



STATE OF THE TOURISM INDUSTRY

in the Baltic Sea Region - 2019 Edition





BALTIC SEA
TOURISM CENTER

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Photo by: Juho Kuva, Visit Finland

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Lobby for the BSR tourism industry

Welcome to the second edition of the report on the [State of the Tourism Industry in the Baltic Sea Region](#). After the successful launch of the 2018 edition, the Baltic Sea Tourism Center (BSTC) decided to publish an updated version to highlight the developments of the tourism industry in the 2014 to 2017 period.

While we incorporated a number of improvements to the report, the motivation to produce the publication is still the same: provide an [overview](#) (for the hurried reader) as well as [detailed, comparable data](#) (for the more analytical reader) about the characteristics of the Baltic Sea Region tourism industry.

Providing such data is not an end in itself but rather the attempt to make stakeholders from politics, business, and science aware of the current [economic impact](#) as well as the potential for [sustainable economic development](#) of the tourism industry around the Baltic Sea. To do so, a set of key performance indicators (KPI) have been identified which provide an overall profile of the tourism industry in the Baltic Sea Region. On the other hand, these KPIs also enable a [benchmark of regions and subregions](#) - highlighting areas of strengths (and sometimes weaknesses). Consequently, the State of the Tourism Industry Report in the Baltic Sea Region intends to be a reliable information source for those willing to lobby for the tourism industry.

The BSTC is committed to provide such information also in the future. To optimize the effort to create the report and at the same time provide a platform for those wanting to contribute to the positive perception of the tourism industry, the [BSTC has created the BSTC Tourism Market Monitor \(BSTC TMM\)](#) - an electronic platform for sourcing and analyzing tourism data with relevance for the Baltic Sea Region. The BSTC welcomes further contributors and users of this platform - in an effort to strengthen the availability of a common data set for BSR tourism stakeholders.

Let's lobby together to grow a strong industry even stronger.

BSTC Management Team

P.S. ... and if you are asked about the BSR tourism industry, keep three facts in mind: [“617,100 people provide 225 million overnight stays - 25 per cent by international visitors.”](#)

Baltic Sea Tourism Industry 2014 - 2017

GUESTS

225 MILLION
OVERNIGHTS ▲12.2%
(CAGR 3.9%)



56 MILLION
INTERNATIONAL
OVERNIGHTS ▲15.5%
(CAGR 4.9%)



86 MILLION
ARRIVALS ▲14.2%
(CAGR 4.5%)

ECONOMIC IMPACT

THERE ARE
617,100+
PEOPLE EMPLOYED DIRECTLY IN
TOURISM RELATED INDUSTRIES ▲9.4% (CAGR 3.0%)



DEPENDING ON THE REGION BETWEEN
1.9% AND 4.6%

IS THE TOURISM'S DIRECT CONTRIBUTION TO GROSS DOMESTIC PRODUCT

TOP 1 INTERNATIONAL SOURCE MARKETS



DEPENDING ON THE BSR DESTINATION
**GERMANY, RUSSIA, FINLAND, NORWAY &
BELARUS**
IS THE TOP 1 INTERNATIONAL SOURCE MARKET

CAGR: Compound Annual Growth Rate



Tourism Industry in the Baltic Sea Region

The tourism industry in the Baltic Sea Region (BSR) - in a narrow definition¹ - is an economic powerhouse as the key performance indicators confirm. In 2017 the BSR tourism industry ...

- generated 86 million international arrivals (+15.5 per cent from 2014 or CAGR of +4.5 per cent),
- registered 225 million overnight stays (+12.2 per cent from 2014 or CAGR of 3.9 per cent),
- of which 56 million overnight stays by international visitors were recorded - equal to 25 per cent of all overnight stays (+15.5 per cent from 2014 or CAGR of 4.9 per cent),
- directly provided jobs for more than 617,000 (+9.4 per cent from 2014 or CAGR of 3.0 per cent).

The basis for this strong position of the BSR tourism industry is confirmed in a European comparison. In 2017 three BSR destinations succeeded to be in the top ten destinations of UNWTO (UNWTO, 2018); this includes Germany, the Russian Federation, and Poland. Although all three countries only have a fraction of their tourism destinations located along the Baltic Sea coastline, there is a clear indication about the relevance of the coastal tourism for the overall national tourism: in Germany nearly 17 per cent of all overnight stays are recorded in the coastal provinces of Hamburg, Mecklenburg-Vorpommern and Schleswig-Holstein while in Poland 32 per cent of all overnight stays are generated in the coastal regions of Zachodniopomorskie, Pomorskie and Warmińsko-Mazurskie.

¹ In a practical geographical definition it includes Denmark, Estonia, Finland, the German Baltic Sea provinces of Hamburg, Mecklenburg-Vorpommern and Schleswig-Holstein, Latvia, Lithuania, the Polish Baltic Sea regions Zachodniopomorskie, Pomorskie and Warmińsko-Mazurskie, and Sweden.

Arrivals and overnights

With a share of close to 25 per cent international visitors (based on number of overnight stays), the BSR compares favourably with other European macro-regions. However, when analyzing the TOP source markets for the BSR destinations, it becomes obvious that a considerable part of international visitors is based on inner-BSR travel (= border-crossing travel from one BSR country to the other) with Germany being the number one source market for both neighboring Denmark and Poland while the Russian Federation - although with significantly lower absolute numbers - is the number one source market both for Finland and Latvia. Developments show that the number of Russian visitors has increased significantly in all BSR destinations. Norway is the top source market for neighboring Sweden, Finland is the top source market for the Estonian tourism industry while Belarus is the main source for international tourists in Lithuania.



Photo by: Harri Tarvainen, Visit Finland



While the top source markets for BSR destinations (based on number of international arrivals) remained relatively stable in the 2014 - 2017 period, there are some noticeable developments:

- The **increasing importance of Russia** as a source market has already been noted.
- In the context of the BREXIT decision, the importance of the **United Kingdom** as a major source market for Denmark, the German Baltic Sea Coast, the Polish Baltic Sea Coast and Sweden needs to be considered - whether this will be a challenge cannot be said yet, but it is a situation to be observed closely in the coming years.

Top source markets for Denmark:	➊ D	➋ N	➌ S	➍ UK	➎ USA
Top source markets for Estonia:	➊ FIN	➋ RUS	➌ LV	➍ D	➎ S
Top source markets for Finland:	➊ RUS	➋ S	➌ EST	➍ D	➎ UK
Top source markets for German Baltic Sea Coast Region:	➊ DK	➋ S	➌ CH	➍ NL	➎ UK
Top source markets for Latvia:	➊ LT	➋ D	➌ RUS	➍ EST	➎ FIN
Top source markets for Lithuania:	➊ BY	➋ LV	➌ RUS	➍ PL	➎ D
Top source markets for Polish Baltic Sea Coast Region:	➊ D	➋ S	➌ RUS	➍ UK	➎ DK
Top source markets for Sweden:	➊ N	➋ D	➌ DK	➍ USA	➎ UK

Table 1 Top 5 Source Markets in the BSR (International Arrivals, 2017)

Note: BY = Belarus, CH = Switzerland, D = Germany, DK = Denmark, EST = Estonia, FIN = Finland, LV = Latvia, LT = Lithuania, N = Norway, NL = Netherlands, PL = Poland, RUS = Russian Federation, S = Sweden, UK = United Kingdom, USA = United States of America

Source: BSTC TMM, 2019



Economic impact

The impact of an industry sector on a region’s economic development of the region is frequently measured by employment and the contribution to the gross domestic product (GDP). This report is no exception to the rule of this approach. However, the “State of the Tourism Industry Report” does take a more conservative approach in presenting the economic impact of the industry: the report considers the **direct contribution to the region’s employment** as well **contribution to the region’s GDP** - thus avoiding the often sky-rocking (and misleading) high indirect contributions.

