

ANNUAL TOURISM REPORTING FINLAND 2012

1. INTRODUCTION

Council Decision 86/664/EEC of 22 December 1986¹ establishing a consultation and cooperation procedure in the field of tourism foresees that “each Member State shall send the Commission, once a year, a report on the most significant measures it has taken and, as far as possible, on measures it is considering taking in the provision of services for tourists which could have consequences for travellers from the other Member States”.

With the publication of the “Agenda for a sustainable and competitive European tourism”, the Commission announced that “in order to strengthen the collaboration with and among Member States, their current annual reporting through the Tourism Advisory Committee (TAC) will be used to facilitate the exchange and the dissemination of information about how their policies and actions safeguard the sustainability of tourism”.

This Communication was welcomed by the Competitiveness Council conclusions (22nd-23rd November 2007) and by the Presidency Conclusions of the Brussels European Council of 14th December 2007.

The main aims for the reporting process are:

- to be able to monitor the level of implementation of the “Agenda for a sustainable and competitive European tourism” by Member States;
- To facilitate the exchange of experiences among member States with regard to how they tackle issues which are important for the competitiveness and sustainability of European tourism.

MS reports referring to year n shall be sent to the European Commission by the end of February of year $n+1$.

If the reports are sent in English, the deadline is shifted to the end of April.

2. ORGANISATIONAL STRUCTURE

This section should provide an overview of the main organisational structure to illustrate how tourism is organised and managed, to identify linkages and to identify the engagement of other organisations/stakeholders.

The information required will only need to be prepared fully in year 1 as it will subsequently only be necessary to provide details of any changes.

¹ Official Journal L 384, 31/12/1986 P. 0052 – 0053.

2.1 Please identify the National Bodies responsible for tourism (Ministry and also any separate/related National Tourism Organisation), including key areas of responsibility, and their relationship to other national bodies. (maximum of 1.000 characters)

The Ministry of Employment and the Economy

- guidance, co-ordination and monitoring of Finnish tourism policy and strategy implementation, and tourism-related matters internationally.

Finnish Tourist Board

- operational body under the ministry
- main tasks: marketing Finland as a tourism destination, transfer of market information to the tourism industry,
- tourism product and service development co-ordination

Inter-ministerial working group is a non obligatory working group between the ministries involved in tourism related matters. Members of the group include

- Ministry of Employment and the Economy (2 representatives)
- Ministry of Agriculture and Forestry (3 representatives)
- Agency for Rural Affairs (1 representative)
- Ministry of Transport and Communication (2 representatives)
- Ministry of the Environment (1 representative)
- Ministry of Education and Culture (2 representatives)
- Ministry for Foreign Affairs (4 representatives)
- Centre for Economic Development, Transport and the Environment in Lapland (1 representative)
- Finnish Tourist Board (1 representative)

2.2 Please, describe what organisations/agencies are used to deliver services at the national and regional level and the services that they deliver. (maximum 800 characters)

The Finnish Competition and Consumer Authority

- tasks relate to implementing competition and consumer policy, ensuring good market performance, implementing competition legislation and EU competition rules, and securing the financial and legal position of the consumer. The agency also handles the supervision responsibilities of the Consumer Ombudsman.
- supervise package tour businesses' securities and maintain a register of the package tour companies in Finland

Finnish Safety and Chemicals Agency (Tukes)

- supervises and promotes technical safety and conformity, as well as consumer safety. Consumer safety legislation, according to which a party providing consumer services such as tourism, includes among other things duty to take care, a risk assessment and self-control, an incident logging, notifications concerning dangerous services and to carry out a written safety document

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- its public administration duties include, among others, managing nature conservation and hiking areas, control of hunting and fishing rights and promoting conservation and recreational use of State lands and waters.

