

ANNUAL TOURISM REPORTING TEMPLATE FINLAND 2010

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

Between the ministries involved in tourism related matters non obligatory working group called **Inter-ministerial working group** which consist of:

- **Ministry of Employment and the Economy (4 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)**
- **Centre for Economic Development, Transport and the Environment for Southwest Finland (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)

Consumer Agency/Ombudsman

- responsible for ensuring that consumer goods and services comply with the requirements in the Product Safety Act and do not present a risk to consumers' health or property
- supervision of package travel companies

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. investments, development and training) 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
- The area of responsibility covering business and industry, the labour force, competence and cultural activities encompasses the following duties:

- Advisory, financing and development services for enterprises
- Developing trade and industry and innovation environments
- Regional labour and industrial policy
- Developing the agriculture and rural industries
- Promoting the fishing
- Immigration, integration of immigrants and employment
- Promoting co-operation in adult education
- Forecasting developments in business and employment trends, and skill and educational needs
- Planning, procurement and follow-up of vocational and adult education
- Enhancing the competence of teaching staff and developing student guidance
- Promoting culture and the creative economy
- Library services, sports and physical training services and youth services
- Structural Fund tasks
- Co-operation with neighbouring areas and international activities

- The following duties are handled under the Transport and Infrastructure area of responsibility:

- Road projects
- Transport system management
- Public transport
- Island traffic
- Traffic safety
- Transport permits
- Traffic management
- Assessment of basic transport services
- Traffic customer service

- The following duties are handled under the Environment and Natural Resources area of responsibility:

- Reporting and monitoring the state of the environment
- Environmental and landscape protection
- Environmental protection
- Steering and monitoring of land use
- Use and management of water 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
- organisation has been changed at the beginning of 2010

Regional Councils

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

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

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 organisation

Association of tourism organisations in Finland

- Serves as an umbrella 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.
- VTOF itself has no commercial intentions.
- Some examples of member organisations:

Helsinki Expert Ltd:

- a multi-purpose travel agent and a complete destination management company.
- tailored programmes
- Helsinki city sightseeing
- Products cater for individual travellers and groups of all sizes

Levi Tourist Office

- The Levi Tourist Office acts as an agent for Levi's widest range of accommodation alternatives and programme services.
- Tourist office also conveniently handles conference and group travel arrangements.

Karelia Expert Tourist Service Ltd

- accommodation, congress services, tours in east of Finland

GoTampere Ltd

- adventures, accommodation reservations, tourist services, packages and group programmes in the Region of Tampere

Turku Touring

- provides groups with pre-packaged theme tours of Turku and Southwest Finland
- In addition to pre-packaged tours, Turku Touring plans tailor-made programs where individual requests can be accommodated.

Porvoo Tours Ltd

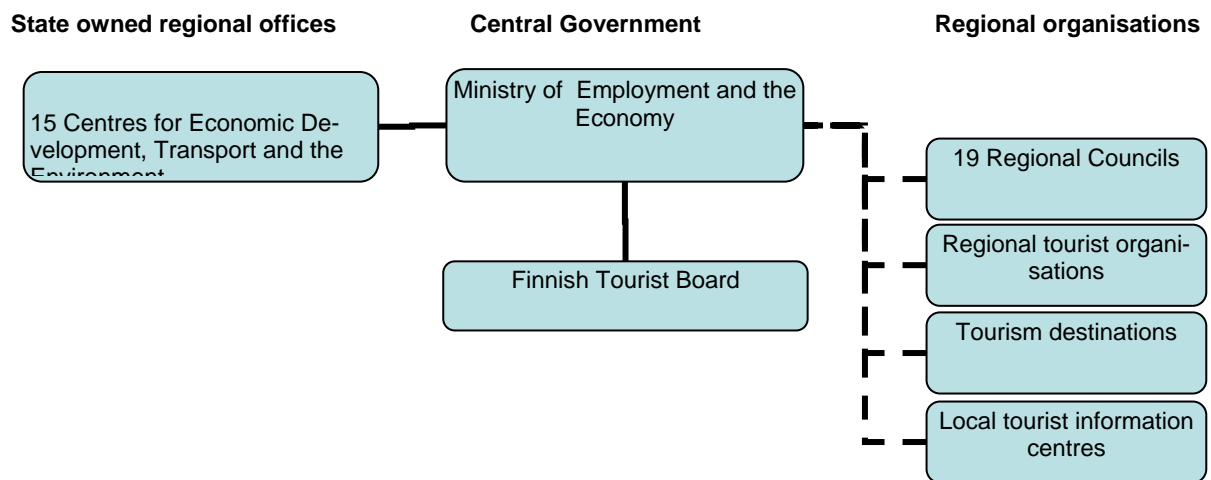
- Porvoo Tours is a licensed full service tour operator in the Porvoo, Loviisa and the province of Eastern-Uusimaa region.
- serves groups as well as individuals coming to Porvoo together with Porvoo City Tourist Information office.