The contribution of the **direct GDP** generated by the BSR tourism industry as a share of the overall GDP generation indicates the importance of the sector to the individual regions economic development. In 2017 the tourism GDP as a percentage of the overall GDP generation ranges from a low 1.8 per cent in Lithuania to a high 4.6 per cent in Latvia. In Lithuania and Latvia this number corresponds with the share of employment (1.9 per cent in Lithuania respectively 4.6 per cent in Latvia).

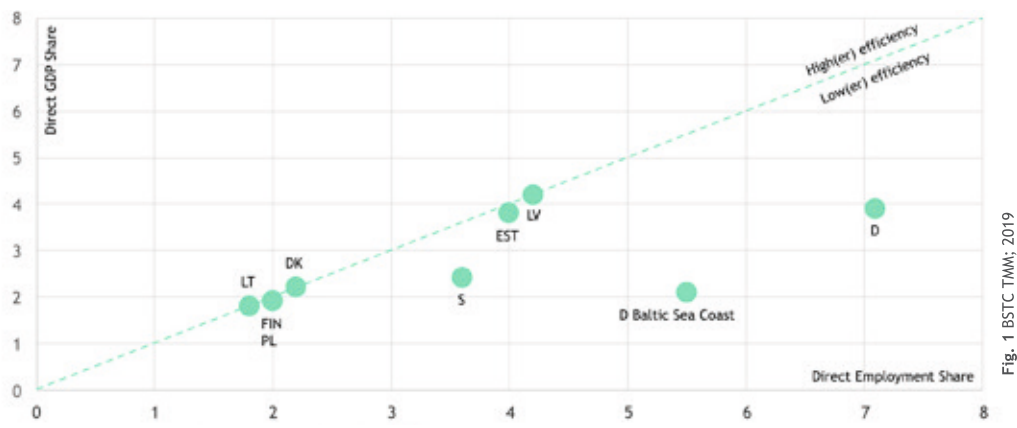


Fig. 1 BSTC TMM; 2019

Considering the contribution of the direct employment by the tourism industry to the overall employment in the BSR, a positive development can be identified: between 2014 and 2017, the **direct employment** of BSR tourism industry **increased by 9.4 per cent** (CAGR = 3.0 per cent) to a total of more than **617,100** jobs directly provided. The major labour markets can be found on the German Baltic Sea coast with more than 184,000 employees, closely followed by Sweden with 180,000 employees in the tourism industry.

Comparing the employment share with the GDP share provides initial hints on the **efficiency of the tourism industry** in the respective country / region. If employment share and GDP share show approximately the same figures (like Denmark or the three Baltic States), this points towards a well developed market - with potential for further efficiency gains. In markets where the GDP share is significantly higher than the employment share, these efficiency gains have already been realised while in tourism markets with an employment share being significantly higher than the GDP share (like Germany) efficiency gains are not realized yet.



Tourism policy

Considering the economic importance of the tourism industry for the BSR as a whole as well as for individual regions, it is worth noting that not all regions put the travel and tourism industry high on the political agenda. In an analysis of the WEF World Economic Forum (Blanke, J. and T. Chiesa, 2013; Crotti, R. and T. Misrahi, 2015; Crotti, R. and T. Misrahi, 2017), a **prioritization of travel and tourism as part of national policies** is performed. Specific indicators include: how much governmental budget is spent on the industry, the brand strategy of the country, and the availability and actualization of the data. According to the 2017 World Economic Forum analysis (Crotti, R. and T. Misrahi, 2017), Germany is the best performing country (rank 3 out of 136 countries) while national tourism policy in Latvia and Lithuania shows room for improvement (rank 54 respectively 56 out of 136 countries).

Tourism industry performance

To analyse the tourism industry in the individual BSR countries (and regions in the case of Germany and Poland), key performance indicators (KPI) have been applied. These **KPIs include**: the number of tourist arrivals (year 2017), the number of overnight stays (year 2017), the number of international overnights (year 2017), the direct employment in the tourism industry (year 2017), the tourism sector gross domestic product (year 2017) as well as the WEF travel and tourism competitiveness index (year 2017). Based on the KPIs, the individual BSR countries and regions can ranked be as following:

Key Performance Indicator	DK	EST	FIN	D ¹	LV	LT	PL ²	S
Number of tourist arrivals (mio.)	4	6	3	2	8	7	5	1
Number of overnights (mio.)	3	7	5	1	8	6	4	2
Intern. overnights (% of total)	4	2	5	8	1	3	7	6
Employment tourism industry (% of total)	6	3	7	1	2	8	5	4
Tourism sector GDP (% of total)	4	2	6	5	1	7	na	3
Travel and Tourism Competitiveness Index	2	4	3	na	5	6	na	1

Table 2 Ranking of BSR Destinations based on KPIs (2017 data)

Note: (1): German Provinces ("Länder") Hamburg, Mecklenburg-Vorpommern and Schleswig-Holstein only;
 (2): Polish Regions Zachodniopomorskie, Pomorskie and Warmińsko-Mazurskie only
 D = Germany, DK = Denmark, EST = Estonia, FIN = Finland, LV = Latvia, LT = Lithuania, PL = Poland, S = Sweden, na = data not available
 Source: BSTC TMM, 2019



National & Regional Profiles in the BSR

The following chapters provide a detailed overview of the tourism industry in the individual BSR countries, namely Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, and Sweden.

Although considerable efforts have been undertaken by the BSTC, so far no comparable statistical material on **regional tourism industry data** for the Russian Federation, namely the federal city of St. Petersburg as well as Leningrad and Kaliningrad oblasts, has been identified. The BSTC will continue its research into relevant Russian data sources and - once available at justifiable efforts - will include this data in future editions of this report.

Where data availability is satisfactory, for Germany and Poland only, the provinces linked to the Baltic Sea tourism are included in the presentation to provide a more realistic picture of the BSR tourism industry. Data in this report is not comparable to earlier versions, since the geographical definition of the Polish Baltic Sea Coast Region has been adapted to reflect actual travel patterns. Consequently, in this report the following **definition of the Baltic Sea Region in the context of the tourism industry** is used:

- Baltic Sea Region = Denmark, Estonia, Finland, Latvia, Lithuania and Sweden PLUS
- German Baltic Sea Coast Region = Länder of Hamburg, Mecklenburg-Vorpommern and Schleswig-Holsten PLUS
- Polish Baltic Sea Coast Region = Zachodniopomorskie, Pomorskie and Warmińsko-Mazurskie voivodships

To provide an understanding of the different regional (and sub-regional) tourism markets in the BSR, a set of key performance indicators have been identified. These are meant as a minimum data set enabling comparisons. More detailed data on the different markets is available at the BSTC for individual analysis.

The data is based on the BSTC Tourism Market Monitor (TMM) database, which is populated by various data sources of regional, national and international origin. Due to data availability, **comparability of data cannot always be guaranteed**. Therefore, the data presented needs to be analysed with caution.



Photo by: bstc.eu



The data provided in this report is sourced from credible organisations, including (but not limited) to [Eurostat](#) (the statistical service of the European Union), the statistical services of [OECD](#), the [WEF World Economic Forum](#) as well as the [WTTC World Travel and Tourism Council](#). As mentioned, the primary concern is the comparability of data across regions (and sub-regions) in the BSR. Therefore, for individual regions more recent data might already be available by national statistical office, but for reasons of data comparability, these have not been used in this report.