Finpro

- national trade, internationalization and investment development organization in Finland. Finpro supports its clients', such as tourism companies, international growth and success by enabling them to be in the right markets at the right time with a competitive concept and offering.
- A public-private organization and part of the Ministry of Employment and the Economy Group
- **Finpro's Invest in Finland**
 - promotes foreign investments to Finland by assisting international companies in finding business opportunities in Finland and providing all the relevant information and guidance required to establish a business in Finland. Travel and tourism is one of their key industries

Centre for Economic Development, Transport and the Environment

- 15 Centres for Economic Development, Transport and the Environment (so called ELY Centres)
- have responsibility for tourism development projects (e.g. advisory, training, financing and developing services) in regions
- they have three areas of responsibility: 1) business and industry, the labour force, competence and cultural activities, 2) transport and infrastructure and 3) the environment and natural resources

- Centres for Economic Development, Transport and the Environment steer and supervise the activities of the Employment and Economic Development offices
- not all Centres address all three areas of responsibility, as they may handle duties on each other's behalf. Centres for Economic Development, Transport and the Environment operate within the administrative sector of the Ministry of Employment and the Economy.
- In addition to the Ministry of Employment and the Economy, their operations are steered by the Ministry of the Interior, the Ministry of Agriculture and Forestry, the Ministry of the Environment, the Ministry of Transport and Communications, and the Ministry of Education and Culture

Regional Councils

- 19 Regional Councils
- have responsibility for the regional development of tourism

Tourism and Experience Management Cluster Programme

- 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.
- Resources for the innovation programme are provided by the Ministry of Employment and Economy together with regional partners comprising municipalities and regional councils.

Rural Tourism Working Group, Rural Policy Committee

- promotion of rural tourism, integrating national development and resources, and safeguarding continuity in the development processes. It also functions as the national point of contact of communication within rural tourism.
- resources provided by the Ministry of Employment and Economy

2.3 Please, describe which other bodies and organisations are involved at the national level and the process for involving them. (maximum 800 characters)

Such as:

Finnish Hospitality Association (called MaRa in Finnish)

- operates as a guardian for tourism related industries to and in Finland
- represents organisations such as hotels, restaurants, amusement parks, programme services
- 2400 member organizations
- representation in various working groups

Association of tourism organisations in Finland

- Serves as an umbrella organization for regional tourist organisations, tourist centre organisations and tourist information offices in Finland and supervises their interests with respect to central organisations in the tourist industry, state tourist administration and other organisations operating in the industry, without seeking direct financial gain or benefits for its members.
- it has 20 regional tourism organization members and 117 local tourism offices members
- presentation in various working groups

The Association of Finnish Travel Agents (AFTA)

