the tourism value chain, incorporating sustainability principles to respect and enhance the environment and culture.

The five-year plan follows a cohesive and comprehensive approach. It includes eleven thematic chapters and introduces new accountability and implementation monitoring mechanisms. It incorporates proposals which aim to expand and improve the operating period and occupancy rates of licensed hotels and tourist accommodation establishments; improve competitiveness; upgrade the appearance of the built environment in tourist areas, with a focus on cleanliness and environmental improvement; promote professionalism among tourist service providers through the continuous upgrading of knowledge, skills and abilities of the tourism workforce; and cultivate and promote awareness of the importance of tourism and hospitality among the resident population.

Rural tourism marketing and promotion

A Rural Tourism Marketing Plan with a budget of EUR 3 million, co-financed by the European Regional Development Fund, is being implemented for 2007-13. Its objective is to promote the specific and unique facets of rural Cyprus, contributing to the repositioning of Cyprus as a destination offering a great diversity of tourism experiences and activities in addition to traditional sun and sea attractions. Simultaneously, it aims to support the rural areas of Cyprus, retain the rural population, increase visitor numbers and offer opportunities to the local population for alternative economic activity.

Through the Plan, tourist products and services are being promoted, such as local products, gastronomy and alternative tourist activities and elements relating to the natural environment, hospitality, local culture and cultural heritage, as well as cultural and other thematic routes (*e.g.* routes based on wine, cycling or religious interests). Specific promotional actions include the printing of brochures, e-marketing campaigns, publicity activities, participation in international exhibitions and specialised events in Cyprus and abroad.

Statistics and market intelligence

Tourism Satellite Accounts for Cyprus have been created for 2003-07 by the National Statistical Office with the co-operation of the Cyprus Tourism Organisation. The National Statistical Office also undertakes surveys of passenger arrivals, departures and tourism expenditure.

Statistical profile

Table 4.247. **Cyprus: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	1 291	1 352	. .	. .	. .
Number of nights spent	Thousands	3 455	3 615	. .	. .	. .

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932633396

Table 4.248. **Cyprus: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	2 401	2 416	2 404	2 141	2 173
Top 5 markets						
United Kingdom	Thousands	1 360	1 283	1 243	1 069	996
Russian Federation	Thousands	115	146	181	149	224
Germany	Thousands	153	138	132	131	139
Greece	Thousands	127	140	133	132	128
Sweden	Thousands	94	121	125	108	110
Same-day visitors	Thousands	282	255	227	229	277
International travel receipts	Million EUR	1 881.96	1 954.63	1 869.31	1 561.39	1 613.71
International passenger transport receipts	Million EUR	181.9	242.2	277.6	185.0	192.7

Sources: National Statistical Office, Passenger Survey Arrivals 2006-10, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633415

Table 4.249. **Cyprus: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips[1]	Thousands	796	947	1 062	1 051	1 101
International travel expenditure	Million EUR	768.02	1 070.65	1 083.52	930.51	845.44
International passenger transport expenditure	Million EUR	49.95	52.28	192.33	234.71	253.44

1. Includes trips for holidays, business, religion and pilgrimage, as well as same-day visitors.
Sources: National Statistical Office, Passenger Survey Arrivals 2006-10, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633434

Table 4.250. **Cyprus: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation services	Establishments	781	806	. .	. .	. .
Food and beverage serving industry	Establishments	6 351	6 926	. .	. .	. .
Railway passenger transport	Establishments	. .	. .	. .	. .	. .
Road passenger transport	Establishments	2 927	2 844	. .	. .	. .
Water passenger transport	Establishments	66	68	. .	. .	. .
Air passenger transport	Establishments	20	29	. .	. .	. .
Transport equipment rental	Establishments	347	369	. .	. .	. .
Travel agencies and other reservation services industry	Establishments	660	768	. .	. .	. .
Cultural industry	Establishments	276	372	. .	. .	. .
Sports and recreational industry	Establishments	1 339	1 566	. .	. .	. .
Retail trade of country – specific tourism characteristic goods	Establishments	415	458	. .	. .	. .
Total	**Establishments**	**13 182**	**14 206**	**. .**	**. .**	**. .**

Source: National Statistical Office, Business Register.

StatLink http://dx.doi.org/10.1787/888932633453

Table 4.251. **Cyprus: Employment in tourism**

	Units	2006			2007		
		Men	Women	Total	Men	Women	Total
Accommodation services	Employees	8 242	7 886	16 128	7 878	8 349	16 227
Food and beverage serving industry	Employees	10 156	9 716	19 872	9 988	10 585	20 573
Railway passenger transport	Employees						
Road passenger transport	Employees	4 708	292	5 000	4 771	229	5 000
Water passenger transport	Employees	2 316	2 584	4 900	1 978	3 322	5 300
Air passenger transport	Employees	996	1 104	2 100	758	1 042	1 800
Transport equipment rental	Employees	452	365	817	688	130	818
Travel agencies and other reservation services industry	Employees	1 457	1 172	2 629	1 270	1 368	2 638
Cultural industry	Employees	659	487	1 146	729	456	1 186
Sports and recreational industry	Employees	2 157	1 593	3 751	2 371	1 482	3 853
Retail trade of country-specific tourism characteristic goods	Employees	409	411	820	397	444	841
Total	**Employees**	**31 551**	**25 610**	**57 162**	**30 828**	**27 408**	**58 236**

Sources: National Statistical Office, Business Register, Labour Force Survey 2006-07, Employment Survey 2006-07, Labour Cost Survey 2004.

StatLink http://dx.doi.org/10.1787/888932633472

Table 4.252. **Cyprus: Tourism in the national economy**

2007	Units	Inbound tourism consumption	Domestic tourism consumption	Other components of visitors consumption	Internal tourism consumption	Tourism value added
Accommodation services	Million CYP	421.2	26.4	5.1	452.7	164.6
Hotels and other lodging services	Million CYP	421.2	26.4	. .	447.6	162.2
Second homes services on own account or for free	Million CYP	. .	. .	5.1	5.1	2.4
Food and beverage serving services	Million CYP	369.9	95.2	. .	465.1	264
Passenger transport services	Million CYP	436.6	104.6	. .	541.1	114.6
Road	Million CYP	36.4	0.1	. .	36.5	. .
Water	Million CYP	8.5	3.9	. .	12.4	. .
Air	Million CYP	157	100.7	. .	257.7	. .
Supporting services	Million CYP	197.4	. .	. .	197.4	. .
Transport equipment rental	Million CYP	37.2	. .	. .	37.2	. .
Travel agency, tour operator and tourist guide services	Million CYP	. .	9.9	. .	9.9	58.6
Cultural services	Million CYP	7.5	0.2	. .	7.7	3.2
Recreation and other entertainment services	Million CYP	24	0.2	. .	24.2	13.7
Non-specific products	Million CYP	192	34	. .	226	92.8

Source: National Statistical Office, Tourism Satellite Account, 2007.

StatLink http://dx.doi.org/10.1787/888932633491

Table 4.253. **Cyprus: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism share of GDP	Percentage	7.83	7.8	. .	. .	. .

Sources: National Statistical Office, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633510

Notes

1. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

2. Note by all the European Union member states of the OECD and the European Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Egypt

Tourism in the economy

Tourism's contribution to Egypt's GDP stood at 5.3% in 2010, a slight decline on the 5.5% registered in 2009 according to the Tourism Satellite Accounts. The global financial crisis as well as recent political and social unrest have affected Egypt's tourism sector adversely (Box 4.25). Tourism has been the fastest growing sector in Egypt's GDP, estimated to contribute 11.3% of GDP in 2009-10 when considering both the direct and indirect effects.

International tourist inflows to Egypt reached 14.7 million visitors in 2010 – 17.6% above 2009 figures and representing an annual average rate of growth of 14.2% in the five years from 2006. These visitors generated a total of EGP 70.25 billion (USD 12.5 billion according to exchange rate USD 1 = EGP 5.62) in revenues, representing around 20.4% of current account receipts, and 49.2% of all services export receipts. Travel receipts also constituted the second largest item in export earnings after petroleum.

Box 4.25. **Recent political and social unrest and its impact on tourism**

The tourism sector welcomed 2011 with a strong start, and at the same time witnessed the rise of the pro-democracy movements against the then government, culminating in the 25 January revolution. Swift regime change brought about political unrest and uncertainty, slowing economic activities, all of which had a negative effect on the tourism industry. Tourism was obliged to struggle through the most severe crisis ever witnessed by the sector. In comparison to 2010, recent tourism figures showed that in both Q1 and Q2 of 2011, the number of tourists decreased by at least 40%, resulting in a fall of USD 3.6 billion in tourism revenues on the first half of 2010. The decrease, however, diminished as the months passed, falling by 80% in February, 60% in March, 35% in April, 40% in May, 28% in June, and 26% in July. 2011 ended with a decline of 33% in the number of tourists and 29.6% in terms of revenues compared to 2010. While political change has brought short-run challenges; medium-term gains are likely to improve with the enforcement of a more equitable legal and regulatory framework that will promote political stability, attract investment, and facilitate more rapid economic growth in a sustainable way. Opportunities in tourism will also grow as the government continues to give full support to private sector initiatives and is seeking to preserve a positive climate for foreign investment. It is the current government's policy to ensure Egypt's presence in all major international tourism fairs, and to work closely with stakeholders, foreign partners, and international organisations to promote further growth in the tourism sector. For example, Egypt co-operated with the UNWTO in hosting the International Tourism Day on 27 September 2011 in Aswan.

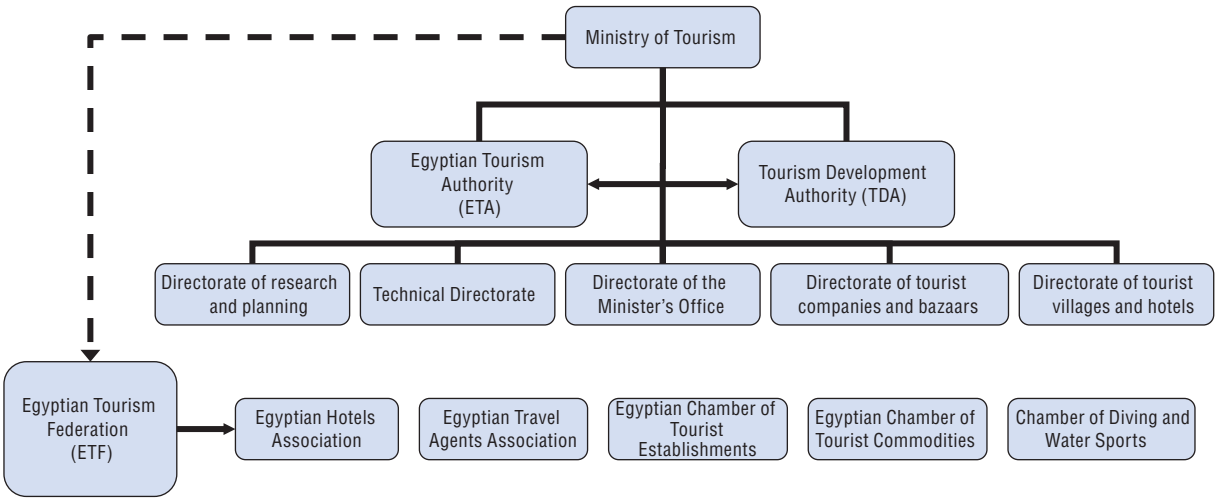
The recorded numbers of international tourist nights rose to 147.4 million in 2010, 16.5% more than in 2009. Over 75% of Egypt's inbound tourists came from Europe (and 50% from five countries – Russian Federation, UK, Germany, Italy and France), and with the majority arriving by air transport (89.8%). Recreational tourism continues to dominate, accounting for approximately 93.2% of all international visits.

Tourism also accounted for 7.8% of total investments in services and 2% of total investment. In 2009-10 tourism investments amounted to EGP 4.4 billion, of which 92.2% was undertaken by the private sector. According to the 2009 Tourism Satellite Account (TSA) tables, there are 1.4 million full-time workers serving the tourism industry directly and indirectly, 12.6% of total employment. Outbound tourism also witnessed an increase in the number of departures, reaching 1.4 million in 2010, 17% more than the previous year.

Tourism organisation

The Egyptian Ministry of Tourism is the national body for tourism policy (Figure 4.43). It is responsible for establishing a coherent legal and regulatory framework in the context of a sustainable tourism development strategy. Both the Egyptian Tourism Authority (ETA) and the Tourism Development Authority (TDA) fall under the jurisdiction of the ministry. The ministry is assisted by five directorates working alongside the above-mentioned authorities under the administrative authority of the Egyptian Tourism Federation (ETF). The ministry is viewed as a regulator and facilitator of tourism activities as well as an advocate of "good governance", especially in public-owned tourism establishments.

Figure 4.43. **Egypt: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2012

The TDA 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. Seeking to reduce administrative regulations, the TDA is adopting a one-stop shop system in the context of institutional and legislative reform in the sector, and is developing a legal framework for guarantees and investment incentives. In order to ensure the best use of natural resources, achieve sustainability and protect the environment, the TDA is currently delivering the final outcomes of the second

phase of the "Green Sharm Initiative" project, as well as the "Development of Religious Tourism in the Farma area of North Sinai" project and completing the Strategic Plan for Tourism Development in the New Valley Governorate.

The ETA is responsible for promoting inbound and domestic tourism, and operating 32 domestic tourism information offices. It also manages the development and diversification of the tourism product, both regionally and internationally, through 17 international offices, and is working on creating a new Egypt Tourism Brand. In doing so, the ETA is seeking to capture and communicate the diversity of Egyptian tourism via global campaigns. ETA assists travel agents and tourism establishments by supplying them with marketing and technical themes related to tourism promotion.

The ETF is the union of elected industry members from the private sector, and is composed of five tourism industry business associations: the Egyptian Hotels Association, the Travel Agents' Association, the Chamber of Tourist Establishments, the Egyptian Chamber of Tourist Commodities and the Egyptian Chamber of Diving and Water Sports. It works closely with the Ministry of Tourism in areas related to tourism planning, and managing the Tourism Workforce Skills Development Project. To safeguard and advance the interests of the Egyptian tourism industry within the ministry's global sustainable development strategy, and according to law, the ETF's views must be considered before any legislative measures are presented for ratification by the Egyptian Parliament. The successful collaboration between the Ministry of Tourism and the ETF establishes a good model of public/private partnership.

Tourism budget

The general budget for tourism promotion and branding is around USD 60-65 million a year, directed mainly at promotional campaigns and external activities. This fund is managed by the Tourism Fund Unit at the ministry. External governmental agencies carry out monitoring and evaluation procedures on the fund to ensure a transparent process of good governance.

Tourism-related policies and programmes

Tourism targets and development initiatives

Egypt's Sustainable Tourism Strategy 2020 targets 25 million international arrivals and a 30% increase in tourism revenues. Currently, average tourism expenditure amounts to USD 85 per night. The sustainable tourism strategy aims at reaching USD 110 per night in 2020. This represents a growth rate of 30% approximately. To reach this objective, the value of tourism to Egypt, as a consequence, will need to grow at a faster rate than its volume to achieve high and sustainable economic growth, poverty alleviation, the attenuation of income disparities, the creation of productive jobs, and increased gender equality.

The government of Egypt has taken steps to create a favourable legislative and regulatory environment and to encourage investment in the tourism sector. It has also modernised its supporting infrastructure to reflect Egypt's commitments to GATS and to the liberalisation of the tourism sector. A set of objectives has been developed that seek to ensure an appropriate institutional framework, safety, security and easy access to tourism locations, expansion of the product base, provision of the necessary infrastructure and

superstructure, improvements to the quality of services, and promotion of the tourism product.

Education and training

Several international and domestic educational and training programmes have been implemented to raise the quality of the hospitality industry. Among these is the Egypt Tourism Workforce Development Project which seeks to:

- Ensure a mobile training approach in touristic governorates. The importance of this approach is that touristic regions are dispersed across the country, so instead of moving to training centres, the trainers target their audience in specific geographical regions to facilitate the training process.;
- improve staff skills and provide better levels of service and food safety;
- provide a vocational training programme in line with international best practice;
- create a Human Resources Development Unit in charge of training a large number of employees, in short durations with minimum cost according to international standards and helping the educational system to respond to market needs; and
- introduce a programme to improve supervisory and managerial skills within hotels and restaurants; this programme is being delivered in 12 tourism governorates by mobile regional hospitality master trainers.

The Egyptian Tourism Federation (ETF) is co-operating with the Ministry of Tourism in developing a qualified labour force able to exploit the tourism industry's employment opportunities through three main pivots:

- wider implementation of professional qualification programmes for workers in tourist governorates;
- providing a series of institutions and professional training centres in the main tourist areas, especially in the South Sinai and Red Sea; and
- through the Ministerial intervention in tourism training within the universities, schools and institutions.

It is believed that these programmes will both narrow the skills gaps in the tourism labour market and tourism-related sectors, and also create direct and indirect job opportunities and raise social welfare.

Enhancing competitiveness

Egypt ranked 75th in the 2011 World Economic Forum's Travel and Tourism Competitiveness Report (64th in 2009). Competitiveness gaps were mainly recorded in areas related to infrastructure investment, human resource development and environmental regulations. The government is taking short- and long-term corrective action to enhance the country's competitiveness. For example, in response to an identified gap in tourism human resources development, the ministry has been working with the ETF and industry stakeholders to develop training programmes to improve the skills of all workers in the tourism industry, including middle and upper management.

Parallel actions have been taken through, for example, an agreement with New York's Cornell University School of Hotel Administration, to provide e-Cornell online education courses. The Ministry of Tourism also initiated co-operation with the Ministry of Education in the development of technical education in hotel and tourism.

Multiple human resource development programmes are being implemented to leverage the skills of workers in the tourism and hospitality sector in various regional locations to ensure proper outreach. New programmes initiated in 2010 included: trends of modern management, food and beverage management, front office management and the development of communication skills in English for hotel managers

In relation to the environment, enhancing eco-lodge facilities, raising awareness of the need to reduce pollution, applying cleanliness standards and enforcing environmental regulations are some of the priority actions taken by the ministry to enhance the competitiveness of tourism in Egypt. The Ministry of Tourism is currently co-operating with the Ministry of Environment to enforce environmental laws and regulations for all tourist facilities and activities.

Although the Egyptian tourism sector has seen positive progress in recent years, the full value of the tourism industry still remains to be exploited. The shortage of an adequately qualified workforce, an underdeveloped transport network and infrastructure, impediments in the structural and institutional framework, the breaching of environmental regulations, and the high cost of doing business for SMEs, are some of the current problems facing the development of a sustainable tourism industry in Egypt. These issues will require continuous effort on behalf of the government to remove obstacles to success, accommodate global challenges and improve competitiveness.