As a general rule this report takes a [conservative approach](#) in presenting the KPIs for the tourism industry. For example, the number of overnights (including international overnights) used in this report does not include overnights in holiday homes.

Holiday homes are an important segment of a number - but not all - BSR destinations; consequently, the data on overnights in this report might underestimate the performance of some markets.

It also needs to be highlighted that for sub-regions like the [German Baltic Sea Coast Region](#) or the [Polish Baltic Sea Coast Region](#) (which are not statistical entities), no ready-made statistical material is available. In these cases, the data has been calculated by the BSTC. Again, great care has been taken to ensure data comparability.

All data is stored in the BSTC TMM database and the BSTC is constantly seeking to include additional data which (preferably) is available as open data. Suggestions for additional data entities are therefore welcome.

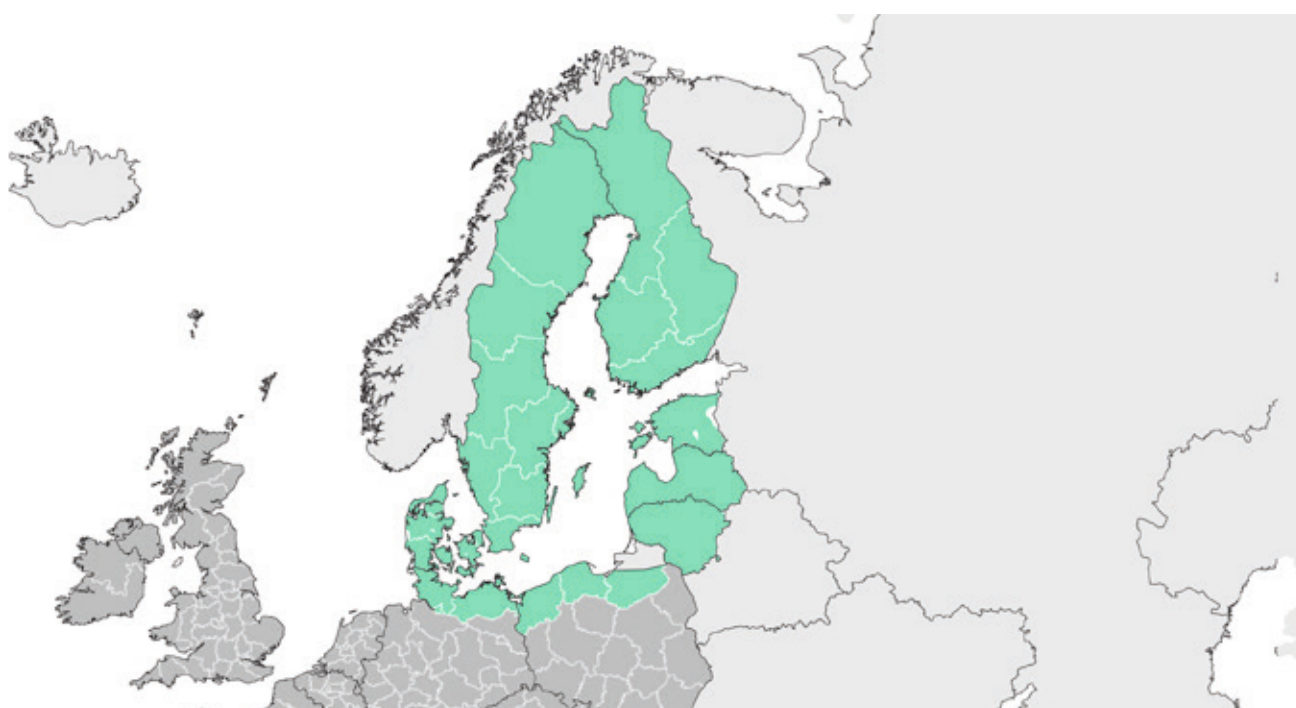


Fig. 2 Definition of "BSR" used in this report by geographic entity



Denmark

The performance evaluation of the Danish tourism industry during the recent period of concern (2014 to 2017) leads to the identification of changes. A 14.4 per cent **increase in the number of tourist arrivals** equals to a 2.3 per cent growth compared to the 12.1 per cent in the previous reporting period (2014 to 2016). Measuring the Danish value against the overall growth rate in tourist arrivals in the Baltic Sea Region (BSR) shows a relatively modest increase (DK: 2.3 per cent; BSR: 4.2 per cent). Considering the number of overnights an increase of 8.5 per cent was recorded in Denmark (BSR: 12.2 per cent) while the share of **overnights by international visitors** increased to 37.1 per cent (BSR: 24.9 per cent).

The direct **employment** in the tourism industry in the 2014 to 2017 period **increased** by 4.2 per cent. This is largely in line with the development of employment overall industries in Denmark as the share of tourism employment of the total employment shows: this share is constantly recorded with 2.2 per cent. With a contribution of 2.2 per cent to the total Danish GDP, the tourism industry was not exposed to large fluctuations. Employment in the tourism sector is believed to grow by 0.1 per cent by the year 2025. Additional activities in the tourism industry policy to improve the impact on the Danish economy are worth further considerations.

The Tourism Competitive Index ranked Denmark on place 31 out of 133 countries in 2017. The Danish Tourism Industry has been experiencing **decreasing competitiveness** rankings over the last years: With 14th place (out of 136 countries) in 2009, Danish tourism has lost considerable competitiveness within the last eight years. Consequently, it might be appropriate to further focus on regaining competitive strengths again.

Denmark - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ¹	7.7 ▲
Number of overnights (mio., 2017) ¹	32.2 ▲
International overnights - percentage of total (2017)	37.1 ▲
Employment tourism industry - percentage of total (2017) ²	2.2 ►
Tourism sector GDP - percentage of total (2017) ²	2.2 ▲
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	31 ▼

Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF

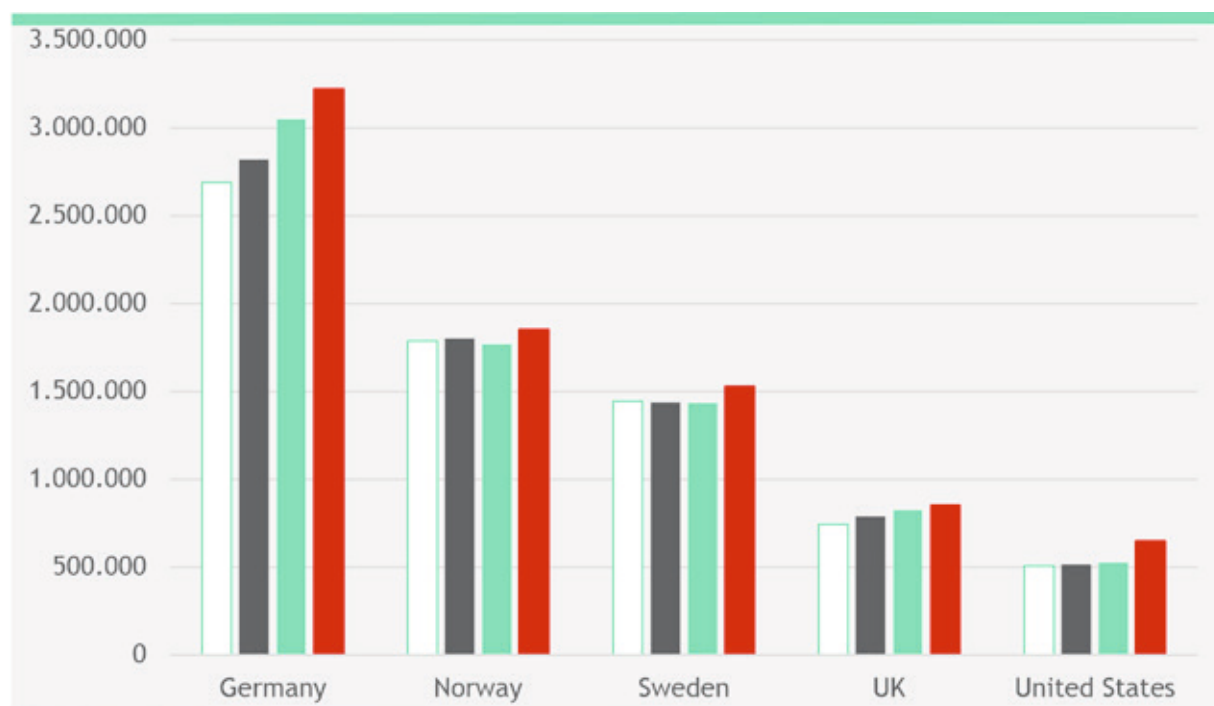
When considering the major source markets for the Danish tourism industry, five markets play major roles. Germany is continuously outnumbering all other source markets as the most relevant market for Danish tourism. The growth of tourist arrivals from Germany between 2014 and 2017 is to be found at 19.9 per cent. The second market Danish tourism relies on is Norway from which 3.7 per cent more tourist arrivals were recorded. A growth of 5.9 per cent in tourist arrivals from Sweden was noted in the period enabling Swedes to be ranked on place three. The number of tourists from the United Kingdom additionally experienced an increase of 14.8 per cent.