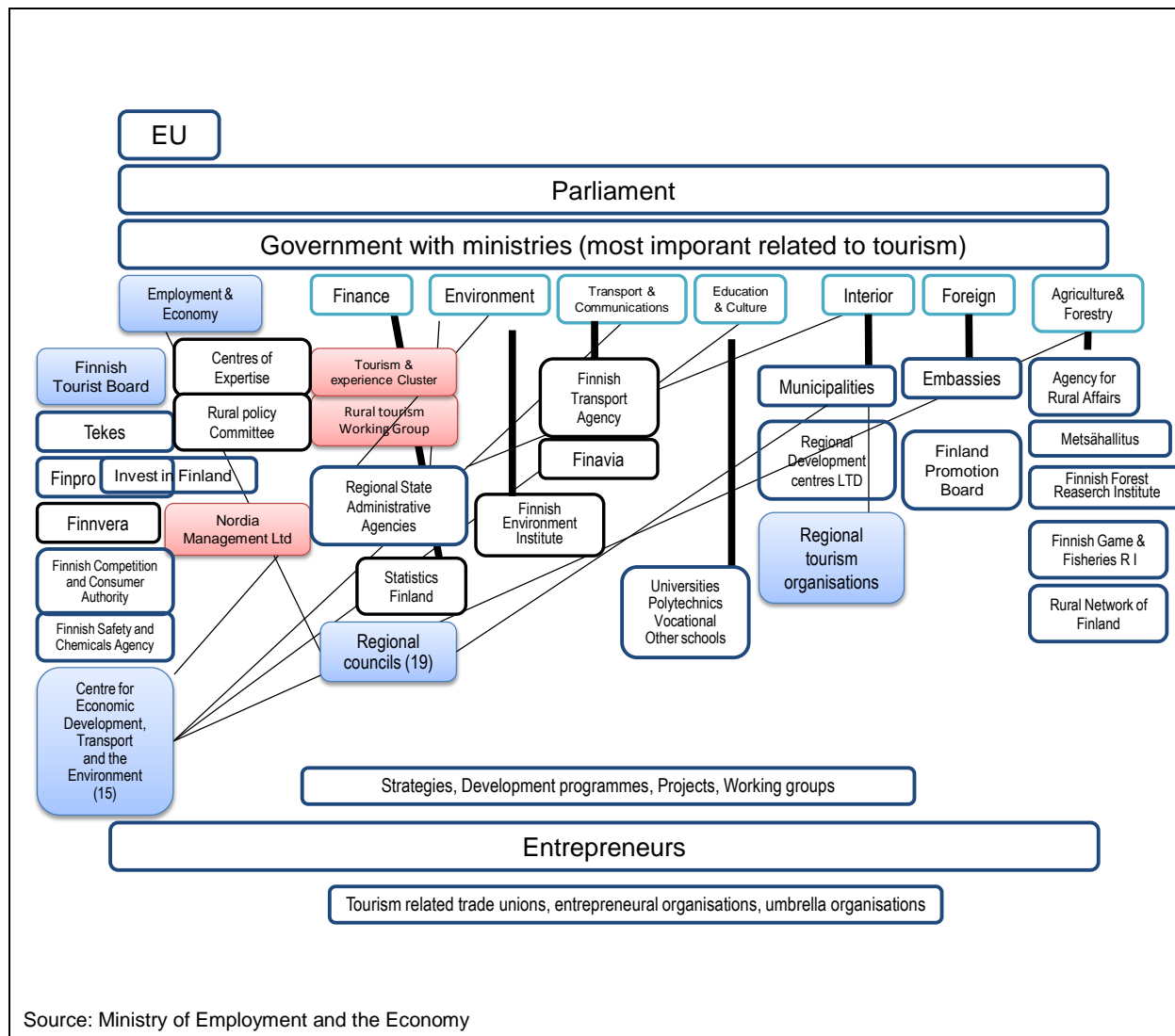
- looks after the interests of tour operators and travel agencies. It is a member of ECTAA, the European Travel Agents' and Tour Operators' Associations. AFTA has more than 160 full members with some 300 offices and around 70 associate members, including airlines, shipping or land transport companies, accommodation businesses and tourism sector magazines.
- presentation in various working groups

The Finnish Ski Area Association (SHKY)

- the umbrella organisation of Finnish ski resorts, has a membership of 76 ski resorts and 47 ski schools. Members represent 99 % of the entire industry's lift ticket turnover.
- presentation in various working groups

2.4 Please provide a diagram/organogram of the organisational structure for tourism identifying the relationship between national, regional and local bodies. Provide also a short description of the core responsibilities and competencies of each of the organisations. Include also information regarding the direct and indirect links between other departments, stakeholder organisations and unions. Information

about mechanisms of decision making process participation from outsider organisations, e.g. forums, advisory committees is also requested. (maximum of 2.000 characters)



2.5 Please provide information about financial data, including spend/budget on tourism as a percentage of overall government spend/budget, the level of national funding support for tourism marketing, the amount of EU funding support made available for tourism and data concerning the support to SMEs and Destinations. (500 characters)

State budget for the year 2012 was 52 billion EUR and state budget for Finnish Tourist Board 10.361 million EUR. The percentage of overall government spend in tourism was 0.02 %. This amount was used in 2012 for tourism promotion by the government.