Statistics and research

Given the importance of the tourism sector in the Egyptian economy, the Ministry of Tourism established in 2008 a Tourism Satellite Account Unit in order to collect information of all tourism and related services activities and to measure the real contribution of tourism in the economy. The publication of Egypt's first Tourism Satellite Account (TSA) in 2011 was based on 2009 surveys to cover and compile (Tables 1-7 and 10).

The Egypt TSA report was updated during 2011 with final outcomes and analysis of results of the year 2010 in addition to a comparison between 2009 and 2010.

Statistical profile

Table 4.254. **Egypt: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Millions	. .	. .	. .	17.6	18.2
Number of nights spent	Millions	89.3	111.5	129.2	126.5	147.4

Source: Ministry of Tourism, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932633529

Table 4.255. **Egypt: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Millions	8.64	11.1	12.8	12.5	14.7
Top 5 markets						
Russian Federation	Thousands	998	1 517	1 825	2 035	2 856
United Kingdom	Thousands	1 034	1 055	1 202	1 347	1 456
Germany	Thousands	966	1 086	1 203	1 202	1 329
Italy	Thousands	786	983	1 073	1 048	1 144
France	Thousands	372	464	587	551	599
International travel receipts[1]	Billion EGP	41.0	45.7	58.3	58.1	65.1
International passenger transport receipts[1]	Billion EGP	28.1	35.5	40.5	41.4	40.6

1. Fiscal year ended June.
Source: Ministry of Finance.

StatLink http://dx.doi.org/10.1787/888932633548

Table 4.256. **Egypt: Outbound Tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Millions	. .	. .	. .	1.2	1.4
International travel expenditure[1]	Billion EGP	9.1	10.6	15.9	15.0	13.0
International passenger transport expenditure[1]	Billion EGP	6.8	7.2	8.8	8.3	6.7

1. Fiscal year ended June.
Source: Ministry of Tourism, Tourism Satellite Account, Ministry of Finance.

StatLink http://dx.doi.org/10.1787/888932633567

Table 4.257. **Egypt: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels, *of which:*	Establishments	1 309	1 370	1 490	1 458	1 473
Hotels and tourist villages	Establishments	1 029	1 084	1 209	1 171	1 180
Floating hotels	Establishments	280	286	281	287	293
Restaurants, cafeterias and night clubs	Establishments	1 148	1 172	1 182	1 201	1 034
Tour operators/guides	Establishments	9 920	14 048	14 486	12 931	16 000
Travel agencies	Establishments	1 334	1 406	1 410	1 576	1 861
Diving centres	Establishments	157	275	355	358	361

Sources: Central Agency for Public Mobilisation and Statistics (CAPMAS), Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932633586

Table 4.258. **Egypt: Employment in tourism**

2009	Units	Employees			Self employed			Total number of full-time employees
		Male	Female	Total	Male	Female	Total	
Characteristic tourism industries								
Accommodation services for visitors	Thousands	122.8	8.5	131.3	0.4	. .	0.4	131.7
Accommodation services associated with all types of vacation home ownership	Thousands	7.4	0.9	8.3	3.6	. .	3.6	11.9
Food and beverage serving services	Thousands	177.8	2.7	180.5	80.2	5.1	85.3	265.8
Railway passenger serving services	Thousands	66.2	3	69.2	. .	. .	. .	69.2
Road passenger transport services	Thousands	393.5	0.5	394	295.2	. .	295.2	689.2
Water passenger transport services	Thousands	21.8	2.4	24.2	0.7	. .	0.7	24.9
Air passenger transport services	Thousands	24.5	8.2	32.7	. .	. .	. .	32.7
Transport equipment rental services	Thousands	1.1	. .	1.1	1.7	. .	1.7	2.8
Travel agencies and other reservation services	Thousands	56.3	10.1	66.4	5.7	0.4	6.1	72.5
Cultural services	Thousands	6.9	2.3	9.2	1.9	0.2	2.1	11.3
Sports and recreational services	Thousands	8.5	0.3	8.8	9.2	. .	9.2	18
Retail trade of country specific tourism characteristic goods	Thousands	4.5	0.5	5	3	. .	3	8
Country specific tourism industries	Thousands	16.2	1.1	17.3	1	0.2	1.2	18.5
Total (direct employment)	**Thousands**	**907.5**	**40.5**	**948**	**402.6**	**5.9**	**408.5**	**1 356.5**

Source: Ministry of Tourism, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932633605

Table 4.259. **Egypt: Tourism in the national economy**

2009	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP	Tourism GDP in % of total GDP
Accomodation services	Million EGP	1 812	15 609	18 696	68.6
Food and beverage serving services	Million EGP	3 154	13 502	4 034	33.6
Travel agency, tour operator and tourist guide services	Million EGP	430	5 087	3 953	66.8
Cultural services	Million EGP	83	5 336	3 068	66
Recreation and other entertainment services	Million EGP	442	5 538	3 317	42.9
Other services[1]	Million EGP	10 929	23 685	23 888	2.3
Goods[2]	Million EGP	79	6 086	4 690	100
Total	**Million EGP**	**16 929**	**74 842**	**61 646**	**5.5**

1. This item includes other services and goods as well.
2. This item refers to Egyptian specific tourism characteristic goods.

Source: Ministry of Tourism, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932633624

Table 4.260. **Egypt: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Domestic tourism consumption in % of final consumption	Percentage	. .	. .	. .	16.3	14[1]
Government tourism revenues[2]	Million USD	7.6	9.5	11	10.8	12.5
Tourism economy employment as % of total employment	Percentage	13.1	12.7	13	12.6	12.8
Tourism GDP in % of GDP	Percentage	6.7	6.3	6.6	5.5	5.3

1. Preliminary figure.
2. Inbound tourism only.

Source: Ministry of Finance.

StatLink http://dx.doi.org/10.1787/888932633643

Former Yugoslav Republic of Macedonia

Tourism in the economy

In 2010, it is estimated that tourism accounts for 1.8% of GDP, that inbound tourism generates 6% of the country's services exports and that government revenues from the tourism sector are worth EUR 180 million annually.

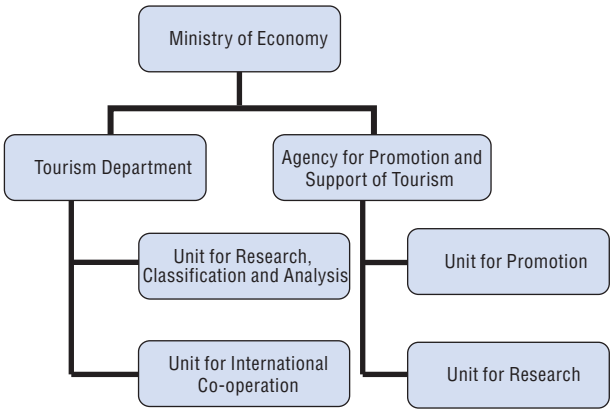
Approximately 4 million visitors come to the Former Yugoslav Republic of Macedonia (FYROM) annually, with the five leading origin markets being Serbia, Greece, Turkey, Albania and Bulgaria. Many of these are same-day visitors. The number of nights spent in all forms of tourism accommodation (domestic and inbound) totalled 2.02 million on 2010, 5.4% up on 2006, although since then the figure has remained broadly static. The number of tourists staying in accommodation totalled 586 000 in 2010, 17.4% more than in 2006 but 3.2% below the recent peak year of 2008.

Employment in the tourism sector in 2010 was estimated at approximately 20 000, of whom 18 800 worked in the hotel and restaurant sectors; this represents an increase of 1.5% on 2009 and of 10.2% on 2006. Tourism employment contributes 3.3% of total employment, a figure that has remained broadly constant since 2006.

Tourism organisation

There are two departments dealing with tourism within the Ministry of Economy (Figure 4.44). The Tourism Department of the ministry has two areas of responsibility – operating a unit for research, classification and analysis of the industry, and operating a

Figure 4.44. **Former Yugoslav Republic of Macedonia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy, Tourism Department, 2012.

second unit dealing with international co-operation in tourism. In addition, the ministry has an Agency for the Promotion and Support of Tourism, which in turn also has two units – one dealing with promotion and the second with research issues.

Tourism budget

The budget of the Tourism Department of the Ministry of Economy is EUR 1 million, and for the tourism promotion agency it is EUR 150 000. The ministry's budget is drawn from the national budget, while the promotion budget is supported by an accommodation tax.

There are also some special funds for tourism development, largely from EU sources.

Tourism-related policies and programmes

There is a National Development Strategy 2009-13, and a variety of laws relating to the tourism sector covering tourism activities, catering, tourism taxation and the establishment of a tourism promotion agency.

The country has a programme for promoting the competitiveness of small and medium-sized enterprises including those in the tourism sector, and is active in training tourism industry personnel in the hospitality sector, and via special courses at hospitality colleges.

By 2013, the FYROM would have established its image as a prime European destination for environmentally enriched culture and nature-based tourism and intends to become recognised for its high quality and sustainable products and services developed in line with global best practice.

FYROM has a range of tourism development plans stretching forwards until 2014 and beyond. The aim is to create a vibrant tourism sector that can expand its contribution to the economy, to support the sector through a variety of programmes and initiatives, and to develop specific tourism sub-sectors such as cultural, lake-based, hunting, rural, archaeological, mountain and wine tourism, in addition to promoting the congress sector.

Supporting polices

The government in 2011 reduced the rate of VAT applicable to tourist services and accommodation from 18% to 5%. In the next few years, the tourism promotion and support agency within the ministry will be reorganised, an integrated tourism web portal will be established, and a range of investments undertaken along various tourism "corridors". This will include the development of hotels and motels, signage, the construction of an aqua park and, in association with local government, the development of a tourism zone on the shores of Lakes Ohrid, Prespa and Dojran, where land will be made available at advantageous rates to hotel developers.

Human resources

Training and human resource development in the tourism sector is seen as vital for success. The government will introduce a variety of initiatives in this area, including:

- mandatory practical work in tourism for secondary school students and students in tourism faculties;

- educating tourism managers through a programme of co-operation with international tour operators with whom Macedonian managers will spend one month for practical training;
- supporting the creation of tourism training centres by a voucher system for tourism sector employees;
- encouraging co-operation between national and international higher education institutions to provide specialised tourism training; and
- providing 30 scholarships each year for the best students in the field of tourism, in co-operation with tourism and hospitality businesses.

Branding

Efforts are being made to develop and strengthen the branding of tourism in FYROM, via the creation of a single, strong brand for the country. This initiative will be undertaken in conjunction with the private sector as a public/private partnership, and will include the extension of the brand to all marketing and promotional campaigns. In this context it is proposed to hold regular "Macedonia Sundays" in key foreign markets, to promote the country under the slogan of "Macedonia Timeless" and to open foreign tourism promotion offices in a number of important origin markets including the Netherlands, Sweden, Serbia, Kosovo, Russian Federation, Israel and Turkey.

Niche tourism

There will be a focus on six niche tourism sectors – eco- and mountain tourism, spa and health tourism, wine tourism, cultural and religious tourism, rural tourism and lake tourism. Each niche will attract a variety of development initiatives. For example:

- eco- and mountain tourism will emphasise both the attractions of winter tourism to skiers via the development of additional ski infrastructure, and will also develop mountain trails and similar features for the summer market;
- spa and health tourism will include the commercialisation of hot springs via accommodation and infrastructure development and will also promote dental tourism;
- wine tourism will see the development of wine routes for tourists together with promotions of gastronomic trails and the encouragement of specialised international tour operators to offer this type of tourism in the country;
- cultural and religious tourism will be based on historic building renovations, the archaeological heritage and the promotion of religious tourism to the city of Ohrid as the "Balkan Jerusalem";
- rural tourism will focus on the development of the traditional and local attractions available in the country's smaller settlements, in association with European Union development funds; and
- lake tourism will focus on the three main lakes of Ohrid, Prespa and Dojran as well as on smaller lakes, based on infrastructure development, water treatment and improvements, and accommodation and transport services, including lake ferries.

In 2012, the country is launching the Eco Macedonia project that will position the country as a tourist destination offering unspoiled nature, high-quality services and organic food supplies.

Statistical profile

Table 4.261. **Former Yugoslav Republic of Macedonia: Internal (domestic and inbound) overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	499.5	536.2	605.3	587.8	586.2
Number of nights spent[1]	Thousands	1 917.4	2 019.7	2 235.5	2 101.6	2 020.2

1. Includes hotels, camps, private accommodation and other type of accommodation.
Source: National Statistical Office

StatLink http://dx.doi.org/10.1787/888932633662

Table 4.262. **Former Yugoslav Republic of Macedonia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	. .	230.1	255	259.2	261.7	327.5
Total nights spent	Thousands	. .	518.1	587.5	583.8	559	755.2
Top 5 markets							
Greece	Thousands	. .	28.6	21.1	22.3	26.8	45.5
Turkey	Thousands	. .	8.9	15.6	17	20.1	39.3
Serbia	Thousands	. .	. .	45.1	38.7	35.8	35.7
Bulgaria	Thousands	. .	18.9	21.9	23.6	15.5	18.5
Albania	Thousands	. .	17.6	19.3	19.8	17.1	13.2
International travel receipts	Million USD	. .	. .	228.46	217.77	197.27	239.39
International transport receipts	Million USD	. .	. .	. .	. .	. .	. .

Sources: National Statistical Office, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633681

Table 4.263. **Former Yugoslav Republic of Macedonia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourist trips	Millions	. .	. .	. .	. .	. .
International travel expenditure	Million USD	. .	136.31	100.18	91.98	111.98
International transport expenditure	Million USD	. .	. .	. .	. .	. .

Sources: National Statistical Office, Central Bank.

StatLink http://dx.doi.org/10.1787/888932633700

Table 4.264. **Former Yugoslav Republic of Macedonia: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants	Thousands	17	17.5	18	18.5	18.8
Travel agencies and tourism offices	Thousands	1.2	1.2	1.2	1.25	1.25

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932633719

Table 4.265. **Former Yugoslav Republic of Macedonia: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants[1]	Percentage	3.1	3.2	3.2	3.1	3.1
Travel agencies and tourism offices[1]	Percentage	0.2	0.2	0.2	0.2	0.2

1. Tourism employment in percentage of total employment.
Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932633738

Table 4.266. **Former Yugoslav Republic of Macedonia: Other economic indicators**

	Units	2010
Government revenues from tourism	Millions	180
Tourism share of GDP	Percentage	1.8

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932633757

India

Tourism in the economy

For the year 2002-03, the contribution (both direct and indirect) of tourism to GDP was 5.8%, and its contribution to total employment was 8.3%. As the tourism sector witnessed high growth from 2002 to 2010, and also more recently, these shares are expected to have increased.

The number of foreign tourist arrivals in India has grown from 4.45 million in 2006 to 6.29 million in 2011, an average annual rate of growth of 7.2%. Despite the global economic crisis, arrivals in 2011 were 8.9% up on 2010. Foreign exchange earnings from tourism rose from USD 8.63 billion in 2006 to about USD 16.6 billion in 2011, an annual average rate of growth of 13.9%.

Domestic tourism has emerged as an important contributor to the sector providing much needed resilience. Domestic tourist visits in the country during 2010 were estimated to be 740.2 million, a 10.7% increase on 2009. Domestic tourism has been growing steadily and quite rapidly over a long period, increasing on average by 13.5% a year since 1991.

Outbound travel by Indian nationals rose to 12.99 million in 2010, 17.4% above the 2009 level. While no recent figures are available, it was estimated that as early as 2002-03 there were 38.6 million people working in the tourism sector.

Tourism organisation

National tourism policy was formulated in 2002 with the main objective of positioning tourism as a major engine of economic growth and to harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner.

The Ministry of Tourism, which is the National Tourism Office, functions as the nodal agency for the formulation of national policies and programmes for the development of tourism in the country (Figure 4.45). The ministry also plays a crucial role in co-ordinating the activities of various central government agencies, and co-ordinating and supplementing the efforts of the State/Union Territory Governments, catalysing private investment, strengthening promotional and marketing efforts and in providing trained manpower resources. The ministry is headed by the Union Minister for Tourism and supported by Minister of State for Tourism

The Directorate General of Tourism is an attached office of the ministry, and has 14 overseas offices and 20 field offices within the country. The overseas offices promote Indian tourism in their respective regions. The domestic field offices are sources of tourist information, besides being responsible for maintaining progress in the implementation of tourism projects in different parts of the country.

The Indian Tourism Development Corporation (ITDC), an undertaking of the Ministry of Tourism, runs the largest hotel chain in India, besides offering tourism-related services like transport, duty-free shopping and professional consultancy services. The National Council for Hotel Management and Catering Technology (NCHMCT) is an autonomous body of the Ministry of Tourism responsible for the growth and development of hospitality management education through its affiliated institutes. The jurisdiction of the Council extends over a wide range of matters including admissions, fees, bye-laws, syllabus for courses, research, examination and results.

At present, 33 institutes of hotel management and 7 food craft institutes are affiliated to the National Council of Hotel Management and Catering Technology (NCHMCT), an Autonomous Institute under the Ministry of Tourism, offering degree/diploma courses in the hospitality industry. There are 51 Institutes of Hotel Management (IHMs), and 7 Food Craft Institutes (FCIs). These institutes were set up as autonomous societies with a specific mandate to conduct education and training for the hospitality sector.

The Indian Institute of Tourism and Travel Management (IITTM) is another autonomous institute of the Ministry of Tourism providing specialised education and training for the tourism and travel industry. The ministry also plays a crucial role in co-coordinating and supplementing the efforts of the state/union territory governments, catalysing private investment, strengthening promotional and marketing efforts and providing trained manpower resources.

In order to advise the government on various tourism-related policy matters and to give impetus to the development and promotion of tourism in the country, the Ministry of Tourism has constituted a National Tourism Advisory Council, headed by the Union Minister for Tourism.

As India is a federal country, and the issues of land, transport, hotels, industry and law and order are handled by the state governments, development of tourism infrastructure at the state level is primarily undertaken by the respective state governments. The government of India provides financial assistance to state governments for tourism infrastructure development, besides directly taking up major tourism infrastructure projects such as airports, seaports, and national highways.