The largest increase concerning the growth of international tourist arrivals in the 2014 to 2017 period was determined by US tourists. The United States is the Top-5 market with an increase of 27.9 per cent from 2014 to 2017. Overall the major source markets for Danish tourism remained the same in the 2014 to 2017 period with (notable) changes in the individual growth measured.



Photo by: Tarja Holkkala/Vastavalo, Visit Finland

Denmark - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD



Photo by: Krista Keltanen, Visit Finland

Danish Tourism Industry outlook 2019+

The tourism industry is experiencing growth globally and is an important business for Denmark (VisitDenmark, 2018). In 2015, tourism in Denmark generated a turnover of 97.5 billion DKK and 118,000 jobs across the country. In 2016, there were 51.5 million bed nights in Denmark, which is a 4.7 per cent increase from 2015. In fact, it was mainly the international tourists' bed nights causing the growth. Thus, **Danish tourism is in positive development.**

In the “National Strategy for Danish Tourism towards 2025” from 2016, which is based on the work of the National Tourism Forum, the following **benchmarks** for Danish tourism have been set:

- Danish tourism is expected to grow by one third in the number of tourism stays, corresponding to 17 million more bed nights compared to 2015.
- Tourism revenue will reach 140 billion DKK, corresponding to a growth of approximately 45 billion compared to 2014.
- The international tourists must be at least as happy with the holiday experience in Denmark as the average for Northern Europe.

The Status Analysis 2017 shows that the **development is heading in the right direction.** The number of bed nights in Denmark, from Danish and international tourists, rose with 2.3 million from 2015 to 2016, which is a total of 51.5 million bed nights. In 2015, tourism revenue reached a total of 97.5 billion DKK, which is approximately 3.2 billion DKK more than in 2014. With a score of 175, the international tourists' overall satisfaction in regards to Denmark is high, however Denmark is still ranking below the average for Northern Europe. There has been no significant development in the international tourists' overall

satisfaction with Denmark, nonetheless the overall satisfaction of the quality of restaurants has improved among tourists since 2015.

The **coast and nature tourism** remains the largest business area in Danish tourism making up 72 per cent of all bed nights in 2016. Coast and nature tourists have had 1.6 million more bed nights compared to 2015 (plus 5 per cent), city tourists have had 600,000 more bed nights (equivalent to an increase of 9 per cent) and business tourists have had 51,000 more bed nights compared to 2015 (plus 0.7 per cent). Growth rates should be seen in light of the fact that the field of competition in all Northern European countries have experienced growth since 2008 and that Denmark has been placed in the middle of the field since 2008. Even though Denmark's market share in 2016 has improved marginally compared to the Northern European competitive field, there are several of our neighbouring countries who have experienced higher growth rates than Denmark in 2016.



Photo by: Harri Tarvainen, Visit Finland



The recent growth in tourism is beginning to raise the issue of the **development of accommodation capacity**, which has been low for a number of years. Despite this, the Status Analysis shows signs of growth in accommodation capacity, which grew by approximately 3.1 per cent in 2016. This was partly due to the expansion of hotel capacity and more new holiday homes for rent. However, in the period 2008 to 2016, the average annual capacity growth was below the growth in demand for bed nights in Denmark. Moreover, there is still a risk that the capacity constraints will impede the future growth in parts of the country, among others along the West Coast of Jutland.

As something new, the development of **Airbnb** bed nights has been a subject of the analysis, which is based on publicly available information from Airbnb. The figures show that the number of bed nights through Airbnb rose from 1.7 million in 2015 to 2.9 million in 2016. Of this, approximately 64 per cent of the bed nights were in Copenhagen. VisitDenmark is working to qualify the Airbnb accommodation figures so that in the future they can eventually be included in the total number of bed nights.

Remarks on methodology and data - **Denmark**

- **International arrivals** - Arrivals in Denmark are not registered. The data on arrivals is usually an estimate based on a tourist survey conducted every third year. Data should be considered with caution.
- **Number of overnights** - It should be noted that the data on the overnights (including international overnights) used in this report does not include overnights in holiday homes. Holiday homes are an important segment of the Danish tourism industry; consequently, the data on overnights in this report might underestimate the performance of the Danish tourism industry.
- **Tourism sector GDP** - Attention needs to be paid to the fact that Denmark does not have sectorial taxes. Therefore, the Danish tourism industry uses Gross Value Added instead of Gross Domestic Product.



Photo by: Juho Kuva, Visit Finland

Estonia

The performance of the Estonian tourism industry is characterised by a **positive development** in the analysed period of 2014 and 2017. A significant increase was recorded in the number of tourist arrivals in Estonia. This number grew by 14.8 per cent resulting in a score slightly above the Baltic Sea Region (BSR) average of 14.2 per cent. During the observed period, the number of overnights showed an increase of 12.0 per cent. Special emphasis should be put on the share of **international overnights** which amounts to the **second-highest number in the BSR**. Despite a slight decrease, the international visitors remain of great importance representing 64.5 per cent of all overnights in Estonia.

The contribution of the tourism industry to overall **employment is stable** at 4.0 per cent. Rather small increases concerning the employment in the sector are estimated to occur around 2020. The share contributed by the tourism industry to the country's GDP did not change in the 2014 to 2017 period. A constant contribution of 3.8 per cent has been recorded. In order to increase both, the employment in the tourism industry as well as the share of the national GDP, potential improvements should be considered in the context of overall economic development policy.

In order to receive a thorough picture of the international performance of the Estonian tourism industry, it is of value to take the Tourism Competitiveness Index into consideration. Estonia was ranked on place 27 when competing among 133 other countries in 2009. In 2017 the country was unable to score higher than on 37th place (out of 136 countries) indicating to **room for further improvements in the competitiveness**.