The amount of funding provided by public sources differs from year to year. Most of it is allocated through regional organisations (Centres for Economic Development, Transport and the Environment and Regional Councils).

According to the main sources (EU rural and structural programmes and national/regional funds) in 2012 tourism related projects were funded with about 22 million EUR. Grants for SMEs investment and development purposes were about 20 million EUR.

3. POLICIES AND STRATEGIES

3.1 Is there a current National Strategy for tourism? Yes No

If yes, please, provide information in bullet point format about the key aims, objectives and priorities of the strategy highlighting those that are designed to address sustainability issues in economic, environmental and social terms in particular those related in the six aims included in the Agenda. In preparing the tourism strategy, explain how consideration has been given to the 9 principles set out in the Agenda (para2.3 p5) and given in the appendix. (maximum 1.000 characters)

Finland's Tourism Strategy to 2020 – 4 good reasons to develop tourism industry in Finland

A revision of the tourism strategy in 2010 concentrates in actions, which can be implemented by the public sector.

Strategic aims are:

- to increase the number of employment in all tourism braches (not only branches, which generate tourism jobs) by 2010 to 171 000 persons (now 130 500 persons). (Finland's inhabitants are now about 5, 4 million persons.)
- tax revenues from all tourism branches are about four billion Euros at the moment – to increase the sum up to 7,5 billion Euros in 2020
- added value of the whole tourism branch is at the moment about 3,8 percent of the GDP – aim is to increase it to 5,1 percent by 2020

The idea is to strengthen the strong points of Finland and to develop tourism destinations and enterprises operating in the networks.

Strategy consist of three sections:

- 1) Developing the tourism sector
- 2) Strengthening of Finland's image as a tourist destination
- 3) Developing general business environment

1) Developing the tourism sector has 6 different actions mentioned very clearly:

- 1.1. Strengthening regional output of tourist destinations and networked tourism enterprises (e.g. investments, electronic systems, networking and marketing of regions)
- 1.2. Strengthening tourism enterprises both domestically and internationally (e.g. theme based tourism product development, promotional activities)
- 1.3. Sustainable tourism product development in regions and tourism enterprises (e.g. planning, energy and traffic solutions, water supply and waste water treatment, solutions, which support choices of future consumers)
- 1.4. Developing education and training (e.g. education in accordance with the need, culture based work-related immigration)
- 1.5. Developing infrastructure in tourism destinations
- 1.6. Better use of information and research in tourism (e.g. statistics, other research information, information data base, industry based research)

2) Strengthening of Finland's image as a tourist destination has two actions:

- 2.1. Promoting Finland abroad (e.g. Finnish Tourist Board, tourism brand image, joint projects and coordination of Finland's image abroad)
- 2.2. Increasing the visibility of Finland abroad (e.g. congresses, meetings, events, incentives, sports and cultural events in Finland)

3) Developing general business environment has three action entities:

- 3.1. Taxation (e.g. VAT, electric and other taxation)
- 3.2. Accessibility of Finland (e.g. railway stations in Helsinki and Tikkurila, when new fast train to St. Petersburg starts, air travel)
- 3.3. Promoting year-round tourism (e.g. staggering of school holidays)

3.2 Who was the initiator and who is responsible for its implementation? (maximum 200 characters)

Finland's Tourism Strategy to 2020 - 4 good reasons to develop tourism industry in Finland was published by the Ministry of Employment and the Economy at the beginning of June 2010. Especially the public sector is responsible for implementing the revised strategy, but in the first hand, the Ministry of Employment and the

Economy.

3.3 How is the strategy monitored and how often? (maximum 500 characters)

Implementation of the strategy is monitored on annual basis and strategy is updated, if necessary, at four-year intervals. The Ministry of Employment and the Economy has appointed in 2012 a working group comprising representatives of the tourism industry to monitor the implementation of the tourism strategy. Revision report of the first three year 2010-2012 was compiled in January 2013. In 2013 the strategy will be revised.

