

## ANNUAL TOURISM REPORTING TEMPLATE FINLAND 2008

### 1. INTRODUCTION

Council Decision 86/664/EEC of 22 December 1986<sup>1</sup> 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.

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

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**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**
- **Ministry of Agriculture and Forestry**
- **Ministry of Transport and Communication**
- **Ministry of the Environment**
- **Ministry of Education**
- **Ministry of foreign affairs of Finland**

**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

### **Employment and Economic Development Centres**

- 15 Employment and Economic Development Centres (T&E Centres)
- have responsibility for tourism development projects (e.g. investments, development and training) in regions
- three sections:
- Business and Entrepreneurship: provide advice and consultancy on establishing, developing and internationalisation business

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- Labour and Employment: provides information on migration, labour market training, employment-based aid, pay security and employment offices.
- Rural industries: developing rural industries – a prerequisite for rural vitality – with a view to improving agricultural and forestry competitiveness and promoting fishery and other rural industries.

Organisation has been changed at the beginning of 2009.

### **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**

- operates as a guardian for tourism related industries
- 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 to supervise 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**

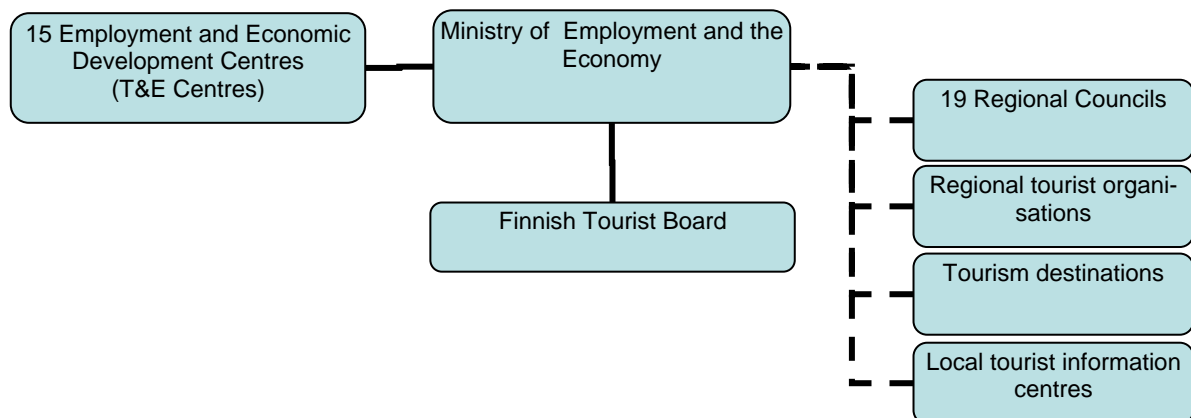
- Porvoo Tours is a licensed full service tour operator in the Porvoo, Loviisa and the province of Eastern-Uusimaa region.
- serves groups as well as individuals coming to Porvoo together with Porvoo City Tourist Information office.

**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: OECD, adapted from 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)

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State budget for the year 2008 was **45 079 581 000 EUR** and state budget for **Finnish Tourist Board 16 088 000 EUR**. The percentage of overall government spend in tourism was **0,03587 %**. This amount is used directly 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 (Employment and Economic Development Centres and Regional Councils). The amount of funding has to be studied separately. Two studies have been made. The first study is made of the period 1995-1999 and the second 2000-2003.

**During the period 2000–2003 a total of 3,555** partly or wholly publicly funded projects for the promotion of tourism were implemented. Of these, 445 were national projects while 3,110 were partly EU-funded. The share of public support of total funding was 260.7 million Euro. Almost half of the project support (44%) was allocated to the further development of touristic services, approximately one third (35%) to the further development of operative activity and approximately one fifth (21%) to support for enterprises.

During the period 2000–2003 a total of 3,110 projects financed in part by the EU were implemented, the amount of public support being 211.7 million Euro. Comparison of projects retrieved from the project register in a similar manner between the periods 1995–1999 and 2000–2003 show that the number of **EU-funded projects in tourism diminished by 14 per cent and the share of all EU-funded projects fell from 8.3 per cent to 6.8 per cent.**

### 3. POLICIES AND STRATEGIES

**3.1** Is there a current National Strategy for tourism? Yes

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 & Action Plan for 2007-2013**

Strategy values

- Profitable and productive business activity
- Sustainable tourism
- Safety and security
- Delivering on commitments made to customers
- Finnishness

Strategy consist of two parts:

- The actual Tourism Strategy, which establishes long term guidelines for the development

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- The Tourism Action Plan 2007 – 2013, which is a tool for implementation of the goals

### Two Strategic focus areas:

- The development of tourism centres and their spheres of influence
- The development of theme-based products and services

### 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

### Action Plan 2007 – 2013

- Reinforce the image of Finland
- Ensure an uninterrupted service chain from product development to after-sales activities
- Ensure fluent accessibility
- Reinforcing high level of professional skills in tourism
- Establishing a functional infrastructure
- Supporting tourism business by improving regulation environment
- Clear division of tasks between tourism operators
- Effective targeting of existing resources

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

Finland's Tourism Strategy to 2020 & Action Plan for 2007-2013 is published by Ministry of Trade and Industry. Nowadays the name of the ministry is The Ministry of Employment and the Economy. Strategy has been drawn up through extensive co-operation with tourism industry, a couple of thousand active operators from around the country contributing to its content, in addition to the Tourism strategy Working Group.

### 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 the strategy is under revision. The revision will be ready during the first quarter of 2010.

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

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

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

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- 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

**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)

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**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.



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

- The Ministry of the Environment promotes 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 destination of excellence **Destination of Excellence in Finland** 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 project 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

### 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.

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**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 Destination of Excellence in Finland** will continue through the first and hopefully 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)

**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)

**6. DATA AND INDICATORS**

Eurostat will provide, as an annex, the key statistical data required to support the reporting process covering around 20 indicators<sup>2</sup>. 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)

**7. COMPLEMENTARY ADDITIONAL INFORMATION**

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

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<sup>2</sup> 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.