Estonia - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ¹	3.5 ▲
Number of overnights (mio., 2017) ¹	6.5 ▲
International overnights - percentage of total (2017)	63.8 ▼
Employment tourism industry - percentage of total (2017) ²	4.0 ►
Tourism sector GDP - percentage of total (2017) ²	3.8 ►
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	37 ▲

Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

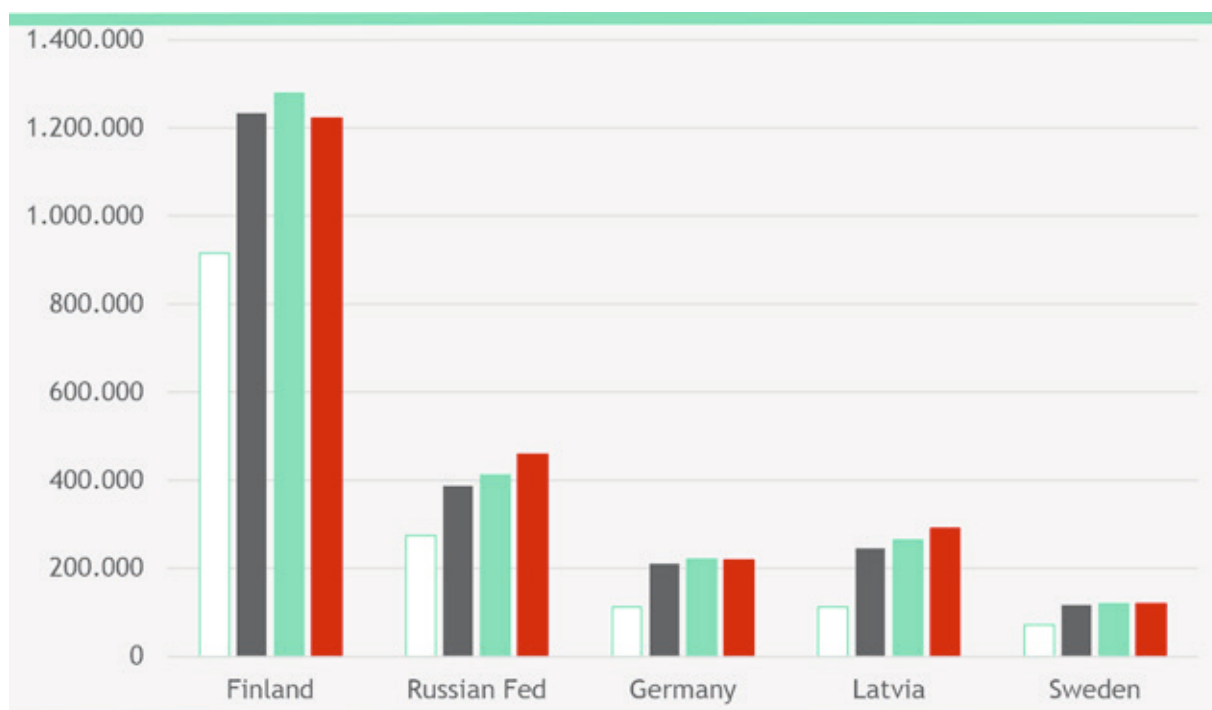
Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF

Considering the **international source markets** of the Estonian tourism industry, positive developments can be witnessed. A large increase in the number of Finnish tourist arrivals is recorded, making Finland the major source market. The number of international arrivals grew by 33.5 per cent in comparison to 2014. The Russian Federation is the second most relevant source market which strikes attention due to an increase of 67.1 per cent in tourist arrivals. Even greater improvement is recorded concerning tourist arrivals from Latvia.

The neighbouring country managed to increase its number by 1.5 times. The German source market of the Estonian tourism industry is to be found on place four. With an increase of 94.9 per cent during the observed time frame, the Germans continue their positive scoring from previous years. Last but not least, Sweden is found among the five most important source markets for the Estonian tourism industry.



Estonia - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD



Finland

Contributions by Terhi Hook and Katarina Wakonen,
Business Finland Oy | Visit Finland

The Finnish tourism industry shows an overall **positive development** during the 2014 to 2017 period. The number of tourist arrivals experienced a growth of 10.6 per cent leading to an amount slightly below the average of the Baltic Sea Region countries (BSR: 14.2 per cent). Not only did the number of overnights spent by visitors increase by 10.8 per cent, furthermore 30.8 per cent of the total amount of overnights were provided by international visitors. This indicates a growth of 2.4 per cent in comparison to the previous year and a share higher than the BSR average of 24.9 per cent.

Considering the **employment** in the Finnish tourism industry, 2.0 per cent is being contributed to the total national employment. This number did not change over the last years but is expected to grow by 0.4 per cent until 2025. After a small decrease in 2014 concerning the share of the tourism industry on the overall Finnish GDP, the share continues to be at 1.9 per cent and is expected to rise to 2.1 per cent in the year 2025. Both values are on the lower end of the BSR which would require attention by Finnish tourism policymakers.

The Finnish tourism industry has been characterised with an all-time low score on the Tourism Competitiveness Index of the World Economic Forum. While the country scored a 15th place (out of 133 countries) in 2009, it was faced with place 33 out of 136 countries in 2017.

Finland - Key Tourism Industry Data

Number of arrivals (mio., 2017) ¹	11.8 ▲
Number of overnights (mio., 2017) ¹	21.9 ▲
International overnights - percentage of total (2017)	30.8 ▲
Employment tourism industry - percentage of total (2017) ²	2.0 ►
Tourism sector GDP - percentage of total (2017) ²	1.9 ►
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	33 ▼

Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF

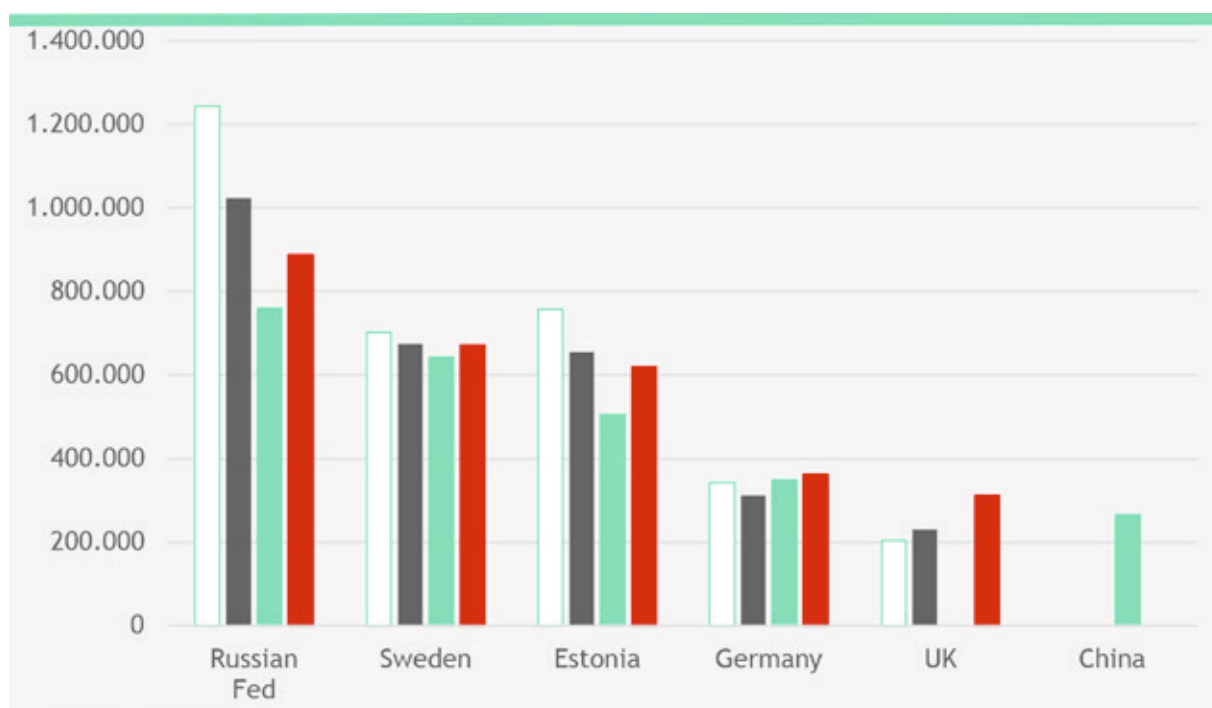


Regarding the international source markets, five countries strikeout. The largest share of international tourists (as measured by international arrivals) is held by the Russian Federation. Despite a decline of 28.5 per cent during the 2014 and 2017 period, the country still remains the largest source market for the Finnish tourism industry.