Häme Tourist Service Ltd

- travel agent
- touristic services in Häme region

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)

Figure Organisational chart of tourism bodies in Finland



Source: the Ministry of Employment and the Economy, 2009

2.5 Please provide information about financial data, including spend on tourism as a percentage of overall government spend, 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 2010 was **50 billion EUR** and state budget for **Finnish Tourist Board 9.779 million EUR**. The percentage of overall government spend in tourism was 0,019558%. This amount was used in 2010 to tourism promotion by the government.

The amount of funding provided by public source differs from year to year. Most of it is allocated through regional organisations (Centres for Economic Development, Transport and the Environment and Regional Councils). The amount of funding has been studied separately. The third study has been made recently.. The first study is made of the period 1995-1999 and the second 2000-2003. The third study is made of the period of 2007-2010.

According to the latest study in Finland we had 2482 partly or wholly publicly funded projects for tourism in 2007-2010. Of these, 395 were national projects while 2087 were partly EU-funded. The share of public support of total funding was 245,6 million Euros. Compared to the study on 2000-2003 the funding has increased per project, while the number of projects has decreased. Public EU-funding of a project is now 98 900 euros/project. national projects' public funding was 32,8 million euros, so it makes

3. POLICIES AND STRATEGIES

3.1 Is there a current National Strategy for tourism? Yes we have revised our tourism strategy in 2010.

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

We made a revision of the tourism strategy in 2010 committing ourselves in developing tourism sector in Finland on the basis of the former strategy, but by cutting all the unnecessary branches away and concentrating in actions, which can be done 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

Idea is to strengthen the strong points of Finland and to develop tourism destinations and enterprises, which are in their backyard.

The most important part of the strategy is the suggestion, that new government (to be selected spring 2011) would appoint a strategic tourism programme to the Ministry of Employment and the Economy for 2011 up to 2015. The government hasn't been appointed yet, and we don't know yet, if we'll get the strategic programme for tourism, nominated by the government.

Strategy consist of three sections:

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

1) Developing 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 of tourism enterprises both domestically and internationally (e.g. theme based tourism product development, promotional activities)
- 1.3. Sustainable tourism product development in regions and in 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. Promotion of Finland abroad (e.g. Finnish Tourist Board, tourism brand image, joint projects and co-ordination of Finland's image abroad)
- 2.2. Increase 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 in Tikkurila, when new fast train to St. Petersburg starts, air travel)
- 3.3. Promotion of year-round tourism (e.g. staggering of school holidays)

Strategic goals

- To create the preconditions for the development, growth and competitiveness of year-round tourism and related business operations
- To pursue growth from international markets, but to develop also the domestic tourism
- increase profit-making growth by getting and putting effort to development of domestic tourism

- To create competitive edge by ensuring fluent accessibility to Finland and to its tourism centres
- To develop attractive, premium-quality, easily available tourism products
- To create networked, proactive and long-term method for developing tourism

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 in 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 three-year intervals. Now, we made the first revision on 2010.