Tourism budget

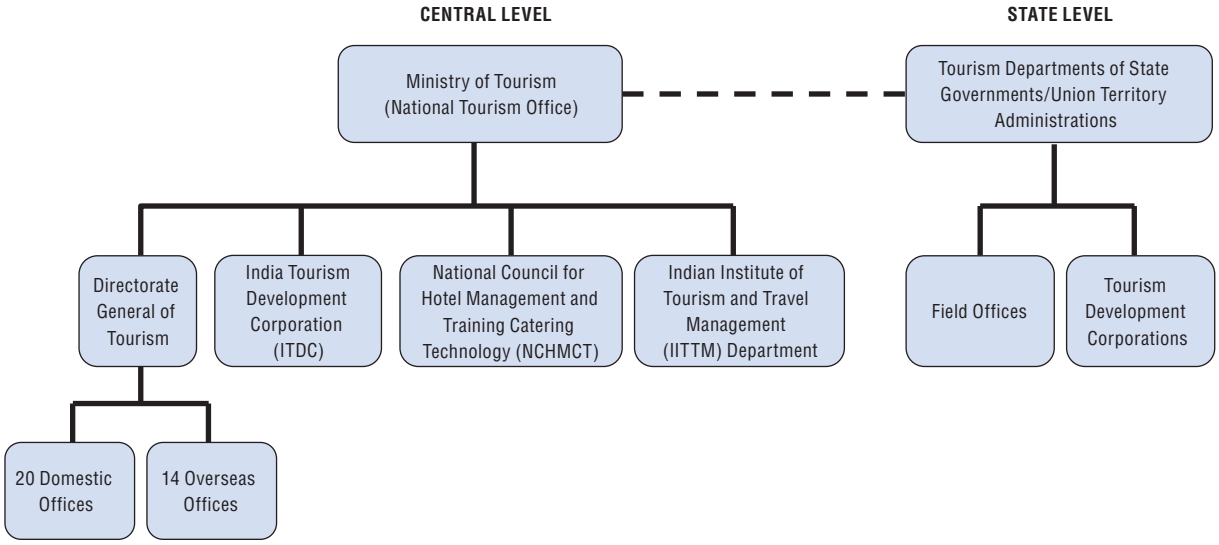
The activities of the Ministry of Tourism are funded through the allocation made in the budget of the government of India. For the year 2011-12, Ministry of Tourism's budget allocation was INR 10.47 billion. More than 50% of this was utilised for the development of tourism infrastructure and tourism products. Promotion and publicity measures in overseas as well as domestic markets accounted for about 30% of the annual budget.

The implementation of the projects funded by the Ministry of Tourism is continuously monitored. At the end of every Five-Year Plan, the schemes being implemented by Ministry of Tourism are also evaluated by independent consultants.

Tourism-related policies and programmes

The Ministry of Tourism's policy initiative in 2008 covered many areas. An integrated and holistic approach to the policy of augmentation of tourism infrastructure led to greater prominence being accorded to mega tourism projects and achieving better convergence with the related programmes and schemes of other ministries. The diversification of

Figure 4.45. **India: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Tourism, 2012.

tourism products and the cultivation of emerging origin markets have been considered important as a strategic move to reach higher and more sustainable growth. Responsible and inclusive tourism have added stronger social dimensions to the overall policy objectives of the ministry. As a part of this agenda, the marketing slogan of "Incredible India" has now assumed wider connotations of "incredible and accessible India". The ministry also formulated its response to the challenges of global economic crisis and sporadic terror strikes and acted accordingly.

Steps taken to contain the unfavourable impact of the global economic crisis include strengthening the market development assistance to stakeholders, organising familiarisation tours for overseas media and travel trade representatives, offering incentives to repeat visitors, making available subsidies to the trade and state governments for participation in international travel fairs and exhibitions, organising the Travel Mart and the Great India Travel Bazaar in Jaipur in association with the state government and all stakeholders.

As a result of the initiative taken by the Ministry of Tourism, the rules governing external commercial borrowing have been liberalised for the hotel sector. It is hoped that this measure will promote investment in the hotel sector, alleviating shortages in hotel accommodation, as well as serving as a demand-boosting measure in a period of recession.

A number of supply-side measures and initiatives are continuing from the past and have received added impetus. These include policies to address gaps in the availability of high quality human resources in the sector and alleviating shortages in tourism accommodation.

To counter the contagion of panic in the wake of terrorist attacks, the ministry is continuously reviewing the status of the travel advisories issued by major tourist generating countries on a regular basis. The ministry has also undertaken confidence building measures to minimise the negative impact on tourism by putting security updates

for foreign tourists on its website, and liaising with Indian Missions, the travel industry and the overseas media.

The government of India conducted an All-India Survey of Domestic Tourism during July 2008 – June 2009 based on the household approach. An International Passenger Survey is also being conducted, the report of which is likely to be available by the end of 2012. The data from these two surveys will be used for preparing the next TSA of the country, besides obtaining information on various aspects of domestic and international tourism for policy purposes.

Statistical profile

Table 4.267. **India: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of domestic tourist visits	Millions	462	527	563	669	740

Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932633776

Table 4.268. **India: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011[2]
Total international arrivals	Millions	4.45	5.08	5.28	5.17	5.78	6.29
International travel receipts	Billion INR	390.25	443.60	512.94[1]	549.6[2]	648.89[2]	775.91

1. Revised figures.
2. Preliminary estimates.

Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932633795

Table 4.269. **India: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of departures	Millions	8.34	9.78	10.87	11.07	12.99
International travel expenditure	Billion INR	310.1	338.1	414.6[1]	450.9[2]	486.2[2]

1. Revised figures.
2. Partially revised figures.

Source: Ministry of Tourism.

StatLink http://dx.doi.org/10.1787/888932633814

Table 4.270. **India: Employment in tourism**[1]

	Units	2002-03
Accommodation	Percentage	2.7
Food and beverage services	Percentage	6.5
Passenger transport,	Percentage	44.6
of which:		
Railway passenger transport	Percentage	1.4
Road passenger transport	Percentage	34.2
Water passenger transport	Percentage	1
Air passenger transport	Percentage	7
Passenger transport equipment rental	Percentage	1
Travel agencies and similar	Percentage	35
Other recreational and entertainment services	Percentage	2.9
Other industries	Percentage	8.3
Total percentage	Percentage	100
Total employment in tourism	Millions	38.6
Tourism share of total employment	Percentage	8.3

1. Figures represent the employment attributable to tourism.
Source: Ministry of Tourism, Tourism Satellite Account, 2002-03.

StatLink http://dx.doi.org/10.1787/888932633833

Table 4.271. **India: Tourism in the national economy**

2002-03	Units	Domestic tourism consumption	Inbound tourism consumption	Units	Tourism gross value added (%)
Accommodation services	Billion INR	49.6	56	Percentage	8.03
Food and beverage serving services	Billion INR	67.1	38.5	Percentage	5.71
Passenger transport services	Billion INR	997.2	86.4	Percentage	56.66
Travel agency, tour operator and tourist guide services	Billion INR	102.4	57.1	Percentage	13.69
Recreation and other entertainment services	Billion INR	2.3	29.2	Percentage	1.02
Goods	Billion INR	196	46.8	Percentage	14.89
Total	**Billion INR**	**1 414.5**	**314.1**	**Percentage**	**100**

Source: Ministry of Tourism, Tourism Satellite Account, 2002-03.

StatLink http://dx.doi.org/10.1787/888932633852

Table 4.272. **India: Other economic indicators**

	Units	2002-03
Tourism GDP (direct contribution)	Billion INR	624.4
Tourism share of GDP (direct and indirect contribution)	Percentage	5.8

Source: Ministry of Tourism, Tourism Satellite Account, 2002-03.

StatLink http://dx.doi.org/10.1787/888932633871

Indonesia

Tourism in the economy

Tourism is seen as important in Indonesia given its contribution to the national economy. The latest data from 2010 suggest that the tourism sector contributes 4.1% to GDP, down from the recent peak of 5.3% in 2005, and employs 6.9% of the workforce.

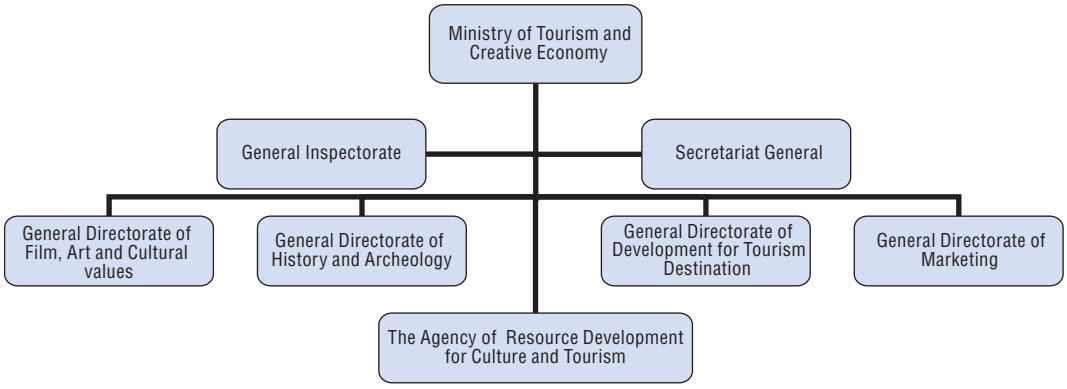
International arrivals in 2010 totalled 7 million, representing a strong average annual rate of growth of 9.5% since 2006. Preliminary data for 2011 suggest that this total rose further, by 8.5% to 7.6 million. In 2010, the five leading origin markets – Singapore, Malaysia, Australia, China and Japan together accounted for approximately 62% of total arrivals. However, the average length of stay has declined from 9.1 days in 2006 to 7.8 days in 2011.

International travel receipts in 2010 totalled USD 7.6 billion, 20.7% above 2009. Preliminary data for 2011 suggest that this has risen further, by 11.8%, to USD 8.5 billion. The average expenditure per visitor in 2011 was USD 1 118, a slight increase (2.9%) on the 2010 figure of USD 1 086.

Tourism organisation and governance

Following a cabinet reshuffle in October 2011, the name of the Indonesian National Tourist Office was changed from the Ministry of Culture and Tourism, to the Ministry of Tourism and Creative Economy (Figure 4.46). The structure of the new Ministry of Tourism and Creative Economy is still under development. Cultural development affairs are now under the responsibility of the Ministry of Education and Culture.

Figure 4.46. **Indonesia: Organisational chart of tourism bodies**



Note: The structure of the new Ministry of Tourism and Creative Economy is still under development. This chart presents the former structure.

Source: OECD adapted from Ministry of Tourism and Creative Economy, 2012.

Indonesia is aware that tourism is a major driver of the creative economy. The creative economy is an evolving concept based on national assets that have the potential to generate economic growth and development. In this regard, the government is focusing on the development of 15 sub-sectors of creative industry. Indonesia was the first country in Asia to have a ministry with a focus on the creative economy, where the key factor is seen as the unlimited sustainability of human resources as opposed to other industries dependent on finite natural resources. The creative economy is expected to reinforce the national economy's strength in the face of the impact of the global economic crisis.

Tourism budgets

The 2011 budget for National Tourism Development is IDR 2.22 billion, a 32% increase on 2010 and representing a rise of 116% since 2007. The budget is used for a mix of cultural and tourism development.

Tourism-related policies and programmes

Government policy on tourism is based on sustainability criteria and on four key principles – pro-poor, pro-growth, pro-job, and pro-environment. In this regard, there are four priority activities for the development of the tourism sector that provide support to:

- the tourism industry;
- tourist destinations;
- tourism promotion and marketing; and
- tourism resources and institutions.

Given the recent reshuffling of the ministry, this profile does not provide detailed information on current policies.

Legislation

The principle law governing the tourism industry was passed in 2009 and acts as the main regulator of national tourism development. Tourism Law N° 10 of 2009 has adopted the Global Code of Ethics for Tourism and principles of sustainability. The article states that there are eight principles in establishing tourism:

- respecting religion and culture;
- respecting human rights, cultural diversity and local wisdom;
- benefiting people's prosperity and promoting justice;
- protecting the environment and promoting conservation;
- empowering local communities;
- integrating sectoral activities between central government, provincial and regional levels, and other stakeholders;
- adopting and implementing world tourism's code of ethics; and
- strengthening the unity of the people of the Republic of Indonesia.

Statistical profile

Table 4.273. **Indonesia: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Millions	204.6	222.4	225.0	229.7	234.4

Sources: National Statistical Office, Ministry of Tourism and Creative Economy.

StatLink http://dx.doi.org/10.1787/888932633890

Table 4.274. **Indonesia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	4 871	5 506	6 234	6 324	7 003
Average length of stay	Days	9.09	9.02	8.58	7.69	8.04
International travel receipts	Million USD	4 448	5 346	7 348	6 298	7 603

Sources: National Statistical Office, Ministry of Tourism and Creative Economy.

StatLink http://dx.doi.org/10.1787/888932633909

Table 4.275. **Indonesia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Short-term resident departures	Thousands	4 967	5 158	4 997	5 053	5 934
Average length of stay	Days	7.71	9.24	10.62	8.81	8.2
International travel expenditure	Million USD	3 863	4 331	5 245	4 939	5 796

Sources: National Statistical Office, Ministry of Tourism and Creative Economy.

StatLink http://dx.doi.org/10.1787/888932633928

Table 4.276. **Indonesia: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Total tourism consumption[1]
Accommodation	Billion IDR	16 772	29 268	46 040
Food and beverage	Billion IDR	30 501	12 709	43 210
Transportation	Billion IDR	62 076	5 179	67 255
Package tour	Billion IDR	2 279	1 573	3 852
Entertainment	Billion IDR	2 893	4 285	7 178
Other tourism service	Billion IDR	6 406	917	7 323
Souvenir	Billion IDR	6 119	6 543	12 662
Health and beauty	Billion IDR	76	1 265	1 341
Non-food industry product	Billion IDR	19 046	5 337	24 383
Agricultural product	Billion IDR	4 246	1 286	5 532
Total	**Billion IDR**	**150 414**	**68 362**	**218 776**

1. Total tourism consumption includes outbound pre-trip and post-trip tourism consumption.

Sources: National Statistical Office, Ministry of Tourism and Creative Economy, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932633947

Table 4.277. **Indonesia: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism impact on GDP	Percentage	4.30	4.29	4.70	4.17	4.06
Tourism impact on wages/salaries	Percentage	4.44	4.43	4.97	4.7	4.63
Tourism impact on indirect taxes	Percentage	4.12	4.09	4.32	4.19	4.16
Tourism impact on employment	Percentage	4.65	5.22	6.84	6.68	6.87

Sources: National Statistical Office, Ministry of Tourism and Creative Economy.

StatLink http://dx.doi.org/10.1787/888932633966

Latvia

Tourism in the economy

In 2010 total expenditure of non-resident travellers in Latvia amounted to EUR 475.1 million (LVL 333.9 million), 3% less than in 2009. Tourism was also the fifth largest export item in the balance of payments in 2010, and is considered one of the country's main economic development opportunities, an important source of export revenue, and an important contributor to GDP. However, while tourism exports of EUR 484.2 million (LVL 340.3 million), accounted for 5.3% of total goods and services exports in 2010, this figure was down 6.3% from EUR 516.9 million (LVL 363.5 million) in 2009.

The total number of border crossings (non-resident travellers in Latvia) in 2010 reached 5.04 million, 6.7% above the 2009 level, but still below the pre-recession (2008) level of 5.5 million. The number of overnight travellers in 2010 reached 1.4 million, an increase of 3.8%. The top six origin markets for overnight travellers in 2010 were the Russian Federation, Lithuania, Sweden, Estonia, Finland, and Germany, together accounting for 63% of all overnight arrivals.

The number of domestic travellers in 2010 reached 2.5 million of whom 1.4 million made same-day trips, 972 800 made short or long overnight recreational trips and 108 200 were on business. In 2010 recreational trips within Latvia declined by 15.8%.

At the end of 2010, there were 628 accommodation establishments with 15 388 rooms and 34 657 beds. Hotels and other accommodation establishments received 1.3 million visitors in 2010, an increase of 17.7% on 2009. About 67% of these were international visitors.

Total foreign direct investment (FDI) in hotel and restaurant companies was EUR 87.5 million in 2008, with a small increase in 2009 to EUR 87.9 million. However, FDI in hotels and restaurants fell in 2010 to EUR 68 million, a decrease of almost 23%.

Tourism organisation

The Ministry of Economics is the leading institution responsible for the development and implementation of tourism policy (Figure 4.47). The main tasks of the ministry in the field of tourism are determined by the Tourism Law. The Tourism Division is responsible for the industry within the ministry, and has the following main tasks:

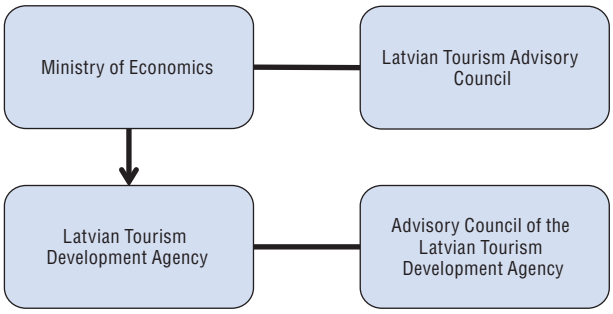
- to develop national tourism policy and to organise and co-ordinate its implementation;
- to develop draft legislation and regulations;
- to represent the State's interests in the tourism industry;
- to plan State aid to the tourism industry; and

- to prepare and implement international agreements regarding co-operation in the field of tourism, as well as to co-ordinate the development of international projects.

The Latvian Tourism Development Agency is a state administrative institution under the supervision of the Minister for Economics. The Agency was established to implement national tourism policy and its functions are to:

- ensure the implementation of tourism policy;
- implement measures promoting tourism;
- introduce tourism development projects to public/private partnerships;
- attract financial resources for tourism development;
- develop a tourism quality system; and
- participate in the implementation of international co-operation agreements in the tourism sector.

Figure 4.47. **Latvia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economics, 2012.

The Latvian Tourism Advisory Council, established in 1997, is a consultative council, which promotes co-operation and partnership between the public sector and non-governmental organisations engaged in developing and implementing tourism policy. The council also serves as a link between the national tourism authority and local municipalities.

The Advisory Council of the Latvian Tourism Development Agency, established in 2009, brings together representatives of major tourism and marketing associations to consult with the Agency on marketing issues and to co-ordinate common tourism promotional activities.

Tourism budget

The budget for tourism is drawn from the national budget under the heading of Implementation of Tourism Policy, and was set at EUR 752 000 in 2011.

In 2010 the budget line for access to international markets was EUR 2.13 million. Co-funding for the Latvian Tourism Development Agency is allocated for a period of three years to organise international promotion, as well as advertising campaigns to increase visitation to Latvia.

Tourism-related policies and programmes

Principal policy objectives

The main goals of Latvian tourism policy are to promote growth in the tourism sector's turnover, raise its share of the economy, and increase the export capability of tourism services in the medium term by stimulating changes in the structure of demand and supply.