Like the Russian Federation, the source markets on place two and three - Sweden and Estonia - have experienced a decline of 8.5 per cent and 18.3 per cent respectively. The German source market on place four experienced an increase of 6.1 per cent. After Chinese tourists took on place five of the most important source market in 2016, visitors from the United Kingdom were now once again found under the Top 5. An increase of 52.9 per cent from 2014 to 2017 was recorded.



Finland - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD



Photo by: Visit Land, Visit Finland

Finnish Tourism Industry outlook 2019+

International travel to Finland keeps on growing after the strong 2017. Nights spent by foreign tourists grew by 1,5 per cent in comparison to 2017 amounting to 6.8 million overnights - more than ever before. Nights spent by international visitors increased with almost all major markets. **Russian overnights are recovering** from the strong decline from earlier years and at the same time the source market structure has become more diverse showing a wider range of countries of origin counting to the top-performing markets. Finland has managed to create **more sustainable growth** in several markets.

In 2015 updated **National Tourism Strategy** initiated growth programs, which strongly accelerated development, sales and marketing of specific themes (FinRelax, Finnish Archipelago and StopOver). The development was leveraged 2018 - 2019 by special funding (**Tourism 4.0**) which the Finnish government granted for the tourism sector. The Tourism 4.0 action programme is a package of measures to promote the international growth and renewal of the Finnish tourism industry. Measures included developing year-round supply within the themes of **nature tourism, health tourism, food tourism, culture tourism, luxury tourism and sustainable tourism**. More efforts were also put on sales promotion, product-based marketing and co-operation with the four main regions (Helsinki-region, Lapland, Lakeland and Coast & Archipelago).

Also new target markets were included in the portfolio (**India, South-Korea, UAE**). By developing companies' **digital readiness** and know-how, we strengthen the global competitiveness of the whole travel industry ecosystem. Another important focus area is to promote sustainability in destinations and on company level.

The National Tourism Strategy (Roadmap for growth and renewal in Finnish tourism for 2015-2025) will be updated again in 2019.

The image and position of Finland is strongly based on nature. The vulnerable arctic nature and the nordic cultural heritage are resources, we have to take care of. Therefore, sustainable tourism development is a precondition for a successful growth. Hence, one of the core activities of Visit Finland in the running year will be to launch a **Sustainable Travel Finland** -programme.

The outlook for 2019+ seems positive and growth is expected to continue on a moderate level. Visit Finland works to increase awareness of Finland as a tourist destination. Finland offers what people around the world are looking for right now: the **peace and quiet of nature, security, cleanliness and authenticity**. The travel industry has a bright future and Finland still has the room and opportunities to grow in a responsible way. The number of travel companies is increasing and the prognosis shows a rise of **40,000 new jobs** created in travel and tourism business by 2025. Visit Finland will continue their work with the travel industry home and abroad, to further develop Finland's four main tourism regions and their product offerings to create year-round business and visibility on the target markets.



Photo by: Tiina Tahvanainen, Visit Finland

Germany and the German Baltic Sea Coast Region

Contributions by Axel Goers, German National Tourist Board
Antje Hansch and Johannes Volkmar, Mecklenburg-Vorpommern Tourist Board

In order to provide a detailed picture of the tourism industry in the Baltic Sea Region (BSR) data is provided on both Germany and the three German provinces Hamburg, Mecklenburg-Vorpommern, and Schleswig-Holstein. As part of this report, the three provinces will be referred to as the “[German Baltic Sea Coast Region](#)”.

The performance of the German tourism industry in the period 2014 to 2017 is characterised by an overall positive development. The [number of arrivals](#) in Germany recorded a [growth](#) of 11.2 per cent which is 4.3 per cent higher than the increase during the previous period (2014 to 2016). The German Baltic Sea Coast Region (GBSCR) showed an even higher growth of 12.1 per cent to which Schleswig-Holstein contributed the largest share with a rise of 14.8 per cent. Considering the [overnights](#) spend in Germany, the share provided by the [international visitors](#) did not change significantly. An increase of 0.1 per cent reflects a rather similar development in comparison to the previous period (2014 to 2016). The same situation can be observed when focusing on the GBSCR. Once again, an increase of 0.1 per cent is recorded reflecting the overall development in Germany.

The German tourism industry amounts for 7.1 per cent of the total [employment](#) in Germany. A growth to 8.0 per cent is estimated for the year 2025. The value, now and in the future, is the highest among all BSR countries. In the

GBSCR the employment share is stable with 5.5 per cent of all employees working directly in the tourism industry. In absolute figures, this is close to 184,000 employees. Considering the [contribution to the national GDP](#), the German tourism industry experienced a slight decrease to 3.9 per cent (2014: 4.0 per cent). The total German tourism industry is likely to be influenced by positive changes again resulting in a 4.2 per cent share of the GDP forecasted for the year 2025. The GBSCR showed a somewhat smaller contribution to the regional GDP; 2.1 per cent have been recorded here.

Taking into account a more international view on the tourism industry, Germany can be found on place three of the 2017 Tourism Competitiveness Index provided by the World Economic Forum. The high score has been achieved over several years making Germany one of the most competitive countries in the tourism industry.



Photo by: bstc.eu

Germany/ German Baltic Sea Coast Region - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ²	172.3 ▲
German Baltic Sea Coast	22.0 ▲
Number of overnights (mio., 2017) ²	401.2 ▲
German Baltic Sea Coast	66.7 ▲
International overnights - percentage of total (2017)	20.7 ▲
German Baltic Sea Coast	9.7 ▲
Employment tourism industry - percentage of total (2017) ³	7.1 ►
German Baltic Sea Coast	5.5 ▼
Tourism sector GDP - percentage of total (2017) ²	3.9 ▼
German Baltic Sea Coast	2.1 ►
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	31 ▼