3.4 What tourism specific legislation exists? (maximum 500 characters)

The principal of industrial freedom is very strong in Finland and it means that all EEA residents may carry on legal trade without a license from the authorities. Therefore there are very few tourism specific legislations.

- Consumer Safety Act (920/2011) came in force on 1st January 2012 – named tourism consumer services, service providers shall make a written notification thereof to the surveillance authorities of the municipality in which they intend to provide the service.
- The Act on Accommodation and Food Service Operations (308/2006)
- Package Travel Act (1079/1994)
- Travel Agency Act (1080/1994) and Decree (366/1995)
- Finnish Tourist Board Act (1424/2011) and Decree (1425/2011)

4. MEASURES AND INITIATIVES

This section provides Member States with an opportunity to outline specific initiatives and policies that are or are going to be adopted to manage and develop tourism activity in ways which respond to the key challenges of the Agenda and which fall within the six main aims of the Agenda itself.

1 Economic prosperity

- a. To ensure the long term competitiveness, viability and prosperity of tourism enterprises and destinations.
- b. To provide quality employment opportunities, offering fair pay and conditions for all employees and avoiding all forms of discrimination.

2 Social equity and cohesion

- a. To enhance the quality of life of local communities through tourism, and engage them in its planning and management
- b. To provide a safe, satisfying and fulfilling experience for visitors, available to all without discrimination by gender, race, religion, disability or in other ways.

3 Environmental and cultural protection

- a. To minimise pollution and degradation of the global and local environment and the use of scarce resources by tourism activities.

- b. To maintain and strengthen cultural richness and biodiversity and contribute to their appreciation and conservation.

4.1 Please set out, briefly, the steps which have been or will be taken, if any, to address the 7 key challenges for the delivery of sustainable and competitive tourism, covered in the TSG report and referred to in the 'Agenda'.

4.1.1 Reducing the seasonality of demand. (maximum 200 characters)

- The aim of two national product based programmes (OutdoorsFinland and CultureFinland), is to reduce seasonality/prolong the season by promoting the development of new offering.
- Tourism and Experience Management Cluster Programme has supported the renewal of the tourism industry through intensifying the transfer of knowledge between companies, regions and research centres in Finland. In 2012, over 1000 companies participated in the activities to develop their service offering and business.
- Financial support is also targeted towards the same goal.
- In the tourism strategy, we have written a wish that the Ministry of Education and Culture could reconsider the timing of school holidays during summer and winter holidays. A study on the opinions of entrepreneurs and citizens on the timing of school holidays will be published in 2013.

4.1.2 Addressing the impact of tourism transport. (maximum 200 characters)

- The Ministry of Transport and Communication has special interest in developing public transport. It supports public transportation by raising the standard of the service. The main project related to tourism:
- The air transport strategy project, due to be completed by the end of 2014, is part of the Government Transport Policy Report which was submitted to Parliament in spring 2012.
 - A new rail line to Helsinki-Vantaa airport will be completed by 2014.
 - The Smart Transport Corridor (STC) between Helsinki and St. Petersburg aims to improve sustainable mobility and effective flows of both personal and freight transport by systematically utilising advanced ITS services.

4.1.3 Improving the quality of tourism jobs. (maximum 200 characters)

Our adult education policy is designed to provide a wide range of study opportunities for the adult population. Different institutions arrange a great variety of courses and programmes for adults at all levels of formal education, and the provision of liberal adult education is extensive. For example in 2012 polytechnics provide professional specialisation studies with a scope of 30-60 ECTS credits such as eBusiness in Tourism and Goal oriented service management.

A revise work is in process related to the vocational qualification and the national core curricula which are drawn up by the Finnish National Board of Education in co-operation with employers' organisations, trade unions, the Trade Union of Education and student unions. The vocational education includes a period of on-the-job learning, during which students familiarise themselves in practical assignments required in the occupation and achieve the core objectives of the occupation as laid down in the curriculum.