The Ministry of Economics has set the following targets for tourism, to be reached by 2015:

- increase the proportion of foreign overnight travellers staying 3 or more nights;
- increase tourism exports in comparable prices by 5-10% annually;
- increase the share of tourism characteristic industries in GDP; and
- ensure growth in domestic tourism.

In order to achieve this, a number of marketing targets have been set, namely:

- create a recognisable tourism image of Latvia;
- promote tourists' satisfaction and repeat visits;
- increase the quality of hospitality in the industry;
- promote tourism services exports;
- position Latvia as a tourist destination offering a full range of tourism products and services;
- promote collaboration among industry stakeholders; and
- encourage cross-border co-operation in order to promote the Baltics as a tourist destination and to increase arrivals from neighbouring countries.

Legislation

Latvian tourism policy is based on several laws and regulations which are under constant review. These include the 1998 Tourism Law, regulations governing the completion and storage of visitor entry forms, regulations governing the rights and duties of tour operators, travel agents, package travel, the information rights of customers, and guarantees regarding financial deposits made by travellers, and the by-law relating to the Latvian Tourism Development Agency.

Tourism development strategies

While there exists no national strategy for tourism development, tourism has nonetheless been recognised as a priority export sector, and several actions to facilitate the growth of the industry are included in different action plans and strategic documents.

Recognising the challenges arising from the current economic crisis, the Latvian Tourism Development Agency, together with representatives of tourism and advertising associations, universities and other social partners, developed the Latvian Tourism Marketing Strategy, 2010-2015. This strategy specifies the vision and objectives of tourism development, and defines the basic principles of tourism product development and marketing in key target markets. Reflecting the objectives of the marketing strategy, a new image of the country has been prepared along with a new marketing slogan "Latvia: Best enjoyed slowly".

Latvia continued to participate in the European Destinations of Excellence (EDEN) project which promotes sustainable tourism development models across the European Union. Thus Latvia ensures wide publicity for its best and most sustainable tourist destinations. The theme of EDEN in 2010 was "Aquatic Tourism". The most outstanding destination of Latvia was identified as the coastal resort of Jūrmala, the largest resort city in the Baltic states, located 25 kilometres from Riga, the capital. The resort is known for its mild climate, sea, healthy air, curative mud and mineral water.

Statistics and economic evaluation of tourism

Tourism statistics (among them Tourism Satellite Accounts) are gathered and the tourism industry's performance evaluated by the Central Statistical Bureau, an institution under the supervision of the Ministry of Economics. To estimate tourist activities, statistical reports are collected from hotels and other types of accommodation, tourist accommodation establishments in rural areas, and tourism enterprises.

Statistical profile

Table 4.278. **Latvia: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	4 225	3 685	3 657	3 598	3 504
Number of nights spent	Thousands	9 456	8 106	8 528	8 145	8 043

Source: Central Statistical Bureau.

StatLink http://dx.doi.org/10.1787/888932633985

Table 4.279. **Latvia: Domestic tourism – Number of travellers by type of trip**[1]

		Units	2006	2007	2008	2009	2010
Recreational trips	Same day trips without overnight stay	Thousands	1 246.9	1 283.8	1 461.6	1 458.1	1 418.3
	Short overnight trips (1-3 nights)	Thousands	751.1	756.3	797.2	798.6	765.5
	Long overnight trips (4 and more nights)	Thousands	236.6	218.4	236.1	219.3	207.3
Business trips		Thousands	82.5	119.9	122.8	110.9	108.2

1. One traveller can participate in different types of trips.

Source: Central Statistical Bureau.

StatLink http://dx.doi.org/10.1787/888932634004

Table 4.280. **Latvia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total number of border crossings	Thousands	4 645	5 236	5 496	4 727	5 042
Number of overnight travellers	Thousands	1 535.30	1 653.10	1 684.50	1 322.80	1 373.30
Top 5 markets (overnight travellers)						
Russian Federation	Thousands	172.4	219.9	217.7	164.4	189.3
Lithuania	Thousands	294.3	275	244.1	184	181.6
Sweden	Thousands	102.8	168.3	181.2	144.7	157.4
Estonia	Thousands	150.5	158.9	181	134.7	129.8
Finland	Thousands	140.9	92.2	104.9	114.6	109.5
International travel receipts	Million LVL	266.2	338	403.2	344.1	333.9
International passenger transport receipts	Million LVL	79.3	106.5	157.7	145.5	172.4

Source: Central Statistical Bureau, Balance of Payments.

StatLink http://dx.doi.org/10.1787/888932634023

Table 4.281. **Latvia: Outbound touris**

	Units	2006	2007	2008	2009	2010
Total number of border crossings	Thousands	3 114	3 376	3 524	3 058	3 090
Number of overnight travellers	Thousands	1 289	1 435	1 579	1 362	1 408
International travel expenditure	Million LVL	404.6	484.8	585.1	408.4	368.2
International passenger transport expenditure	Million LVL	47	48.1	51.3	53.9	66.2

Source: Central Statistical Bureau, Balance of Payments.

StatLink http://dx.doi.org/10.1787/888932634042

Table 4.282. **Latvia: Enterprises in tourism**

	Units	2008	2009	2010	2011
Accomodation	Establishments	491	559	628	641
Travel agencies and operators	Establishments	258	243	284	. .

Source: Central Statistical Bureau.

StatLink http://dx.doi.org/10.1787/888932634061

Table 4.283. **Latvia: Employment in tourism**

	Units	2008	2009	2010
Total	**Thousands**	**1 124.1**	**986.7**	**940.9**
Trade, accommodation and food service activities	Thousands	212.4	188	179

Source: Central Statistical Bureau.

StatLink http://dx.doi.org/10.1787/888932634080

Table 4.284. **Latvia: Characteristics of hotels and other tourist accommodation establishments**

	Units	2008	2009	2010
Number of rooms (at the end of the year)		13 602	14 686	15 388
Number of beds (at the end of the year)		29 591	32 496	34 657
Total number of visitors	Millions	1.6	1.1	1.3
Number of international visitors	Millions	0.94	0.75	0.88

Source: Central Statistical Bureau.

StatLink http://dx.doi.org/10.1787/888932634099

Table 4.285. **Latvia: Tourism in the national economy**

	Units	2006	2007	2008	2009
Share of tourism in total gross value added	Percentage	3.5	4.1	4.2	3.1
Share of tourism characteristic industries in total gross value added	Percentage	7.8	8.3	7.9	5.0
Share of tourism characteristic industry in total output	Percentage	7.2	7.5	7.8	5.4
Share of inbound tourism expenditure in export of goods and services	Percentage	9.3	10	11.5	13.6
Share of outbound tourism expenditure in import of goods and services	Percentage	7.1	6.9	8.5	9.8

Sources: Central Statistical Bureau, Tourism Satellite Account, 2008.

StatLink http://dx.doi.org/10.1787/888932634118

Table 4.286. **Latvia: Other economic indicators**

	Units	2006	2007	2008	2009	2010
International travel receipts	Million LVL	267.2	342.8	384.3	363.5	340.3
International travel receipts as a % of exports of service	Percentage	18.1	18.1	17.7	18.8	17.4
International travel receipts as a % of exports of goods and services	Percentage	5.4	5.6	5.7	6.4	5.01

Source: Central Statistical Bureau, Balance of Payments.

StatLink http://dx.doi.org/10.1787/888932634137

Lithuania

Tourism in the economy

Tourism is considered a rapidly growing industry of primary importance in Lithuania. In 2010, tourism accounted for 2.8% of Lithuania's GDP. In 2010, tourism exports represented 25% of the value of total services exports and during three quarters of 2011 amounted to 26.4%. It is hoped that tourism will rise to 10% of the value of all goods and services exports by 2015.

International tourism arrivals in 2010 reached 4.1 million, marginally higher than in 2009 but down on results for 2007 and 2008. Of total arrivals, 1.5 million stayed at least one night, and the five leading origin markets were Latvia, Poland, Russian Federation, Belarus and Germany. Together these five markets generated 3.3 million visitors (including same-day excursionists), accounting for 80% of all foreign tourists and visitors to the country. Domestic overnight tourism has held broadly steady over the past five years at around 2.5 million overnight stays annually. The number of foreign tourists in Lithuanian accommodation establishments for the first time has reached over 1 million in 2011. Receipts from international tourism totalled LTL 2 685 million in 2010 (+7.5%) and during only three-quarters of 2011 – LTL 2 536 million.

The tourism sector supports 4.4% of all jobs in Lithuania, employing 41 800 people.

Tourism organisation

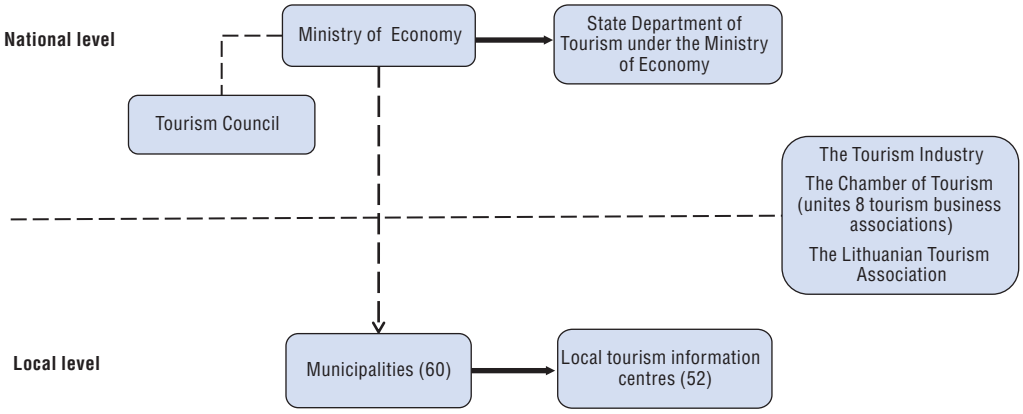
At the national level, the overarching responsibility for tourism policy, international co-operation and EU support planning lies with the Ministry of Economy (Figure 4.48). The State Department of Tourism under the ministry is responsible for tourism marketing, implementation of EU projects and the supervision of the tourism market. Responsibility for other associated policy areas remains with the individual relevant ministries, such as the Ministry of Culture, Ministry of Environment, and Ministry of Foreign Affairs.

The Tourism Council of Lithuania is the advisory body for the Ministry of Economy and includes representatives from all levels of the tourism industry. The municipalities of Lithuania also deal with tourism matters and seek to create favourable conditions for tourism development; they also support a network of tourism information centres.

There are two main tourism business organisations:

- The Chamber for Tourism of Lithuania established in 2011, representing eight main tourism business associations (Hotel and Restaurant, Countryside Tourism, Health Resorts, Tourism Business, Camps, Castles and Manors, Private Healthcare Establishments, and SPA.
- the Lithuanian Tourism Association (LTA) established in 1991, representing Lithuanian tour operators and agencies (53 members).

Figure 4.48. **Lithuania: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy, 2012.

Tourism budget

The main sources of funding for tourism promotion and development are the annual state budget and European Union structural funds. The annual budget of the national tourism administration – The Lithuanian State Department of Tourism – is currently LTL 5.1 million. EU structural assistance for 2007-13 is worth EUR 240 million and is provided for the development of tourism infrastructure and marketing.

EU structural assistance is available for the establishment and development of eco, active, cognitive and wellness tourism infrastructure (EUR 45 million), the preservation of cultural heritage and its adaptation for tourism purposes (EUR 70 million), tourism projects of national interest (EUR 36 million), tourism marketing projects (EUR 7 million), the development of tourism infrastructure and services in Lithuania's regions (EUR 21 million) and the development of tourism services (products) and quality improvements (EUR 61 million).

From 2011, the Druskininkai resort started to collect taxes from tourists staying at accommodation establishments; these taxes will be used for promoting the resort.

Tourism-related policies and programmes

National Tourism Development Programme 2010-2013

The National Tourism Development Programme 2010-2013 was developed to help achieve a competitive tourism industry. Its main goals and objectives are to create a favourable environment for the development of competitive tourism products and to ensure stable growth in tourist numbers. The programme has adopted an integrated approach to sector development, and includes:

- the development of public tourism infrastructure to stimulate the development of marketable tourism products;
- increasing opportunities for resorts and resort areas and health tourism;
- supporting the development of private sector tourism services; and
- improving legal regulation and planning of the tourism sector.

The programme, which was developed in close co-operation with the Tourism Council, tourism industry and tourism-related organisations, stresses the importance of using the best available knowledge, developing professional skills, sharing experiences, organising training, and monitoring the tourism sector. In order to achieve an appropriate pace of tourism development, priority areas were identified in the programme; these include cultural, health, active recreation and business tourism. Using sustainable planning criteria, seven priority regions have been identified for tourism development.

The programme lays particular emphasis on sustainability issues and the need for collaboration between the tourism industry and the government. Tourism is subject to major seasonal variations, and sustainability is a key feature of industry planning. Sustainable tourism means that the development of the industry must promote sustainable local communities, good, stable jobs and economically viable tourism companies, while maintaining a firm focus on the environment. Tourism must also minimise emissions of greenhouse gases and waste, and protect the natural and cultural landscape. The government's definition of sustainable tourism also includes respect for social responsibilities.

Legislative and regulatory environment

The June 2011 Law on Tourism established:

- the principles of tourism development;
- the requirements of tourism services (abolishing the licensing system; introducing the certification of tourism services; and establishing a system of minimal requirements for tourism services according to the Directive on Services); and
- the competence of public tourism administration.

The Green Key programme

Lithuania is a member of the Green Key programme that raises the awareness of owners and managers of tourism and leisure establishments of the necessity to run responsible tourism businesses. In addition to environmental issues, the programme deals with staff training, monitoring energy use, washing and cleaning, food and beverages, the indoor environment, parks and parking areas and education.

Statistical profile

Table 4.287. **Lithuania: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays	Thousands	2 485	2 806	2 819	2 431	2 453
Number of nights spent	Thousands	6 829	8 022	8 048	6 442	6 473

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634156

Table 4.288. **Lithuania: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	. .	4 214	4 459	4 001	4 073
Top 5 markets						
Latvia	Thousands	. .	1 221	1 409	1 269	1 134
Poland	Thousands	. .	974	1 036	890	788
Belarus	Thousands	. .	384	420	532	663
Russian Federation	Thousands	. .	619	541	416	490
Germany	Thousands	. .	226	218	178	197
Number of same-day visitors	Thousands	. .	2 729	2 848	2 660	2 566
International travel receipts	Million LTL	2 844.5	2 898.6	2 902.8	2 496.9	2 685.4
International passenger transport receipts	Million LTL	105.5	97.9	156.6	223.6	197.6

Source: National Statistical Office, Central Bank.

StatLink http://dx.doi.org/10.1787/888932634175

Table 4.289. **Lithuania: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	4 362	3 627	3 847	3 639	4 311
International travel expenditure	Million LTL	2 492.7	2 879.7	3 542.8	2 786.7	2 069.3
International passenger transport expenditure	Million LTL	59.8	60.9	85	21.6	13.9

Sources: National Statistical Office, Central Bank.

StatLink http://dx.doi.org/10.1787/888932634194

Table 4.290. **Lithuania: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Travel agencies and tour operators	Establishments	263	276	283	299	309
Accommodation	Establishments	715	748	810	807	908
Restaurants, bars and canteens	Establishments	2 947	3 043	3 170	2 961	3 080

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634213

Table 4.291. **Lithuania: Employment in tourism**

	Units	2006	2007	2008	2009	2010[1]
Hotels and similar	Employees	10 622	11 561	12 140	10 662	10 144
Restaurants and similar	Employees	13 983	11 017	12 671	12 264	12 723
Railways passenger transport	Employees	472	398	381	432	537
Road transport	Employees	9 088	9 394	8 947	7 913	7 196
Water passenger transport	Employees	156	117	203	200	198
Air passenger transport	Employees	718	612	605	565	430
Transport supporting services	Employees	452	676	458	402	368
Equipment rental	Employees	343	457	319	265	161
Travel agencies and similar	Employees	2 328	2 525	2 906	2 686	2 535
Cultural and recreational services	Employees	8 071	10 093	5 616	6 556	7 481
Total tourism employment	**Employees**	**46 233**	**46 850**	**44 248**	**41 945**	**41 773**
Tourism employment as a % of total employment[2]	**Percentage**	**4.2**	**4.1**	**4.0**	**4.2**	**4.4**

1. Preliminary data.
2. Public sector excluded.

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634232

Table 4.292. **Lithuania: Tourism in the national economy**

2009	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP
Accommodation services	Million LTL	163.4	248.9	412.3
Food and beverage serving services	Million LTL	132.9	271.4	404.3
Passenger transport services	Million LTL	458.2	308.0	766.2
Travel agency, tour operator and tourist guide services	Million LTL	197.3	32.7	230.0
Cultural services	Million LTL	35.3	105.5	140.8
Recreation and other entertainment services	Million LTL	9.4	22.9	32.3
Other services and goods	Million LTL	1 238.3	1 143.1	2 381.4
Total	**Million LTL**	**2 234.8**	**2 132.5**	**4 367.3**

Source: National Statistical Office, Tourism Satellite Account.

StatLink http://dx.doi.org/10.1787/888932634251

Table 4.293. **Lithuania: Other economic indicators**

	Units	2006	2007	2008	2009	2010[1]
Tourism value added	Percentage	2.7	2.7	2.8	2.7	2.8
Tourism ratio on total output	Percentage	2.7	2.8	2.9	2.8	2.9

1. Preliminary data.
Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634270

Malta

Tourism in the economy

Tourism earnings account for approximately 26% of Malta's services exports and for 15% of all goods and services exports. Approximately 12 500 people work in the industry, 8.5% of the employed workforce. Almost 4 500 businesses serve the tourism sector, of which 2 700 are in the catering industry and 1 500 are travel agencies or tour operators.

International visitor arrivals in 2010 reached 1.332 million, 12.7% more than in 2009, but only 18.5% up on 2006. The five leading origin markets in 2010 were UK (which generated 415 000 visitors or 31.2% of all arrivals), Italy (214 000 or 16.1%), Germany (126 000 or 9.5%), France (86 000 or 6.5%) and Spain (68 000 or 5.1%). These five markets together accounted for 68% of all visitors to Malta.

Tourism organisation

Since March 2008, the tourism portfolio has been the responsibility of the Prime Minister who has appointed the Parliamentary Secretary for Tourism, the Environment and Culture to oversee this part of his ministerial portfolio (Figure 4.49). The Parliamentary Secretariat is responsible for drafting tourism policy and monitoring its implementation.