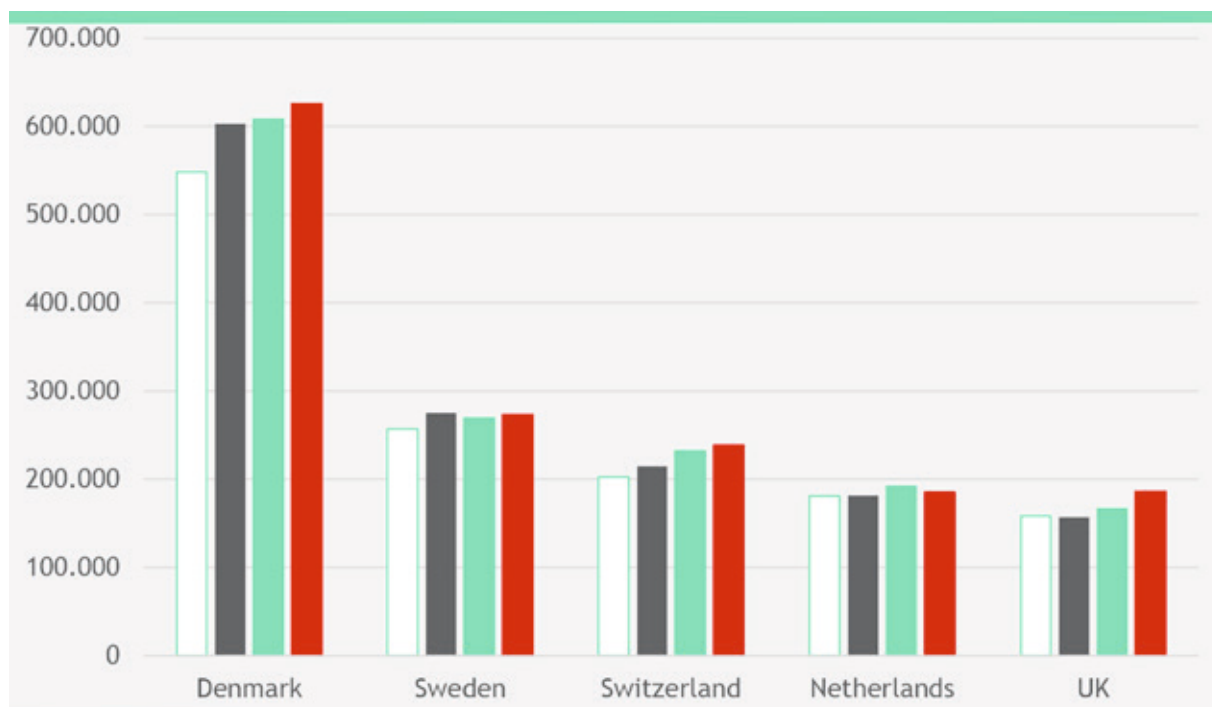
Note: Indicators reflect change to previous year (▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF

When analyzing the **major international source markets** for the German tourism industry the largest amount of visitors come from the Netherlands. A growth of 8.3 per cent during the 2014 and 2017 period can be noted. Switzerland takes on place two with a growth of 14.7 per cent in the last years indicating a significant increase between 2014 and 2017. In recent years, the United States and the United Kingdom have been taking on places three and four with the United States being found on place three in the year 2017. The Italian market is again found on place five with an increase of 4.1 per cent.

Considering the GBSCR only, differences in the ranking of the major source markets can be observed. The Scandinavian countries are among the most important source markets for the tourism industry. Furthermore, visitors from the United Kingdom are of great value to Hamburg with a growth of 17.4 per cent during 2014 to 2017 period while other significant markets are the Netherlands, Switzerland, and Austria.

German Baltic Sea Coast Region - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017

Source: BSTC TMM, 2019 based on OECD



German Baltic Sea Coast Region Tourism Industry outlook 2019+

The Travel Destination Germany is well-positioned from various perspectives. According to the 2018 Anholt-GfK Nation Brand Index measuring country **images**, Germany ranks number one ahead of France and the UK. In the segment of tourism, Germany ranks number nine.

Considering the **supply side**, Germany is constantly well positioned on place three after Spain and France. Germany receives very positive reviews on infrastructure, health and hygiene, cultural resources and business travel. This is proven by the positive results Germany obtains from foreign travellers assessing tourism criteria as accommodation, gastronomy, opening hours, quality-price-ratio et cetera.

Regarding the **demand side**, Germany can report record numbers year after year. With around **401 million overnight stays** - 83 million coming from international travellers - 2017 was a very successful year in German tourism industry. And 2018 looks very promising again. However, not only 2018 looks positive but also the **long-term-forecast shows strong growth of international travellers** to Germany. The GNTB forecasts a potential of 121.5 million international overnight stays by 2030. Growing numbers are expected to come from all European regions. This includes the countries from the BSR where **especially Russia, Poland and Denmark show high-growth-scenarios**.

Therefore, the cooperation among the BSR stakeholders is of high importance and the tourism industry can be seen as the major driver for growth in the BSR.



Photo by: bstc.eu



German Tourism Industry outlook 2019+

According to the 2019 German Travel Analysis, Mecklenburg-Vorpommern is the **most popular destination for domestic holiday trips** (share of 5.3 per cent, 3.74 million holiday trips of 5 days and more in 2018). In 2018, the regions between the Baltic Sea and the Mecklenburg Lake District recorded around 30.9 million overnight stays [2]. Besides the German, increasingly more foreigners spend their holidays in this region. About 5.1 per cent of all guests came from abroad and spent more than one million overnight stays last year [2]. Main international source markets are the Netherlands, Switzerland, Sweden, Denmark and Austria. Almost two-thirds of all incoming overnight stays come from these five countries.

Tourism development in Northeast Germany has shown a **high level of dynamism** over the past 25 years. The number of overnight stays increased by 159 per cent between 1994 and 2018 [2]. In recent years, however, this momentum declined noticeably.

Although the tourism industry in Mecklenburg-Vorpommern has announced a new record in guest arrivals (+4.6 per cent compared to 2017) and overnight stays (+3.9 per cent), the growth rate was still lower than in the rest of Germany. Farther, the first quarter of the current year 2019 is again marked by a growth, clearly above the national level [3].

The **times of apparent rapid growth seem to be over**. Tourism in Mecklenburg-Vorpommern has reached its maturity stage. As capacity limits during main season are almost exhausted, quantitative growth to a certain extent will be only possible during low season. In the future, investments in the **quality** of services and **infrastructure** as well as innovative product development will play an increasingly important role in maintaining the status of Germany's most popular domestic holiday destination with an increasingly international reputation. In terms of **internationalisation**, the focus remains on the important origin markets mentioned above.

Remarks on methodology and data - Germany

- Geographical coverage - For reasons of a.) prevailing travel patterns and b.) data availability the City of Hamburg and the province of Schleswig-Holstein as a whole have been included in the definition of the German Baltic Sea Coast. The editors are aware that only a fraction of tourism in the City of Hamburg and between 40 and 60 per cent of tourism in Schleswig-Holstein can be directly linked to the Baltic Sea Coast.
- The employment in the tourism industry (% of total; Direct contribution to employment) according to German national statistics is 6.8 per cent (Mattes, A., Becker, L.S. and F. Neumann (2017)) resp. 7.0 per cent (Crotti, R. and T. Misrahi (2017)).
- According to German national statistics (Mattes, A., Becker, L.S. and F. Neumann (2017)), the contribution of the German tourism industry to the overall GDP amounts to 3.9 per cent.

Latvia

Contributions by Madara Luka, Ministry of Economics, Republic of Latvia,
Dita Zemite, Central Statistical Bureau of Latvia

The evaluation of the key performance indicators in the period 2014 to 2017 period, presents an overall **stable development**. Most striking is the number of tourist arrivals noted during the observed time. A growth of 22.8 per cent is the second-largest increase recorded among all Baltic Sea Region (BSR) countries which on average show an increase of 14.6 per cent. The overnights spend in Latvia by international visitors have decreased slightly by 0.1 per cent indicating shorter trips. This does not prevent the Latvian tourism industry to reach again the highest share of international overnights in the BSR (LV: 68.8 per cent; BSR: 24.9 per cent).

Considering the impact the Latvian tourism industry has on the overall economic performance of the country, positive changes are expected in the future. As of 2017 the tourism industry made up 4.2 per cent of the total **employment** in Latvia and is likely to increase its share to 5.1 per cent by 2025. Additionally, the contribution to the Latvian **GDP** amounts to 4.2 per cent. Further positive developments are believed to occur in the near future but no major changes should be expected.

Taking into consideration a variety of international tourism industries, the World Economic Forum has ranked the Latvian tourism industry on place 54 out of 133 countries in their Tourism Competitiveness Index. This score leads to a loss of six ranks since 2009. Furthermore, Latvia is found in one of the last places when compared to the BSR countries.