In 2012 a report was published on anticipation of long-term demand for labour and educational needs, complete with anticipation data relating to demand for labour up until 2025 as well as intake needs for education and training included tourism sector data.

E-learning and modular approaches are developed and offered.

Tourism and Experience Management Cluster Programme has offered strategic capacity for entrepreneurs by providing tools for regional innovation, which contain ready-made operating models and networks for the national and international markets.

4.1.4 Maintaining and enhancing community prosperity and the quality of life, in the face of change.
(maximum 200 characters)

In the nationwide project *Tourism in rural villages* co-operation between businesses is expanded to concern everyone in the village. Tourists are guests of the whole village. For the village, this means earnings for as many inhabitants as possible. The spending of the tourists also helps with maintaining and developing the services in the village. The tourists themselves feel genuinely welcome to join the everyday life in the village. The project will advance the combined development of villages and tourism and increase the tourism expertise in villages. It also considers genuinely all the aspects of sustainable tourism.

4.1.5 Minimising resource use and the production of waste. (maximum 200 characters)

In Finland there are many eco-labels which aim at reducing resource use and the production of waste. In the Tourism Strategy, there is an action which aims at this direction.
In 2012 various guidebooks on energy efficiency in tourism were published for the use of entrepreneurs.
In addition for example a pilot project of a sustainable tourist centre was launched. The project included a carbon footprint counter and an energy cottage service which help customers follow how their own behaviour affects the energy consumption and how to reduce it.

4.1.6 Conserving and giving value to natural and cultural heritage. (maximum 200 characters)

The Ministry of the Environment and the Ministry of Agriculture and Forestry promote the tourism development of the national urban parks and national parks.

The National Forest Programme (NFP) of Finland aims to ensure forest-based work and livelihoods, biodiversity and vitality of forests, and opportunities for recreation for all citizens.

There are various on-going national and regional projects related to the natural and cultural heritage. For example a project charting cultural heritage sites in forests owned by the state - the largest individual cultural heritage field survey project ever carried out in Finland, and Culture Finland –programme aiming to support experiences based on cultural resources.

In spring 2013 will open a new Finnish Nature Centre, Haltia, presenting the best of Finland's natural features and biodiversity, and enable people living in or visiting the Helsinki area to get perspectives on the natural wonders of the whole country.

4.1.7 Making holidays available to all. (maximum 200 characters)

A Finnish partner has taken part in the project "Calypso" since 2011.

In 2012 there were ongoing projects such as

- *Active for Life*, a Finnish lead pilot action in Baltic Sea Region which is addressing the ageing challenge seeking to identify specific needs from the ageing population with potential for generating new innovative, globally competitive services and business opportunities
- *Accessibility in Lapland's sport and nature tourism services* and the education needs and wishes related to the accessibility.

4.2 As key challenges may change over time, please identify any other areas that are becoming a new challenge. (maximum 600 characters)

Sustainable development will stay as a key challenge, but it will get new dimensions for example climate change. Growing Russian market – and challenges of travel facilitation related to that.
Safety and security in tourism.

4.3 Please identify and describe a specific initiative, which is related to the 7 key challenges, that is innovative/ successful and which would be of interest to or of help to other Member States. (maximum 2.000 characters)

Relates to 1 and 4.

Experience Labs

Experience labs run by Tourism and Experience Management Cluster Programme are an adaptation of the living lab model for the specific R&D&I needs of the tourism and experience management sector, where innovations are

co-created with real users, i.e. tourists in real life environments. As per its strategic priorities, Cluster programme acts as facilitator for the process, collecting together interested (often competing) parties who want to work together for growth, innovation and renewal. The challenge in many destinations is that every service provider acts alone. To work towards a better, holistic experience for tourists to find, buy and experience the destination, a tailored 5 step process and tools have been developed using the best practices from the Cluster Programme. This process allows Experience lab network, consisting of ten competing players to work on

- defining a common goal,
- work on joint branding and co-marketing,
- increase consumer understanding,
- develop new service concepts
- market through latest channels, especially in internet.
- integrated, long-term development and follow-up of the development processes
- connecting consumers + businesses + R&D + public sector

5. MECHANISMS FOR IMPLEMENTATION

Three mechanisms for implementing the Agenda were identified in the “Agenda”: sustainable destinations, sustainable businesses and responsible tourists.