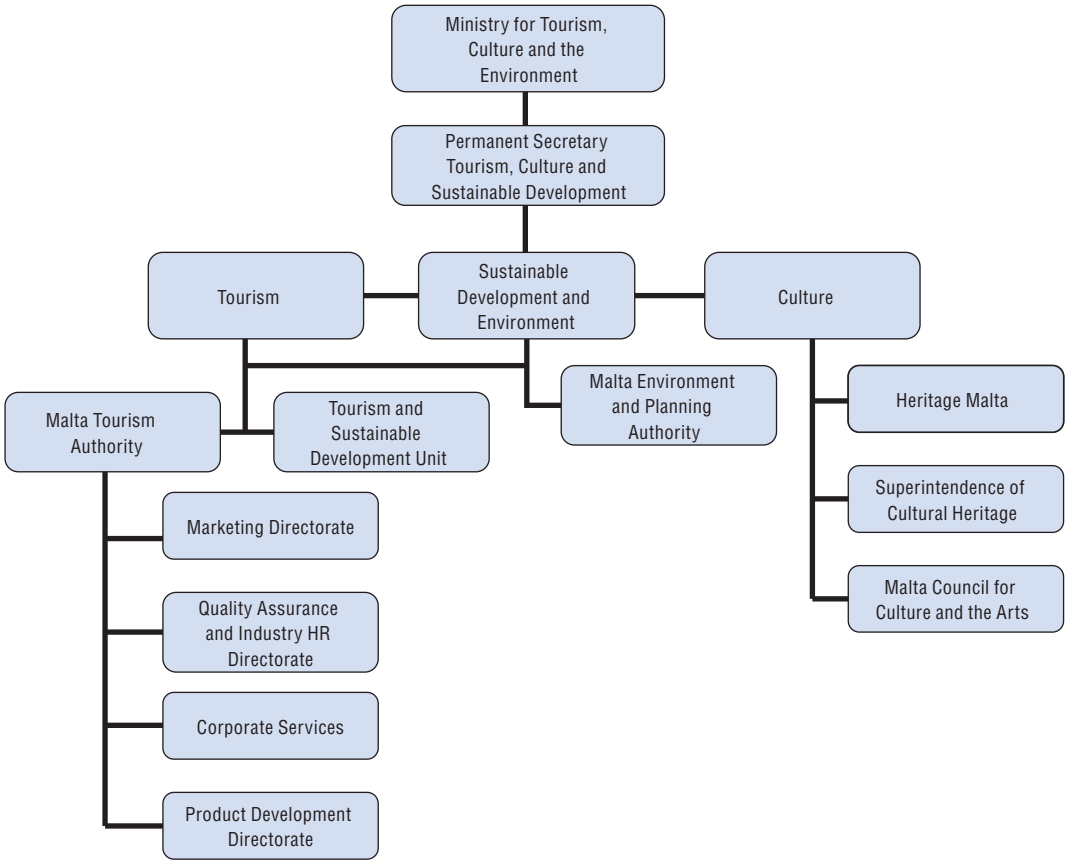
The Secretariat monitors market developments through EU and international meetings and by holding regular discussions with the Malta Tourism Authority (MTA) and tourism stakeholders. The latter include players in the hospitality industry, transport sector, environmental organisations and tourism destination management companies.

The MTA comes under the Secretariat and was formally set up in 1999 by the Malta Travel and Tourism Services Act. The MTA's responsibilities range from marketing Malta as a tourist destination to tourism product planning and development, and human resources within the industry. It also ensures that standards are adhered to through enforcement and voluntary schemes, and acts as an advisor to the government on the planning and sustainable development of the tourism industry, on infrastructure needs and on tourism operations. The MTA Board is composed of members representing the government and the private sector.

Tourism budget

The budget for tourism administration in Malta is provided by central government, while the MTA also draws on European Union funds for specific projects. The government provided a budget of around EUR 35.2 million to the Malta Tourism Authority in 2010 of which around EUR 30 million were allocated to marketing initiatives including participation in advertising, fairs, public relations and segment development. Aggregate

Figure 4.49. **Malta: Organisational chart of tourism bodies**



Source: OECD, adapted from Office of the Prime Minister, 2012.

tourism expenditure for 2010 amounted to EUR 37.4 million, around 1.6% of the government's recurrent expenditure for the year.

Other sources of funding for tourism development in Malta come from a minimal contribution paid by the private sector in the form of licences and contributions.

Tourism-related policies and programmes

Policy issues

The National Tourism Policy (2007-11) is based on the concept of sustainable development. It identifies key objectives, issues and relevant policy responses and provides direction on matters relating to governance, competitiveness, sustainability and macroeconomic matters. The policy is currently under review. In June 2010, a communication entitled *Europe, the World's No. 1 Tourist Destination – A New Political Framework for Tourism in Europe* was issued by the EU Commission to set the strategic pathway for tourism in Europe. Malta has agreed with the proposed measures, which are in line with the key priorities of the National Tourism Policy.

Investment

Constant efforts are being made to invest in tourism product development through the allocation of EUR 120 million of EU Structural Funds and additional national funding

(Box 4.26). Product improvement projects include coastal and tourism zone projects, with EUR 10 million having been allocated to a grant scheme for sustainable tourism projects by enterprises, including SMEs. Projects also emphasise the importance of providing a fair distribution of income and equal job opportunities.

A number of heritage sites, including the UNESCO World Heritage Site of Ġgantija, which is the oldest free-standing monument in the world, are undergoing physical improvements so as to ensure their protection. Other projects include the restoration of fortifications, the embellishment of various squares and investment in roads and pedestrian zones. Infrastructure improvements continue through, for example, investment in the Malta International Airport and maritime passenger terminal. Public transport in Malta is being reformed including a new bus system and improved road networks.

Box 4.26. **Market characteristics in Malta**

Since 2006 and reflecting tourism market developments, more attention has been devoted to the issue of seasonality and accessibility. Malta, being an island, is highly dependent on air travel. Over the past years, different distribution channels including tour operators, flag carriers and low cost carriers (LCCs) have generated increased tourist volumes in both peak and off-peak periods. This has resulted in a mix of package and independent tourists. Passenger traffic on LCCs increased by 162.6% between 2007 and 2010, and LCCs' market share has risen from 13.5% in 2007 to 31.9% in 2010. Most of the LCC passengers to Malta come from the UK, Ireland, Italy and Spain, are on average 50 years of age and work in a professional job or are retired, with a net monthly income of EUR 2 176. The cruise line industry in Malta has also grown between 2000 and 2010 at an average annual growth rate of 2.18%. The growth, which is expected to be maintained, is a result of various factors including international market trends, larger cruise ships, marketing efforts and the investment carried out on Malta's cruise passenger terminal.

Sustainability

Sustainable tourism development is given priority in Malta via a number of initiatives. A draft Rural Tourism Policy has been developed, and the MTA has launched an Eco Certification Scheme aimed at improving hotels' environmental performance and increasing environmental awareness among employees. Eco-certified hotels account for 30% of the available bed-stock. Another voluntary initiative called Quality Assured Seal was launched in 2008, addressing quality assurance in destination management companies, visitor attractions and, soon, in hotels also. Since 2006, the MTA has participated in the EU project called European Destinations of Excellence, which aims at promoting emerging destinations that manage their tourism in a sustainable and innovative way.

Other projects are aimed towards people working or intending to work in the tourism sector. The Special Thanks and Recognition Awards (STAR) is an important initiative through which the MTA is able to give public recognition to all those who work directly or indirectly in the tourism industry. Another initiative, the CHOICE programme, was launched ten years ago and is designed to give information and expose students to careers in the tourism industry, emphasising the industry's potential to provide gainful and rewarding careers. The MTA is also participating in the CALYPSO project, which is intended

to improve the product offer and the service quality for social tourists visiting Malta and Gozo during the shoulder months.

In response to the impact of climate change in Malta, a National Climate Change Adaptation Strategy was developed. Recommendations for the future include the establishment of a Task Force for Tourism and Adaptation. This comprises key stakeholders in the tourism value chain who, together with the MTA, carry out a number of studies on the impact of climate change on the Maltese Islands. On the basis of this work, a Tourism Action and Contingency Plan will be drawn up that will incorporate both mitigation and adaptation measures

By 2015, it is envisaged that Malta will have become a centre of excellence in various areas of industry and services, namely tourism, ICT, financial services, high value-added industry and services, international educational and health care services. Excellence in tourism is expected to take place on the basis of three key priorities – sustainable, high-quality and responsible tourism.

Preparations are in progress for Malta to host the European Capital of Culture in 2018. This will include a calendar full of cultural events, approved by the European Commission. In anticipation, cultural events are being given higher priority, and the government is investing in cultural infrastructure as well as preparing for 2018 itself.

Statistical profile

Table 4.294. **Malta: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	1 124	1 244	1 291	1 183	1 332
Total EU arrivals	Thousands	963	946	934	938	916
Top 5 markets						
United Kingdom	Thousands	431	482	454	399	415
Italy	Thousands	113	114	145	162	214
Germany	Thousands	126	130	151	127	126
France	Thousands	73	75	81	72	86
Spain	Thousands	21	37	50	45	68
International travel receipts	Million EUR	607	677	729	640	814
International passenger transport receipts	Million EUR	158	168	172	156	142

Source: National Statistics Office.

StatLink http://dx.doi.org/10.1787/888932634289

Table 4.295. **Malta: Outbound tourism**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	250	229	261	265	294
International travel expenditure	Million EUR	253	163.2	209.5	207	234.5
International passenger transport expenditure	Million EUR	33.6	31.6	33	48.7	67.9

Source: National Statistics Office.

StatLink http://dx.doi.org/10.1787/888932634308

Table 4.296. **Malta: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Accommodation	Establishments	253	248	248	233	237
Food and beverage service	Establishments	2 617	2 712	2 757	2 707	2 733
Travel agencies and tour operators	Establishments	1 343	1 457	1 468	1 482	1 519
Total	**Establishments**	**4 213**	**4 417**	**4 473**	**4 422**	**4 489**

Source: National Statistics Office, Business register.

StatLink http://dx.doi.org/10.1787/888932634327

Table 4.297. **Malta: Employment in tourism**

	Units	2006		2007		2008		2009		2010	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Total[1, 2]	**Employees**	**7 618**	**3 056**	**8 149**	**4 160**	**7 773**	**4 869**	**8 287**	**4 238**	**8 620**	**3 861**
Tourism employment as % of total	Percentage	7.9	8.0	8.3	10.3	7.7	10.9	8.3	9.6	8.5	8.5

1. Data cover hotels, restaurants, travel agency and tour operator services.
2. Two part-time employees are assumed to be equivalent to one full-time employee.

Source: National Statistics Office, Labour force survey.

StatLink http://dx.doi.org/10.1787/888932634346

Table 4.298. **Malta: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism exports as a % of total exports of services	Percentage	29.6	27.5	24.7	22.4	26.2

Source: National Statistics Office.

StatLink http://dx.doi.org/10.1787/888932634365

Montenegro

Tourism in the economy

Tourism is crucial to the economy of Montenegro. In the latest economic impact report from the World Travel and Tourism Council (WTTC), Montenegro ranks in 1st place out of 188 countries in terms of growth in the travel and tourism industries. In 2009, it was estimated that tourism GDP accounted for 10% of Montenegro's GDP. The WTTC report estimates that by 2021, travel and tourism will be directly responsible for 14.8%, and indirectly responsible for 36.3% of Montenegro's GDP.

This implies substantial increases in employment within the sector over the next decade. For example, in 2010, tourism employment represents 8.1% of total employment. The WTTC estimates that by 2021, direct employment in travel and tourism will account for 13.3% of all employment, or 33.2% when indirect employment is included.

Tourism organisation

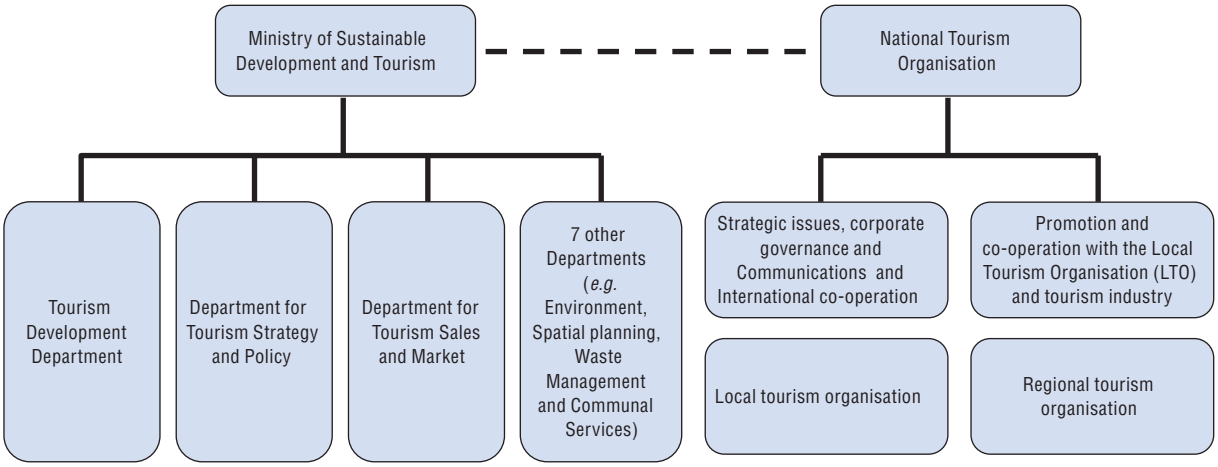
The Ministry of Sustainable Development and Tourism has a wide range of responsibilities for the tourism sector (Figure 4.50). These include:

- the development of tourism, hospitality, and general tourism services;
- the economic conditions of the tourism industry;
- selective forms of tourism and the link between coastal and inland tourism;
- private sector development in tourism and the establishment of tourist sites and areas;
- the categorisation and classification of tourist facilities;
- domestic and international tourism promotion;
- co-operation with tourism associations in Montenegro and abroad;
- monitoring tourism infrastructure projects and investment promotion;
- all operational aspects of the tourism industry; and
- promoting co-operation between tourism and other sectors.

The National Tourism Organisation is responsible for planning and implementing tourism strategies, proposing and carrying out promotional activities at home and abroad, and improving the quality of the overall tourism offer.

In June 2006, five municipalities in the Bjelasica and Komovi Region (Bijelo Polje, Berane, Andrijevica, Kolašin, Mojkovac) set up the Bjelasica and Komovi Regional Tourism Organisation (RTO). This is funded by annual financial contributions from all five municipalities. The Austrian-Montenegrin Partnership supports the RTO through capacity building and marketing activities and by purchasing sports goods for rental.

Figure 4.50. **Montenegro: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Sustainable Development and Tourism, 2012.

Local tourism organisations, which exist in 19 municipalities, are very active in all aspects of tourism development and operations in their districts, including the monitoring of tourist activity, the development of tourism activities and products, and conservation initiatives.

Tourism budget

The 2011 budget for tourism in the Ministry of Sustainable Development and Tourism is EUR 11.93 million, and for the National Tourism Organisation the figure is EUR 1.6 million.

Funding for tourism development comes mainly from membership fees; tourist accommodation and other tourism taxes; excursion fees; the national and municipal budgets for special programmes; and other donations and credits.

Tourism-related policies and programmes

Tourism is regulated by the Law on Tourism, which was adopted in October 2010. This represents a new and modern way of governing the tourism and hospitality industry, and was prepared taking into account European standards for tourism and sustainable development.

Tourism Development Strategy to 2020

This strategy determines the starting point for tourism development and addresses directly the issues of sustainability, economic viability, social acceptance and compliance. Based on the country's natural endowments, and its historical and cultural heritage, the strategy provides an insight into the potential for the development of different types of tourism and the presentation of new development concepts.

Human Resources Development (HRD) Strategy

The HRD Strategy identifies the need to ensure that tourism development is firmly based on the high quality of tourism services as required in the Tourism Master Plan. This can be only be achieved by high quality education and training at all levels of the industry.

This is to be achieved by integrating formal and informal qualifications into a National Qualification Framework and by developing appropriate vocational training and core competences. Qualifications are to be harmonised with EU procedures, so that school diplomas can be compared and that national qualifications become transparent across European countries, promoting labour mobility internationally.

Sustainable development

The National Strategy of Sustainable Development and Tourism (NSSD) of Montenegro is based on the globally accepted principles of sustainable development. In Montenegro's document, Visions of Sustainable Development, these principles are summarised as including:

- integration of environmental concerns into development policies;
- internalisation of environmental costs (*i.e.* conversion of external costs of environmental degradation into internal costs of polluters/users) through the implementation of polluter/user pays principles;
- participation of all stakeholders in decision-making, consultations, dialogue and partnerships;
- access to information and justice;
- equity among generations and within the same generation (including gender equality);
- the precautionary principle of safeguarding natural equilibrium in the absence of certainty;
- the principle of subsidiarity and interdependency between local and global levels; and
- access to the services and financial resources required to meet basic needs.

The NSSD represents a further step in implementing the guidelines defined in the Declaration on Ecological State and the 1992 Constitution, while also incorporating elements of modern strategic planning. It also represents one element in the implementation of the Mediterranean Strategy of Sustainable Development, and a step towards joining the family of countries that have developed their national strategies of sustainable development and/or strategies of environmental management, in accordance with UN recommendations.

Competitiveness

According to a 2011 World Economic Forum report covering 139 countries, Montenegro has an impressive record of achievement in the competitiveness of its travel and tourism industry. Its international ranking has improved by 16 places and the country is now ranked 36th, largely as a result of recently implemented reforms. The rules and regulations regarding land policy for the tourism sector have shown considerable progress, so that in this particular aspect the country ranks 10th.

Statistics and performance evaluation

In order to improve statistical methodology to enable effective monitoring of the impacts of tourism, the Ministry of Tourism in 2003, in co-operation with the World Travel and Tourism Council (WTTC) and Oxford Forecasting Ltd., produced a report on the effects of tourism satellite accounting for Montenegro.

Also, a survey entitled "Research on the Montenegrin hotel business" has been carried out since 2005 in partnership with Horwath Consulting in Zagreb and the Faculty of Tourism Hospitality and Trade in Bar. The aim of the research is to assess the trends in hotel management regionally and identify structural trends within the various segments of the hotel industry. Survey results allow the determination of policy instruments to strengthen the core tourism industry. Financial results, based on the Uniform System of Accounts for the Lodging Industry, are included in the report.