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

Very few; tourism specific legislation consists by law. Accommodation establishments have to give to the passenger to fill in so called "matkustajakortti" e.g. passenger card, which has questions about the stay of persons in accommodation establishments. The Act on Accommodation and Food Service Operations (308/2006) entered force on 1 October 2006 and it replaced the Decree on Providers of Accommodation and Food Services. The provider of accommodation services must report each passenger arriving at the place of accommodation.

In addition to hotels, the obligation to file a passenger report (so-called passenger card) concerns also entrepreneurs providing farmhouse accommodation, bed and breakfast accommodation, and other accommodation services – such as holiday apartments – as well as providers of camping services.

The passenger reports have to be kept for the duration of one year. Passenger information concerning foreign travellers must be delivered without delay to the police station of the jurisdictional district within the territory of which the unit of accommodation maintained by the entrepreneur is located.

Study is done about tourism legislation in Finland. The goal of the study was to get an overview of the impacts legislation and other regulations and costs they might have on enterprises in tourism. One of the actions in the investigation was make a comparison between legislation and demands in some European countries compared to the Finnish legislation.

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. There are several exceptions to this general rule. Licensed trades are governed by special legislation according to which you may operate in certain trades. Sometimes an entrepreneur does not need to have a license but is required to deliver a written notification to authorities and sometimes the

company needs to set up a guarantee sum to protect the clients. Licensed or otherwise more regulated trades in tourism are the following trades:

- Alcohol production, import, sales etc.
- Restaurants, coffee shops, accommodation services, etc.
- Railway services
- Taxi services, charter traffic
- Air traffic, airports
- Circus, movies etc.
- Kiosks
- Packaged tours

All other fields of trade are so called open businesses where the state regulation is smaller and almost anybody can start to operate freely.

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)

No action. 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. Nothing has happened so far.

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 will support public transportation in big urban regions by raising the standard of the service.

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

No actions

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

What does this question means?

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

No governmental actions. In Finland there are a lot of eco-labels which aim at reducing resource use and the production of waste. In the Tourism Strategy, there is action (1.3.), which aims at this direction.

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 designation of national urban parks became possible in Finland in 2000, when the renewed Land Use and Building Act was passed, with provisions on the establishment and management of such areas: "A national urban park may be established to protect and maintain the beauty of the cultural or natural landscape, historical features, or other such values related to the townscaping, social, recreational or other special aspects of an area

within an urban environment." Four national urban parks have so far been established in Finland, in Hämeenlinna (2001), Heinola (2002), Pori (2002) and Hanko (2008). Many other Finnish towns and cities are currently investigating opportunities to set up their own urban parks.

- National heritage services does sustainable nature based tourism plans to national parks of Pallas-Yllästunturi and Pyhä-Luosto.

- The procedure of the selection of the destinations of excellence **Destination of Excellence in Finland** (two awarded destinations) is a project which aims at conserving and giving value to natural and cultural heritage in Finland. At the national level, it was regarded as a tool to advance the general objectives of the cultural tourism, such as, to promote commercialization of the local and cultural attractions, to encourage business networks to develop new tourism offer based on intangible heritage as an asset and to improve the visibility of new destinations, which have created new tourism offer, based on local intangible attractions and on a way of living/know-how. Additionally, at more concrete level the purpose of the projects was to give impetus for the development of a follow-up indicator method for the evaluation of the sustainable development of tourism destinations at an early stage.

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

No action. The project "Calypso" will start during 2011.

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 us a key challenge, but it will get new dimensions for example climate change.

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)

No action

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.

Also see **4.1.6 Destinations of Excellence in Finland** will continue through the first and the second project.

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.

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)

We do not market nationally in Finland, but only abroad. No initiative.

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)

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

7. COMPLEMENTARY ADDITIONAL INFORMATION

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

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.