5.1 Sustainable destinations: What support is given to strengthen destination management at the regional/ destination level (supportive policy environment, knowledge networks, training programmes, establishment of measures/indicators for benchmarking, etc.)? (maximum 600 characters)

The development of tourism centres and their spheres of influence is one of the two strategic focus areas in Finland’s national strategy for tourism. Therefore financial support has been granted along these lines.

DQN – (destination quality net) is a 2,5-3 year programme for tourist destinations and centres, consisting of research, training and development aiming at the establishment of continuous quality work, follow-up of this work, and systematic improvement of quality and the sustainability. There is a special Green DQN concentrating on quality and environmental issues.

See 4.3.

5.2 Sustainable businesses: What support is given to strengthen the sustainability and competitiveness of businesses (supportive policy environment, orientation of business support services to sustainability, training, financial incentives, etc.)? (maximum 600 characters)

The initiative of the Ministry of Employment and the Economy: energy effectiveness agreements. Financial support, various training programmes, pilot projects, guidebooks, tools and seminars aimed at businesses to strengthen their sustainability and competitiveness.

5.3 Responsible tourists: What support is given to promote responsible choices by tourists (e.g. sustainability in education, national marketing and media campaigns, promotion of certification schemes)? (maximum 600 characters)

No initiatives in 2012

6. DATA AND INDICATORS

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators². These are mainly related to the aim of 'economic prosperity'.

Please, identify indicators that are being used or developed which could add to the range of information being provided by Eurostat, particularly in relation to social and environmental issues (other indicators from the TSG report, visitors/ residents satisfaction, etc.). (maximum 500 characters)

- The economic impacts of National Parks
 - Border Interview Survey: Foreign Visitors in Finland

7. COMPLEMENTARY ADDITIONAL INFORMATION

If necessary use the following box to provide additional complementary information that has not already been covered.

² These indicators have been selected from the 50 TSG indicators on the basis of the possibility to calculate them at the European level.

APPENDIX

Principles of sustainable tourism:

- **Taking a holistic and integrated approach**

All the various impacts of tourism should be taken into account in its planning and development. Furthermore, tourism should be well balanced and integrated with a whole range of activities that affect society and the environment.

- **Planning for the long term**

Sustainable development is about taking care of the needs of future generations as well as our own. Long term planning requires the ability to sustain actions over time.

- **Achieving an appropriate pace and rhythm of development**

The level, pace and shape of development should reflect and respect the character, resources and needs of host communities and destinations.

- **Involving all stakeholders**

A sustainable approach requires widespread and committed participation in decision making and practical implementation by all those implicated in the outcome.

- **Using best available knowledge**

Policies and actions should be informed by the latest and best knowledge available. Information on tourism trends and impacts, and skills and experience, should be shared across Europe.

- **Minimising and managing risk – the precautionary principle**

Where there is uncertainty about outcomes, there should be full evaluation and preventative action should be taken to avoid damage to the environment or society.

- **Reflecting impacts in costs – user and polluter pays**

Prices should reflect the real costs to society of consumption and production activities. This has implications not simply for pollution but for charging for the use of facilities that have significant management costs attached to them.

- **Setting and respecting limits, where appropriate**

The carrying capacity of individual sites and wider areas should be recognised, with a readiness and ability to limit, where and when appropriate, the amount of tourism development and volume of tourist flows.

- **Undertaking continuous monitoring**

Sustainability is all about understanding impacts and being alert to them all the time, so that the necessary changes and improvements can be made.