Statistical profile

Table 4.299. **Montenegro: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of arrivals	Thousands	157	149	157	164	175
Number of overnight stays	Thousands	910	851	829	856	987

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634384

Table 4.300. **Montenegro: Inbound tourism – International arrivals and receipts**

	Units	2007	2008	2009	2010
Number of tourists	Thousands	984	1 031	1 044	. .
Total international arrivals[1]	Thousands	572.2	572.9	467.7	492.4
Top 5 markets[2]					
Serbia	Thousands	389.4	412.9	338.9	314.8
Russian Federation	Thousands	102.4	117.9	145.6	150.2
Bosnia and Herzegovina	Thousands	101.4	98.8	101.9	103,
Kosovo	Thousands	50.6	43.9	49.3	49.7
France	Thousands	30.3	24.5	33.1	42.1
International travel receipts	Million EUR	459.5	515.2	474.7	498.1
International passenger transport receipts	Million EUR	22.1	31.4	33.3	39.8

1. Hotels and similar establishments.
2. All means of accommodation.

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634403

Table 4.301. **Montenegro: Outbound tourism – Expenditure**

	Units	2006	2007	2008	2009	2010
International travel expenditure	Million EUR	20.3	26.9	29.5	35.3	34.9
International passenger transport expenditure	Million EUR	9.9	15.2	25.5	19.6	20

Source: Central Bank.

StatLink http://dx.doi.org/10.1787/888932634422

Table 4.302. **Montenegro: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants	Establishments	2 842	2 864	2 938	2 441	2 895

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634441

Table 4.303. **Montenegro: Employment in tourism**

	Units	2006		2007		2008		2009		2010	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Hotels and restaurants	Employees	6 464	4 464	6 128	5 179	7 790	6 851	8 174	8 504	5 313	7 818
Employment in hotels and restaurants as a share of total employment	Percentage	7.2		7.2		8.8		9.6		8.1	

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634460

Table 4.304. **Montenegro: Tourism in the national economy**

2009	Units	Inbound tourism consumption	Domestic tourism consumption	Internal tourism consumption	Tourism direct gross domestic product (TDGVA)	Units	Structure in % of TGVA
Tourism characteristic products	Million EUR	437.2	55	492.2	290	Percentage	97
Accommodation services	Million EUR	210.5	38.5	249	146.8	Percentage	49.3
Food and beverage serving services	Million EUR	105.1	5.4	110.5	51.8	Percentage	17.4
Passenger transport services other than air transport	Million EUR	35.1	4	39.1	28.1	Percentage	9.4
Air passenger transport services	Million EUR	29.7	2.8	32.5	21.3	Percentage	7.1
Travel agencies and other reservation services	Million EUR	9.9	2.3	12.2	11	Percentage	3.7
Cultural services	Million EUR	16	0.7	16.7	7.9	Percentage	2.7
Sport and recreational services	Million EUR	30.9	1.3	32.2	23.2	Percentage	7.8
Other consumption products	Million EUR	67.1	9.7	76.8	8	Percentage	2.7
Total	**Million EUR**	**504.3**	**64.7**	**569**	**298.1**	**Percentage**	**100**

Sources: National Statistical Office, Tourism Satellite Account, 2009.

StatLink http://dx.doi.org/10.1787/888932634479

Table 4.305. **Montenegro: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Revenues from tourism[1]	Million EUR	271.4	459.5	515.2	474.7	498.1
Tourism share of GDP[2]	Percentage	3.0	3.3	4.3	5.1	5.2
Tourism share of gross value added[2]	Percentage	3.6	4	5.4	6.1	6.2

1. Revenues from foreign tourists.
2. Covers hotels and restaurants.

Sources: Central Bank, National Statistical Office, Tourism Satellite Account, National Account.

StatLink http://dx.doi.org/10.1787/888932634498

Romania

Tourism in the economy

The total number of inbound arrivals to Romania (registered at the border) in 2011 was 7.61 million. Of this figure, 1.51 million stayed in accommodation establishments, which represents an increase of 12.7% compared to 2010. The number of overnights for inbound arrivals accounted for 3.06 million in 2011, representing an increase of 11.2% compared to 2010. Domestic arrivals accounted for 5.5 million and the number of domestic overnights was 14.9 million in 2011, representing an increase of 16.9% and 12.4% respectively, compared to 2010.

In 2011, the five leading origin countries were Germany, Italy, France, Hungary and the United States. These five markets together accounted for 43.6% of all inbound overnight visitors (staying in accommodation establishments) to the country.

Based on the 2012 World Travel and Tourism Report, the direct contribution of Travel and Tourism to GDP in 2011 was RON 7.7 billion, representing 1.4% of GDP. It is expected that this contribution will grow by 6.9% per year in the coming ten years. The total contribution of Travel and Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts) was RON 25.1 billion in 2011, representing 4.5% of GDP.

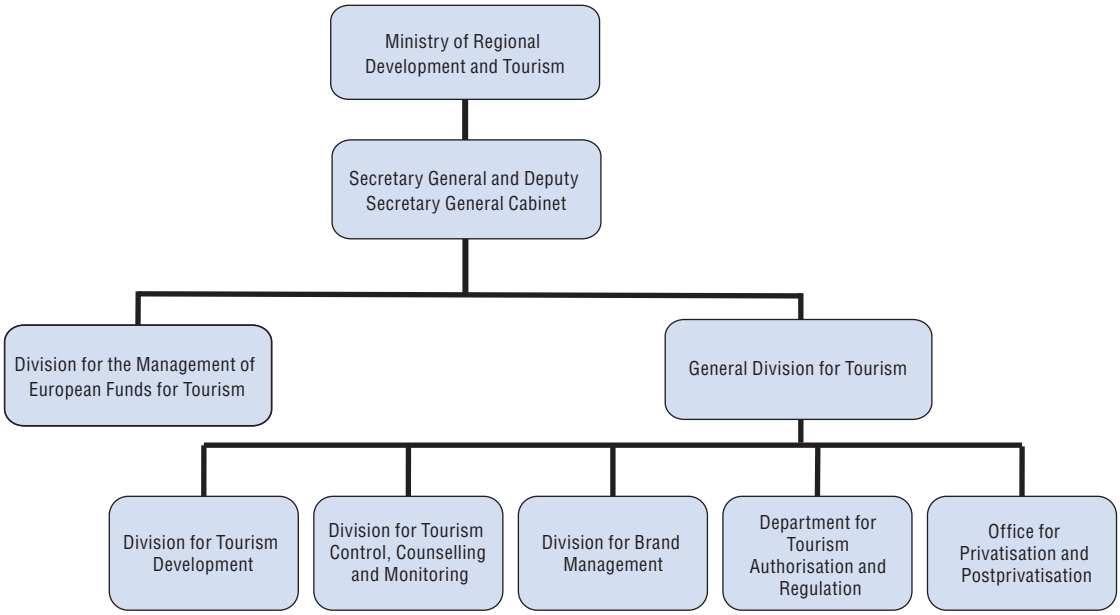
Tourism organisation

The administrative authority for tourism at the central level is the Ministry of Regional Development and Tourism, which was established in 2009. The main fields of activity include planning, national and regional territorial development, cross-border issues, transnational and inter-regional co-operation, urbanisation and territorial planning, housing and tourism (Figure 4.51).

The ministry co-ordinates the functions of the National Institute for Research and Development in Tourism (INCDT), and the Consultative Committee on Tourism, the body which brings together the representatives of the public and private sector and tourism NGOs. An Inter-Ministerial Commission for Tourism has also been formed in order to develop an integrated governmental view on tourism policy development. Moreover, specific tourism public/private working groups have been established, such as for human resources development the special committee for tourism, hotels and restaurants, co-ordinated by the National Council for Adult Vocational Training.

The national authority is represented regionally by 25 territorial representatives. Significant matters regarding tourism policy are addressed by establishing working groups consisting of representatives from central and local administrations, the private sector, and tourism NGOs.

Figure 4.51. **Romania: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Regional Development and Tourism, 2012.

At regional and local level, government administration is organised into 41 counties plus the Bucharest Municipality. There are six district councils in Bucharest, 314 local city councils and 2 852 local commune councils. There are eight Regional Development Agencies, established under regional development legislation and constituted as NGOs of public utility The role of local administrations is to develop tourism on their own behalf and to assist the Ministry in implementing national tourism policy at local level. Besides the local administration, there are also tourist associations established in regions, counties and towns, contributing to tourism development for their area.

At the national level, the private sector is organised into associations corresponding to different tourism sub-sectors (rural tourism, spa tourism, business tourism, eco-tourism), or to the various industry professions, such as tour operators and travel agencies, hotels, bed and breakfast accommodation, tourist guides, cooks and confectioners.

Tourism budget

The budget for 2011 of the Ministry of Regional Development and Tourism includes programmes financed from the national budget and programmes financed from the European Regional Development Fund.

From the national budget, a total of RON 8.75 million is devoted to marketing and tourism promotion, RON 5.8 million for the development of tourism products, and RON 243 million for tourism sector investment.

From the European Regional Development Fund, a budget of RON 114 million is earmarked for sustainable development and tourism promotion, in order to create a positive image of Romania as a tourist destination by developing a national tourism brand (Box 4.27), and RON 18 million for implementing a Regional Operational Programme.

Box 4.27. **Romania Tourism Brand**

The new Romania Tourism Brand was launched in 2010. The visual identity of the tourism brand is supported by a graphic element strongly anchored to Romanian natural attractions and traditions, supplemented by an invitation addressed to the target public. A graphic symbol suggests the variety of forms of relief specific to Romania and refers to the primordial elements of water, wild nature, adventure, and dynamism. "Explore the Carpathian Garden" is an invitation addressed to all those who wish to discover "unwalked paths" with unspoiled nature, authentic culture and ancient traditions.

The brand project initiated by the Ministry of Regional Development and Tourism is financed from European funds, under the Regional Operational Programme 2007-2013. Its objective is to create a positive image and to increase Romania`s attractiveness abroad, as well as aiming to meet the specific objectives set by the National Tourism Development Master Plan 2007-2026, namely the sustainable development of domestic tourism, recognition of tourism as a key factor in the economy, the initiation of a process of raising awareness of the country`s tourism attractions with the resident population and stimulating the desire to make them known to guests.

Tourism-related policies and programmes

Medium to long-term tourism strategy

The main policy document is the National Tourism Development Master Plan for Romania 2007-2026. In accordance with the strategic plan, several strategies have been developed the National Eco-Tourism Strategy (2009) and the National Strategy for Spa Tourism (2009). In 2011, in the context of the Regional Operational Programme 2007-2013, the Marketing Strategic and Operational Plan for Romania, 2011-2015 was finalised.

Domestic and inbound tourism development

There are several programmes offered by many tourism associations in the country with a view to extending the season by offering low-price tourist packages for holidays taken in spring and autumn. There are two other programmes that facilitate access to holidays: the Holiday Tickets Programme, which aims at encouraging domestic tourism by including holiday vouchers as a reward for employees, and the Early Booking Programme, which offers discounts up to 30% for the acquisition of tourist packages for the summer season if booked in the period 1 February-31 March.

Transport

Developing cycling tourism is one of the priorities of the ministry. A Government Decision Proposal has been set out in collaboration with the Romania Cyclists Federation, regarding the National Network of Cycling Routes. Studies have also been carried out to analyse the current situation and propose plans for the development of two European cycling routes that pass through Romania: The Iron Curtain Trail Route – EuroVelo 13 and the route from the Atlantic to the Black Sea – EuroVelo 6 that passes along the Danube.

Infrastructure

The Ministry of Regional Development and Tourism continues to invest in tourism infrastructure in accordance with the 2011 development programme. These investments

relate to tourist ports, beaches, tourist observatories, ski areas, mountain chalets, spa complexes, tourist information centres, mountain rescue centres, mountain routes and cable transport.

Sustainable tourism development

Following the development of the National Eco-Tourism Strategy, special criteria are under development for designating Eco Destinations. A working group has been formed including the main organisations involved in eco-tourism to define the selection criteria.

Two labels are awarded to encourage sustainable tourism products: the European Ecological Label awarded by the Ministry for Environment and Forest, and the Eco-tourism Certification System developed by the Association of Eco-tourism in Romania.

During 2009-10, the second phase of the project to enhance tourism industry expertise in CP (Clean Production) and CSR (Corporate Social Responsibility), took place (the first phase was in 2007-08). The project was co-ordinated by the United Nations Industrial Development Organisation and was implemented with the financial support of the Swiss government. On the national level, it was supported by the Ministry for Regional Development and Tourism and managed by the consortium formed of Denkstatt Romania and Trend Hospitality.

To support the quality of the Romanian Black Sea coast beaches at international standards, the "Blue Flag" Programme has been implemented in Romania since 2002. In addition, a guide for eco-tourists was produced by the Ministry of Environment and Forest, in order to raise awareness on sustainable tourism.

In the context of the EU European Destinations of Excellence project, three destinations of excellence have been designated: Horezu, for the theme tourism and local intangible heritage (2008), Apuseni Nature Park, for the theme tourism and protected areas (2009), and Geoagiu Bai, for the theme aquatic tourism (2010).

Hiking tourism is another form of sustainable tourism that offers significant development potential in Romania. Through the Datourway project (Transnational Strategy for the Sustainable Territorial Development of the Danube Area with special regard to Tourism, financed within the South East Europe Transnational Co-operation Programme), there was a study elaborated for the development of "greenways" along the Danube (*www.datourway.eu*).

Statistics and performance evaluation

According to a Eurostat directive, the National Institute for Statistics has developed the Tourism Satellite Account for Romania since 2011, with the support of the Ministry for Regional Development and Tourism and the National Bank.

Statistical profile

Table 4.306. **Romania: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays[1]	Thousands	4 836	5 421	5 659	4 866	4 693
Number of nights spent[2]	Thousands	15 750	17 007	17 367	14 658	13 212

1. Domestic arrivals in collective accommodation establishments.
2. Domestic nights spent in collective accommodation establishments.

Source: National Institute for Statistics.

StatLink http://dx.doi.org/10.1787/888932634517

Table 4.307. **Romania: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals[1]	Thousands	6 037	7 719	8 862	7 575	7 498
Arrivals of non-residents[2]	Thousands	1 380	1 550	1 466	1 276	1 343
Top 5 markets[2]						
Germany	Thousands	190	235	213	182	185
Italy	Thousands	183	194	166	165	145
France	Thousands	110	119	116	100	99
United States	Thousands	98	98	76	76	84
Hungary	Thousands	81	96	92	77	76
International travel receipts	Million EUR	1 034	1 171	1 358	884	860
International passenger transport receipts	Million EUR	291	338	428	327	375

1. Arrivals of foreign citizens at borders.
2. In accommodation establishments.

Sources: National Institute for Statistics, National Bank.

StatLink http://dx.doi.org/10.1787/888932634536

Table 4.308. **Romania: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	8 906	10 980	13 072	11 723	10 905
International travel expenditure	Million EUR	1 035	1 120	1 477	1 049	1 239
International passenger transport expenditure	Million EUR	118	134	157	214	198

Sources: National Institute for Statistics, National Bank.

StatLink http://dx.doi.org/10.1787/888932634555

Table 4.309. **Romania: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels[1]	Thousands	34.4	36.5	38.9	37.6	. .
Direct tourism share of employment	Percentage	2.4	2.5	2.5	2.6	2.7

1. Represented by the "average number of employees" in hotels and similar establishments.

Sources: World Travel and Tourism Council (WTTC), National Institute of Statistics, Structural Business Survey.

StatLink http://dx.doi.org/10.1787/888932634574

Table 4.310. **Romania: Tourism in the national economy**

2007	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP[1]	Tourism share of total GDP (percentage)
Accommodation services	Million RON	6 095.3	1 504.7	4 126.8	
Food and beverage serving services	Million RON	2 038.1	814	787	
Passenger transport services	Million RON	3 536.3	1 232.4	1 846.7	
Travel agency, tour operator and tourist guide services	Million RON	1 167.1	14.5	264.1	
Cultural services	Million RON	123	71.6	146	
Recreation and other entertainment services	Million RON	432.8	137.1	331.1	
Other services	Million RON	88	507.5	639.1[2]	
Goods	Million RON	1 028.4	183	. .	
Total	**Million RON**	**14 509**	**4 464.8**	**8 140.8**	**2.23**

1. Tourism Direct Gross Value Added.
2. Includes both goods and services.

Sources: National Institute for Statistics, National Institute of Research Development in Tourism, Tourism Satellite Account, 2010.

StatLink http://dx.doi.org/10.1787/888932634593

Table 4.311. **Romania: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Internal domestic tourism consumption share of final consumption[1]	Percentage	1.9	2	1.9	1.8	1.8
Tourism share of GDP[2]	Percentage	1.5	1.5	1.6	1.6	1.7

1. The equivalent indicator is "share of domestic travel and tourism spending".
2. The indicator is "share of direct tourism industry in total GDP".

Source: World Travel and Tourism Council (WTTC).

StatLink http://dx.doi.org/10.1787/888932634612

Serbia

Tourism in the economy

The government of the Republic of Serbia has identified tourism as a priority sector for socioeconomic growth and development. In 2010, there were 2 million tourists in Serbia (20 600 fewer than in 2009), two-thirds of whom were domestic tourists (66%). There were 683 000 foreign tourist arrivals in 2010, 5.7% more than in the previous year. The main origin markets were Slovenia, Bosnia and Herzegovina, Croatia, Germany and Italy, which together accounted for over a third (37.1%) of all international arrivals.

In 2011, there were 2.1 million tourists in Serbia almost two-thirds of whom were domestic tourists (63.1%). There were 764 000 foreign tourist arrivals in 2011 (11.9% more than in the previous year). The main origin markets were Slovenia, Bosnia and Herzegovina, Croatia, Germany and Italy which together accounted for over a third (36.3%) of all international arrivals.

In 2010, domestic and international tourists spent a total of 6.4 million nights in Serbia (a decrease of 5%), of which 5 million were by domestic tourists (6% down) and 1.5 million by foreign visitors (1% down). In 2011, the number of nights spent (domestic and international) amounted to 6.6 million (+4% over the previous year).

In 2011, domestic and international tourists spent a total of 6.6 million nights in Serbia (increase of 3.6% compared to 2010), of which 5 million were by domestic tourists (0.8% more than in the previous year) and 1.6 million by foreign visitors (13.1% more than in the 2010).

The number of employees in tourism (accommodation and food service activities, and tour operator and travel agency activities) in 2010 was 75 385, or 3.15% of total employment. Of this figure, 95% were employed in the accommodation and food service sector, of whom 51.6% were female. Accommodation and food service activities represented 1% of GDP in 2010, while inbound tourism expenditure represented 27% of services export receipts, and 7.1% of the value of goods and services exports.

International travel receipts from tourism in 2010 were EUR 604.9 million, a slight decrease(–2%) on the previous year, while international travel expenditure from nationals travelling abroad was EUR 724.3 million, an increase of 5.6% compared to 2009.

Tourism organisation

Administrative organisation of Serbia's tourism policy is administered by the Sector for Tourism, which is established within the Ministry of Economy and Regional Development (Figure 4.52). The Sector for Tourism is headed by the State Secretary and

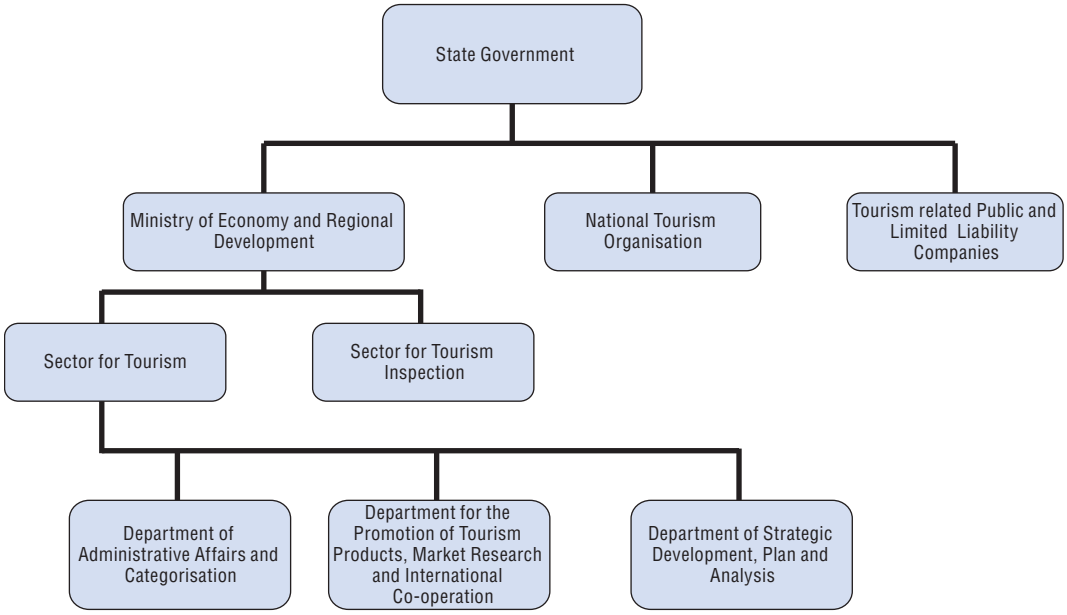
performs numerous duties of state administration in accordance with the Law on Ministries, which is primarily related to the following:

- creation of policy and strategy of tourism development and integral planning;
- drafting legislation and implementing Serbia's Law on Tourism, relevant by-laws and Strategy for Development of Tourism;
- proposing and implementing incentive measures for tourism development;
- undertaking measures for the development and promotion of international co-operation in tourism;
- researching and analysing the tourism market for both tourism products and clusters and development of their competitiveness;
- performing services in tourism such as: maintenance and equipping of the public ski resorts and spas.

The National Tourism Organisation of Serbia was founded in 1994 as a government organisation to promote Serbia in both the domestic and foreign tourism markets, with the aim of affirming the value and potential of the country's tourist industry. Its activities focus on positioning Serbian tourism on the domestic and international markets and evaluating the comparative advantages of Serbia with respect to tourism, such as geographical location and historical, cultural and natural identity.

There are 116 Local Tourism Organisations (LTOs), owned and operated by Serbia's local and regional governments and supported by the tourism industry.

Figure 4.52. **Serbia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy and Regional Development, 2012.

Tourism budget

The main source of funding for tourism promotion and development is the State Annual Budget. According to the Budget Law of the Republic of Serbia, RSD 4 549 736 000 were approved in 2010 (+49% compared to 2009). This increase demonstrates that Serbia

recognises the importance of tourism and is determined to develop its capacities and promotional activities in the future.

This amount is distributed for subsidies and loans for the tourism industry for activities such as the improvement of tourism services, infrastructural and tourism development projects, and also for the activities of other government organisations operating in the tourism sector such as the National Tourism Organisation, National Tourism Development Corporation, and the Ski Resorts of Serbia.

Tourism-related policies and programmes

The Strategy for Development of Tourism identifies tourism development possibilities in the light of world tourism trends, and encompasses the strategic positioning of tourism; the selection of priority tourism products; a plan to ensure the sector's competitiveness; an investment strategy and plan of the investments required; and a marketing plan. It is expected that the implementation of the strategy will result in an increase in the industry's competitiveness, foreign exchange earnings, domestic tourist traffic, and sector employment, and position Serbia firmly as a distinctive tourist destination. The Sector for Tourism is responsible for the implementation of the strategy at the national and inter-regional levels. Serbia is also actively supporting rural tourism (Box 4.28).

Box 4.28. **Sustainable tourism development**

Sustainable Tourism for Rural Development is a joint UN programme which works to support the diversification of the rural economy through sustainable tourism. In co-operation with national partners, there are five specialised UN agencies implementing the Joint Programme, which aims to achieve the following two key outcomes:

1. develop the legal and policy framework for supporting the diversification of the rural economy through tourism; and
2. link and organise local rural tourism more effectively, and support industries to improve the local stakeholders' capacity to deliver services and products in line with national strategies.

Review of Strategy for Development of Tourism

It is recognised that there is a need for support in order to implement the Strategy for Development of Tourism 2005-2015. This is seen as a two-year project, divided into four components:

- Review of the Strategy for Development of Tourism.
- Institutional support for infrastructure and the operational plan of the National Corporation for Tourism Development.
- Preparation and implementation of the Corporation's Support Action Plan.
- Provisions for future action plans that will seek to improve the Tourism Sector Institutional Support Infrastructure and the Serbian Tourism Product Portfolio. The project is due to be completed by the end of 2012 and is financed from Instrument for Pre-Accession Assistance (IPA) 2007.

The overall objective of the project is to increase tourism's contribution to the national economy.

Legislation

The legislative and regulatory environment is covered by the Law on Tourism and 47 bylaws. The law regulates the conditions and methods for tourism planning and development; tourism promotion organisations; travel agencies; catering industry; nautical industry; hunting tourism industry; tourism service providers; tax, fee and penalties in tourism; the Tourism Register; and other issues of relevance for tourism development and promotion.

Statistical profile

Table 4.312. **Serbia: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010	2011
Number of arrivals	Thousands	1 537	1 610	1 620	1 373	1 318	1 304
Number of nights spent	Thousands	5 577	5 853	5 935	5 293	4 961	5 002

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634631

Table 4.313. **Serbia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total number of nights spent	Thousands	1 015	1 476	1 399	1 469	1 452	1 643
Total international arrivals[1]	Thousands	469	696	646	646	683	764
Top 5 markets[1]							
Slovenia	Thousands	54.4	64.8	45.6	54.8	66.7	74.7
Bosnia and Herzegovina	Thousands	54	62.6	64.7	64	63.6	66.0
Croatia	Thousands	33.6	39.4	38.1	40.2	46.4	50.6
Germany	Thousands	28	36.4	37.2	39.5	42.7	48.2
Italy	Thousands	27.7	36.8	39.9	37.3	34.2	38.1
International travel receipts	Million EUR	332	630	640	617	605	. .
International passenger transport receipts	Million EUR	95	111	118	86	114	. .

1. In terms of arrivals of foreign tourists spending one or more nights in accommodation establishments.
Source: National Statistical Office, National Bank.

StatLink http://dx.doi.org/10.1787/888932634650

Table 4.314. **Serbia: Outbound tourism – International trips and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	. .	478	616	579	554
International travel expenditure	Million EUR	268	761	857	686	724
International passenger transport expenditure	Million EUR	93	117	135	104	112

Sources: National Statistical Office, National Bank.

StatLink http://dx.doi.org/10.1787/888932634669

Table 4.315. **Serbia: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010	2011
Hotels and similar establishments[1]	Establishments	505	634	670	687	721	741
Other accommodation services	Establishments	213	235	264	261	299	298
Food and beverage serving activities	Establishments	22 429	18 830	19 708	20 987	21 511	22 520
Tour operators and travel agencies	Establishments	1 138	1 328	1 286	1 019	998	921

1. Hotels, motels, apartment-hotels, apartment-settlements, boarding houses, lodges, inns, others.
Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634688

Table 4.316. **Serbia: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Total accommodation and food service activities	Employees	84 540	72 317	83 867	73 173	71 610
Hotels and similar establishments	Employees	14 489	15 019	15 897	16 121	16 695
Other accommodation services	Employees	2 507	2 540	2 611	2 586	2 554
Food and beverage serving activities	Employees	67 544	54 758	65 359	54 466	52 361
Tour operators and travel agencies	Employees	4 439	5 251	4 852	3 863	3 775
Total	**Employees**	**88 979**	**77 568**	**88 719**	**77 036**	**75 385**
Share of total employment	Percentage	3.38	2.92	3.14	2.94	3.15

Source: National Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634707

Table 4.317. **Serbia: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Share of inbound tourism expenditure in export of goods	Percentage	6.6	11.6	10.3	11.8	9.7
Share of inbound tourism expenditure in export of services	Percentage	18.4	32.2	27.9	28.1	27.0
Share of inbound tourism expenditure in export of goods and services	Percentage	4.9	8.6	7.5	8.3	7.1
Tourism share of GDP[1]	Percentage	1.1	1.1	1.0	1.0	1.0

1. Covers only accommodation and food service activities.
Sources: Ministry of Finance, National Bank, Statistical Office.

StatLink http://dx.doi.org/10.1787/888932634726

South Africa

Tourism in the economy

According to the World Travel and Tourism Council (WTTC), tourism's direct and indirect contribution to the GDP was ZAR 258 billion, estimated at about 9% of the total GDP. The tourism sector in South Africa is estimated to have directly contributed 3.0% of GDP in 2010. While no more recent national estimates are available, data from the WTTC estimate that this fell slightly to 2.7% in 2011. WTTC also estimates that, taking into account both the direct and indirect effects of tourism, the tourism sector's total contribution to GDP in 2010 was 9%.

Employment generated by the tourism sector directly accounted for some 567 000 jobs or 4.3% of total employment in 2010. The WTTC estimates that total employment, including the indirect effects of the tourism sector, represented 1.2 million jobs in 2011, or 9% of total employment in South Africa (compared to 7.8% in 2009 and 6.9% in 2010).

Since the country's first democratic elections in 1994, international tourist arrivals to South Africa have surged, making tourism one of the fastest growing sectors. The number of foreign visitor arrivals has increased from just over 3 million in 1993 to over 11 million in 2010, of which 8.1 million were tourists. Tourist arrivals to South Africa went up by 15.1% in 2010 compared to 2009.

Inbound tourist arrivals reached a peak in 2008 at some 9.6 million, but have since fallen to around 8.1 million in 2010, although this figure is up by 15.1% on 2009. The international market is thought to have been adversely affected by global economic weaknesses in recent years, however. arrivals were boosted by hosting the 2010 FIFA soccer World Cup[T], with about 310 000 tourists arriving specifically for the event. The five largest origin markets for tourists to South Africa in 2010 were Zimbabwe (1 513 000), Lesotho (1 275 000), Mozambique (1 051 000), Swaziland (632 000) and the United Kingdom (453 000). Together, these five countries supplied in excess of 60% of all foreign visitors.

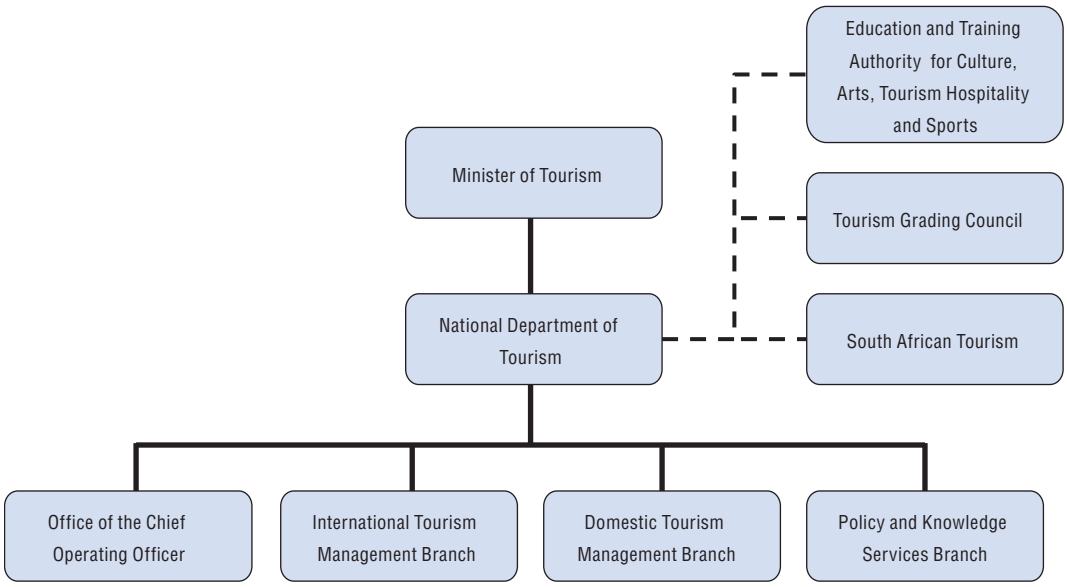
Tourism has been identified as one of the six pillars of the country's economic growth strategy, the New Growth Path, which aims to create 5 million new jobs, including 225 000 in the tourism sector. The country's International Relations Strategy also prioritises tourism as a significant pillar of economic diplomacy. The Industrial Policy Action Plan and the National Tourism Sector Strategy are among other key planning documents that recognise tourism as a priority sector. Tourism is seen as having the potential to contribute to economic growth, job creation and poverty alleviation and to play a strategic role in creating and/or strengthening international relations.

Tourism organisation

The South African National Department of Tourism was established in 2009, to act as a catalyst for tourism growth and development (Figure 4.53). A strategy-focused organisation, the Department for Tourism is committed to creating an environment conducive to the development and growth of tourism in South Africa. This will be achieved through innovation, strategic partnerships and collaboration, the provision of information and knowledge management services and by strengthening institutional capacities.

Following the adoption of the National Tourism Sector Strategy in 2011, the department's organisation structure was revised in response to the expanded role that tourism will play in supporting economic growth and job creation.

Figure 4.53. **South Africa: Organisational chart of tourism bodies**



Source: OECD, adapted from Department of Tourism 2012.

The Department of Tourism provides comprehensive strategic direction and oversight to the tourism sector through the office of its Chief Operating Officer and via three operational branches – International Tourism Management, Domestic Tourism Management and Policy and Knowledge Systems.

There are three other important public sector bodies dealing with tourism – South African Tourism, which deals with international marketing and is funded primarily by the Department but also receives a contribution from the private sector, the Tourism Grading Council which is responsible for quality assurance and is primarily concerned with the accommodation sector, and the Culture, Arts, Tourism Hospitality and Sports Education and Training Authority which undertakes training in the tourism sector and is funded in part by the Department of Labour and in part through levies paid by tourism sector employees.

There are also many private sector organisations active in the tourism sector, namely the Tourism Business Council of South Africa, the South African Tourism Services Association, the Association of South African Travel Agents, the South African Vehicle

Renting and Leasing Association, the Airline Association of South Africa, the National Accommodation Association of South Africa and Federated Hospitality Association of South Africa.

Tourism budget

For 2012-13, the total budget of the Department of Tourism is ZAR 1.4 billion, of which 14% is allocated to administrative costs, 58% (ZAR 788 million) to policy and knowledge services, 3% to international tourism and 25% to domestic tourism. Under policy and knowledge services, 96% of total funding is transferred to South African Tourism to fund its marketing and destination management functions.

The total budget for 2012-13 is predicted to rise by 9.4% in 2013-14 and by a further 5.7% in 2014-15, with the proportional distribution of the budget by department remaining unchanged.

Tourism-related policies and programmes

Although South Africa has come a long way since the end of apartheid in 1994, persistent socio-economic inequalities remain. The hosting of the 2010 World Cup significantly boosted the tourism industry in the country. Opportunities remain to exploit this event further, to expand tourism and other infrastructure, and to showcase South Africa as a tourist destination to the world.

The vision of South Africa is to become "a top 20 tourism destination in the world by 2020". The mission of the government is to "grow a sustainable tourism economy with domestic regional and international components, based on innovation, service excellence, meaningful participation and partnerships".

The National Tourism Sector Strategy (NTSS) has been developed to inspire and accelerate the growth of the tourism industry. Nonetheless, the tourism sector is faced with a number of challenges, including the:

- fragmentation of tourism planning across the three spheres of government (legislative, based in Cape Town, administrative, based in Pretoria, and judicial, based in Bloemfontein), and within the local government tourism sector;
- lack of branding and marketing alignment between provinces and cities;
- lack of compliance with the tourism black economic empowerment (BEE) charter and scorecard;
- weak systems for tourism skills development, and inadequate budgets for domestic tourism;
- inadequate database covering the tourism supply side, with an associated lack of reliable market information; and
- lack of incentives for tourism product diversification, new investment and enterprise development.

The above challenges are being addressed by the policy and structural reforms taking place within the Tourism Ministry and through strong collaboration with other government departments and the private sector. The National Tourism Sector Strategy (NTSS) focuses on three major themes:

Tourism growth and the economy

The intention is to increase tourism substantially in the period to 2020, by attracting an additional 5 million foreign visitors and 3.5 million domestic tourists, by creating an additional 177 000 direct tourism jobs, and by actively promoting the concept of "decent jobs" that include fair treatment, decent wages and career progression, and incorporating a plan to ensure that decent work is provided across the industry. It is hoped to raise domestic tourism to a point where it will contribute 60% of all tourism revenues, and to establish five offices in neighbouring countries to advance intra-regional tourism, and promote more regional tourism programmes.

An enhanced visitor experience

In order to deliver a world-class visitor experience, a national visitor satisfaction index will be set up for foreigners and locals, and service issues hampering domestic tourism will be tracked and addressed. The Department of Tourism and its partners will build a culture of embracing tourism among South Africans and will pursue the aim of markedly increasing residents' awareness of tourism and its economic value, as well as increasing the levels of community participation in the tourism sector. The sector will create lasting positive images to showcase South Africa as a distinctive brand to potential tourists by leveraging the 2010 Soccer World Cup publicity and successes.

Sustainability and good governance

The department envisages an increase in tourism companies with broad-based black economic empowerment (BBBEE) ratings; an improvement in the number of companies reaching the tourism charter targets, and an increase in the number of black-owned tourism businesses. Widening the regional impact of tourism is also a priority. This will be achieved by increasing the share of bed nights spent in the least visited provinces and the nights spent in mid-level visited provinces. More people will be encouraged to visit and stay in rural areas by enhancing the supply of rural tourism products. The Department will work towards increasing the number of tourism programmes and projects that are led by and that benefit communities directly, as well as increasing those tourism businesses adhering to "responsible tourism" standards and practices. Various tourism stakeholders at the local governance level will incorporate the NTSS targets into local Integrated Development Plans (IDPs) and economic development plans.

Strategic development, based on the NTSS, will be grouped into four clusters of activity:

- Policy, strategy, regulations, governance, and monitoring and evaluation
- Tourism growth and development
- People development
- Enablers of growth

Legislative/policy framework

The policy framework linked to the Tourism Sector Strategy is being developed further and will include a draft Tourism Bill and strategies for responsible tourism, rural tourism, national and cultural heritage, events, international tourism, avitourism and domestic tourism.

Statistical profile

Table 4.318. **South Africa: Domestic tourism**

	Units	2006	2007	2008	2009	2010
Number of nights spent	Million	. .	157.8	149	128.4	130.8
Average length of stay per trip	Nights	. .	4.4	4.5	4.2	4.4
Direct domestic travel receipts	Billion ZAR	16.5	20	25.8	22.4	21.1
Average spend per domestic trip	ZAR	444	550	780	730	710

Sources: South Africa Tourism, *2006-10 Annual Tourism Report, Domestic Tourism Report Provincial Scorecard 2007-09.*

StatLink http://dx.doi.org/10.1787/888932634745

Table 4.319. **South Africa: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Number of nights spent	Millions	66.5	55.8	66.9	55.8	66.9
Average length of stay	Nights	8.2	7.9	8.2	8.3	8.5
Total international arrivals[1]	Thousands	8 396	9 091	9 592	7 012	8 074
Top 5 markets						
Zimbabwe	Thousands	981	964	1 227	1 227	1 513
Lesotho	Thousands	1 914	2 170	2 163	1 048	1 275
Mozambique	Thousands	917	1 084	1 227	983	1 051
Swaziland	Thousands	991	1 039	1 088	628	632
United Kingdom	Thousands	488	498	485	446	453
International travel receipts	Billion ZAR	61	70	90	79	98

1. Tourists.

Sources: Department of Tourism, South African Tourism and World Travel and Tourism Council.

StatLink http://dx.doi.org/10.1787/888932634764

Table 4.320. **South Africa: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Thousands	7 502	8 023	8 475	7 011	8 073
International travel expenditure	Billion ZAR	78	95	128	79	98

Sources: Department of Tourism; World Travel and Tourism Council, 2009; South African Tourism, *Annual Report 2009-11.*

StatLink http://dx.doi.org/10.1787/888932634783

Table 4.321. **South Africa: Tourism in the national economy**

2010	Units	Domestic tourism consumption	Inbound tourism consumption	Tourism GDP	Units	Tourism share of GDP
Accommodation services	Million ZAR	15 693	10 456	26 149	Percentage	0.94
Food and beverage serving services	Million ZAR	3 822	7 584	11 405	Percentage	0.35
Passenger transport services	Million ZAR	37 222	16 461	53 683	Percentage	0.45
Travel agency, tour operator and tourist guide services	Million ZAR	2 954	1 241	4 195	Percentage	0.98
Cultural services	Million ZAR	93	137	229	Percentage	0.21
Recreation and other entertainment services	Million ZAR	2 121	4 038	6 158	Percentage	0.29
Other services	Million ZAR	4 104	4 886	8 990	Percentage	0.003
Goods	Million ZAR	5 451	13 907	19 358	Percentage	0.01
Total	**Million ZAR**	**78 992**	**67 141**	**146 133**	**Percentage**	**3.2**

Source: South Africa 2009 Tourism Satellite Account Report.

StatLink http://dx.doi.org/10.1787/888932634802

Table 4.322. **South Africa: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Seasonality index[1]	Percentage	1.19	1.11	1.44	1.77	1.20
Average number of provinces visited by all foreign tourists	Days	1.3	1.3	1.2	1.3	1.3
Tourism GDP[2]	Billion ZAR	45.2	59.7	67.1	68.8	80.2
Tourism share of GDP[2]	Percentage	3.0	3.0	3.0	2.9	3.0
Direct employment in tourism	Employees	553 712	569 688	609 021	547 934	567 378
Tourism share of employment (direct and indirect)	Percentage	4.1	4.2	4.4	4.1	4.3

1. Developed by South African Tourism. An index value of 0% represents perfect seasonality, while a value of 100% represents very poor seasonality, *i.e.* large fluctuations month to month.
2. Direct contribution.

Source: World Travel and Tourism Council, *Economic Impact Reports South Africa*.

StatLink http://dx.doi.org/10.1787/888932634821

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ANNEX 4.A1

Basic Methodological References

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

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

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

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

International recommendations for tourism statistics 2008

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

A **visitor** is a traveler 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 whose trip includes an overnight stay; otherwise, a visitor is classified as a **same-day visitor** (or excursionist).

Three basic forms of tourism can be distinguished:

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

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

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

2008 Tourism Satellite Account: Recommended Methodological Framework (TSA-RMF 2008)

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

Total tourism consumption

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

Three forms of consumption are distinguished:

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

Tourism GDP: The GDP of an economy is defined as the sum of the gross value added generated by all industries. Tourism GDP corresponds to the part of GDP generated by all industries in response to internal tourism consumption. A further distinction must be made between direct tourism GDP and indirect tourism GDP. To say it simply, direct tourism GDP is generated by industries directly in contact with visitors while indirect tourism GDP is generated by industries supplying inputs to industries directly in contact with the visitors. The TSA Framework limits its recommendations to the evaluation of

direct tourism GDP. The evaluation of indirect tourism GDP would require the use of input-output techniques.

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

2008 IMF: Balance of Payments and International Investment Position Manual

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

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

Other issues

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

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

Countries included for the publication

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, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

The European Union member countries are: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland,

Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom.

The other non-member economies covered in this report are: Albania, Argentina, Brazil, Croatia, Egypt, the Former Yugoslav Republic of Macedonia, India, Indonesia, Montenegro, Serbia and South Africa.

Sources of data

Except where otherwise indicated, the data presented in this publication are based on the data submitted by countries to the OECD secretariat. Other sources include:

- various OECD databases, with respect to tourism or exchange rates data; and
- World Tourism Organization data for some international tourism flows, particularly for non-OECD countries.

Symbols and abbreviations used

. . not available or not applicable.

ANNEX 4.A2

National Tourism Administrations and Related Websites

OECD MEMBER COUNTRIES		
Australia	Department of Resources, Energy and Tourism	*www.ret.gov.au*
	Australian Tourism Export Council	*www.atec.net.au*
	Ecotourism Australia	*www.ecotourism.org.au*
	Tourism and Transport Forum	*www.ttf.org.au*
	Tourism Australia	*www.tourism.australia.com*
	Australian Bureau of Statistics	*www.abs.gov.au*
	National Tourism Alliance	*www.tourismalliance.org*
Austria	Federal Ministry of Economy, Family and Youth	*www.bmwfj.gv.at*
	Austrian National Tourist Office	*www.austria.info*
	Statistics Austria	*www.statistik.at*
	Austrian Bank for Tourism Development	*www.oeht.at*
	Tourism Studies	*www.studien.at*
Belgium	Statistics Belgium	*www.statbel.fgov.be*
	Flemish Department of Foreign Affairs	*www.vlaanderen.be/internationaal*
	Flanders Tourist Office	*www.visitflanders.com*
	Walloon Commissariat General au Tourisme	*http://cgt.tourismewallonie.be*
	Walloon Tourist Office	*www.tourismewallonie.be*
	Wallonia Brussels Tourism	*www.opt.be*
Canada	Federal Ministry of Industry	*www.ic.gc.ca*
	Canadian Tourism Commission (corporate website)	*www.canadatourism.com*
	Canadian Tourism Commission (public website)	*www.canada.travel*
	Statistics Canada	*www.statcan.gc.ca*
Chile	Ministry of Economy, Development and Tourism	*www.economia.cl*
	Chile National Tourist Office	*www.sernatur.cl*
	National Statistics Institute	*www.ine.cl*
	Domestic Tourism Promotion	*www.chileestuyo.cl*
	Internet Tourism Promotion	*www.chile.travel*
Czech Republic	Ministry for Regional Development	*www.mmr.cz*
	Czech National Tourist Office	*www.czechtourism.com*
	Czech Statistical Office	*www.czso.cz*
Denmark	Ministry of Business and Growth	*www.oem.dk*
	Denmark National Tourist Office	*www.visitdenmark.com*
	Statistics Denmark	*www.dst.dk*
Estonia	Ministry of Economic Affairs and Communications	*www.mkm.ee*
	Estonia National Tourist Office	*www.visitestonia.com*
	Estonian Rural Tourism	*www.maaturism.ee*
	Statistics Estonia	*www.stat.ee*
Finland	Ministry of Employment and the Economy	*www.tem.fi*
	Finnish Tourist Board	*www.mek.fi*
	Finland National Tourist Office	*www.visitfinland.com*
	Statistics Finland	*www.stat.fi*

OECD MEMBER COUNTRIES		
France	Ministry of Economy, Finance and Industry	www.minefe.gouv.fr
	Atout France, French Tourism Development Agency	www.atout-france.fr
	France National Tourist Office	www.franceguide.com
	State Tourism Operator	www.rendezvousfrance.com
	National Institute of Statistics and Economic Studies	www.insee.fr
Germany	Federal Ministry of Economics and Technology	www.bmwi.de
	Germany National Tourist Board	www.germany.travel
	German Travel Association	www.drv.de
	Federal Statistical Office	www.destatis.de
Greece	Ministry of Culture and Tourism	www.culture.gr
	Organisation of Tourism Education and Training	www.otek.edu.gr
	Tourism Development Company.	www.tourism-development.gr
	Greece National Tourist Office	www.gnto.gr
	General Secretariat of the National Statistical Service of Greece	www.statistics.gr
Hungary	Ministry for National Economy	www.kormany.hu/en/
	Hungary National Tourist Office	www.hungary.com
	Hungarian Central Statistical Office	www.ksh.hu
Iceland	Ministry of Industry, Energy and Tourism	www.idnadarraduneyti.is
	Iceland National Tourist Office	www.visiticeland.com
	Statistics Iceland	www.statice.is
Ireland	Department of Arts, Sport and Tourism	www.dast.gov.ie
	Irish Tourist Industry Confederation	www.itic.ie
	National Tourism Development Authority	www.failteireland.ie
	Ireland National Tourist Office	www.tourismireland.com
	Central Statistics Office	www.cso.ie
Israel	Ministry of Tourism	www.tourism.gov.il
	Israel National Tourist Office	www.goisrael.com
	Central Bureau of Statistics	www.cbs.gov.il
Italy	Presidency of the Council of Ministers	www.governo.it
	Italy National Tourist Office	www.enit.it
	National Institute of Statistics	www.istat.it
Japan	Ministry of Land, Infrastructure, Transport and Tourism	www.mlit.go.jp
	Japan National Tourism Office	www.jnto.go.jp
	Statistics Bureau and Statistical Research and Training Institute	www.stat.go.jp
Korea	Ministry of Culture, Sports and Tourism	www.mcst.go.kr
	Korea National Tourist Office	http://english.visitkorea.or.kr
	Korea National Statistical Office	www.kostat.go.kr
	K-MICE information system	http://k-mice.visitkorea.or.kr
Luxembourg	Ministry for the Middle Classes, Tourism and Housing	www.mdt.public.lu
	Luxembourg National Tourist Office	www.ont.lu
	Luxembourg Statistics Portal	www.statistiques.public.lu
Mexico	Ministry of Tourism	www.sectur.gob.mx
	Mexico National Tourist Office	www.visitmexico.com
	National System of Statistical and Geographical Information	www.inegi.org.mx
	Rutas de Mexico	http://rutasdemexico.visitmexico.com
	Pueblos Magicos	http://visitmexico.com/pueblosmagicos
	Mexican Tourism Board	www.cptm.com.mx
Netherlands	Ministry of Economic Affairs, Agriculture and Innovation	www.government.nl
	Holland Art Cities	www.hollandartcities.com
	Netherlands National Tourist Office	www.holland.com
	Statistics Netherlands	www.cbs.nl
New Zealand	Ministry of Economic Development	www.med.govt.nz
	Tourism Strategy Group	www.tourism.govt.nz
	Tourism New Zealand	www.newzealand.com
	Statistics New Zealand	www.stats.govt.nz
Norway	Ministry of Trade and Industry	www.regjeringen.no
	Norway National Tourist Office	www.visitnorway.com
	Statistic Norway	www.ssb.no
Poland	Ministry of Sport and Tourism	www.msport.gov.pl
	Institute of Tourism	www.intur.com.pl
	Poland National Tourist Office	www.poland.travel/en
	Central Statistical Office of Poland	www.stat.gov.pl

OECD MEMBER COUNTRIES		
Portugal	Ministry of Economy and Employment	*www.portugal.gov.pt*
	Turismo De Portugal	*www.turismodeportugal.pt*
	Portugal National Tourist Office	*www.visitportugal.com*
	Statistics Portugal	*www.ine.pt*
Slovak Republic	Ministry of Transport, Construction and Regional Development	*www.mindop.sk*
	Slovak Tourist Board	*www.slovakia.travel*
	Statistical Office of the Slovak Republic	*www.statistics.sk*
Slovenia	Ministry of Economic Development and Technology	*www.mg.gov.si*
	Bank of Tourism Potentials	*www.btps.si*
	Tourist Association of Slovenia	*www.turisticna-zveza.si*
	Slovenia National Tourist Office	*www.slovenia.info*
	Statistical Office	*www.stat.si*
Spain	Ministry for Industry, Tourism and Trade	*www.mityc.es*
	Turismo 2020	*www.turismo2020.es*
	Spain National Tourist Office	*www.spain.info*
	National Institute of Statistics	*www.ine.es*
Sweden	Ministry of Enterprise, Energy and Communications	*www.sweden.gov.se*
	Agency for Economic and Regional Growth	*www.tillvaxtverket.se*
	Sweden National Tourist Office	*www.visitsweden.com*
	Statistics Sweden	*www.scb.se*
Switzerland	State Secretariat for Economic Affairs	*www.seco.admin.ch*
	Switzerland National Tourist Office	*www.myswitzerland.com*
	Swiss Statistics	*www.bfs.admin.ch*
Turkey	Ministry of Culture and Tourism	*www.kultur.gov.tr*
	Turkey National Tourist Office	*www.tourismturkey.org*
	Turkish Statistical Institute	*www.turkstat.gov.tr*
	Turkey Tourism Portal	*www.goturkey.com*
United Kingdom	Department for Culture, Media and Sport	*www.culture.gov.uk*
	National Tourist Office for Britain	*www.visitbritain.com*
	National Tourist Office for Northern Ireland	*www.discovernorthernireland.com*
	Office for National Statistics	*http://www.ons.gov.uk*
United States	Department of Commerce	*www.commerce.gov*
	Office of Travel and Tourism Industries	*www.tinet.ita.doc.gov*
	United States National Tourist Office	*www.discoveramerica.com*
	Bureau of Economic Analysis	*www.bea.gov*

NON-MEMBER ECONOMIES		
Albania	Ministry of Tourism, Culture, Youth and Sports	*www.mtkrs.gov.al*
	National Tourism Agency	*www.akt.gov.al*
Argentina	Ministry of Tourism	*www.turismo.gov.ar*
	Undersecretary for Tourism Development	*www.desarrolloturistico.gob.ar*
Brazil	Ministry of Tourism	*www.turismo.gov.br*
	Brazil National Tourist Office	*www.embratur.gov.br*
	Network for Tourism Professionals	*www.brasilnetwork.tur.br*
	Institute for Statistics and Geography	*www.ibge.gov.br*
Bulgaria	Ministry of Economy, Energy and Tourism	*www.mi.government.bg/bg*
	Official Tourism Portal	*www.bulgariatravel.org*
Croatia	Ministry of Tourism	*www.mint.hr*
	Croatian National Tourist Board	*www.croatia.hr*
	Association of Croatian Travel Agencies	*www.croatia-travel.org*
	Union of Croatian Independent Travel Agents	*www.unpah.hr*
	Institute for Tourism	*www.iztzg.hr*
Cyprus	Cyprus Tourism Organisation	*www.visitcyprus.com*
Egypt	Ministry of Tourism	*www.sis.gov.eg*
	Egypt National Tourism Office	*www.egypt.travel*
	Central Agency for Public Mobilisation and Statistics	*www.capmas.gov.eg*
Former Yugoslav Republic of Macedonia	Ministry of Economy	*www.economy.gov.mk*
	Macedonian National Tourism Portal	*www.exploringmacedonia.com*

NON-MEMBER ECONOMIES	
India	Ministry of Tourism . . . . . *www.tourism.gov.in* India National Tourist Office . . . . . *www.incredibleindia.org* Ministry of Statistics and Programme Implementation . . . . . *www.mospi.nic.in*
Indonesia	Ministry of Tourism and Creative Economy . . . . . *www.parekraf.go.id* Indonesia National Tourist Office . . . . . *www.indonesia.travel* Statistics Indonesia . . . . . *www.bps.go.id*
Latvia	Ministry of Economics . . . . . *www.em.gov.lv* Official tourism website . . . . . *www.latvia.travel* Latvian Tourism Development Agency . . . . . *www.tava.gov.lv* Central Statistics Bureau . . . . . *www.csb.gov.lv*
Lithuania	State Department of Tourism . . . . . *www.tourism.lt*
Malta	Ministry for Tourism, Culture and the Environment . . . . . *https://opm.gov.mt/mtce* Tourism and Sustainable Development Unit . . . . . *www.tourism.gov.mt* Malta Tourism Authority . . . . . *www.mta.com.mt*
Montenegro	Ministry of Sustainable Development and Tourism . . . . . *www.mrt.gov.me/en/ministry*
Romania	Ministry of Regional Development and Tourism . . . . . *www.mdrt.ro* Romania National Tourist Office . . . . . *www.romaniatourism.com* National Institute of Statistics . . . . . *www.insse.ro*
Serbia	Ministry of Economy and Regional Development, Tourism . . . . . *www.turizam.merr.gov.rs* National Tourism Organisation . . . . . *www.serbia.travel* National Statistical Office . . . . . *www.stat.gov.rs*
South Africa	Department of Tourism . . . . . *www.tourism.gov.za* Tourism Business Council of South Africa . . . . . *www.tbcsa.travel* South Africa National Tourist Office . . . . . *www.southafrica.net* Statistics South Africa . . . . . *www.statssa.gov.za*

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OECD member countries

Australia
Austria
Belgium
Canada
Chile
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Israel
Italy
Japan
Korea
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States

OECD non-member economies

Albania
Argentina
Brazil
Bulgaria
Croatia
Cyprus
Egypt
Former Yugoslav Republic of Macedonia
India
Indonesia
Latvia
Lithuania
Malta
Montenegro
Romania
Serbia
South Africa

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