Latvia - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ¹	2.6 ▲
Number of overnights (mio., 2017) ¹	5.0 ▲
International overnights - percentage of total (2017)	68.8 ▼
Employment tourism industry - percentage of total (2017) ²	4.2 ►
Tourism sector GDP - percentage of total (2017) ²	4.2 ▼
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	54 ▼

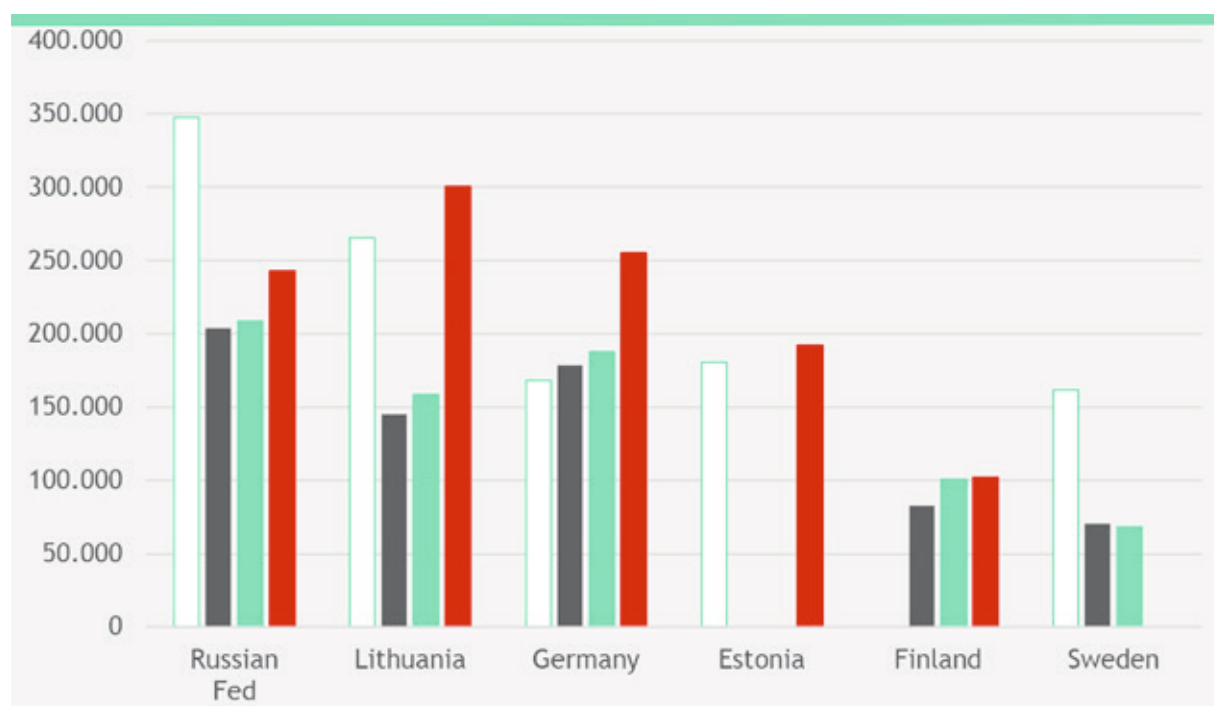
Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF

In order to provide a more comprehensive picture of the international visitors traveling to Latvia, five major source markets have been identified during the period of 2014 and 2017. Lithuania is the most important source market for the Latvian tourism industry followed by Germany which was characterized by a growth of 51.8 per cent in the 2014 to 2017 period. The third place is taken by the Russian Federation which noted a major decrease of 30.1 per cent in comparison to the number of visitors in 2014.

Place four has been characterised by changes regarding the visitor numbers. In the past, Germany and Finland were frequently found on this rank however Estonia has recorded a great number of visitors enabling a higher score. The last source market in the Top 5 league to contribute to the Latvian tourism industry is Finland. Despite a slight increase in the number of visitors the amount was not enough to compete for place four.

Latvia - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD





Photo by: Juho Kuva - Veist Finland

Latvia Tourism Industry outlook 2019+

The Ministry of Economics has developed the Latvian Tourism Development Guidelines for 2014-2020, which is the main tourism policy document. The overall goal of the Latvian tourism policy is to ensure sustainable growth of the Latvian tourism sector by **increasing the international competitiveness** of tourism services. The underlying aims are to:

- increase international tourist arrivals,
- reduce **seasonal imbalance** in tourism flows, and
- extend the average **length of stay** and traveler expenditures.

To grow tourist arrivals Latvia is focusing on developing innovative and higher added value tourism products and services. To minimize the negative effect of seasonality and increase the expenditure of foreign tourists, the prime focus is on **MICE and health tourism** development.

One of Latvia's main challenges in tourism is the low international competitiveness as a tourism destination. Therefore, Latvia provides support to SMEs in various activities to improve their international competitiveness, such as:

- Organizing national stands in international tourism fairs abroad,
- Marketing and promotional activities,
- Financial support to SME's for participation in tourism conferences abroad.

In cooperation with other BSR countries, Latvia will continue to grow tourism by developing joint proposals and **cross-border product development** projects in the shared vision of sustainable tourism development.

Remarks on methodology and data - Latvia

The OECD data for **international arrivals** does not allow for a time series comparison due to a change in data source. Alternative data sources for Latvia are:

- Data from Border Survey for incoming tourism markets, **Arrivals by country of residence**
- Data from Accommodation Survey for incoming tourism markets, **Arrivals by country of residence**
- Source: <https://data1.csb.gov.lv/>

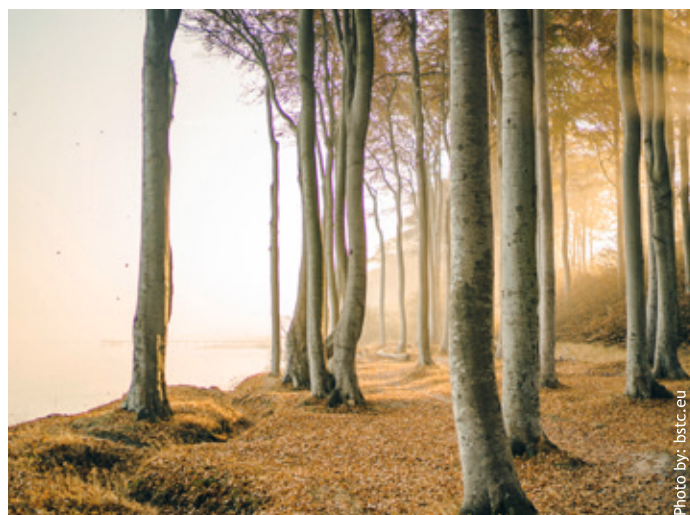


Photo by: bstc.eu





Photo by: Laimonas Čiūnys

Lithuania

Contributions by Lidiya Bajarūnienė, Ministry of the Economy and Innovation of the Republic of Lithuania

A positive development of the Lithuanian tourism industry was recorded during the period of 2014 to 2017. The number of **arrivals** increased by 21.7 per cent indicating a positive change. In comparison, the average number of arrivals among the Baltic Sea Region (BSR) countries grew by 14.2 per cent. The number of **overnights** contributed by international tourists experienced an increase of 1.2 per cent. Furthermore, Lithuania has recorded the third highest share of visitors from abroad (46.6 per cent) which is nearly twice as high as the 24.9 per cent average in the BSR.

The contribution by the tourism industry to the overall **employment** is again found at 1.8 per cent. An increase to 2.2 per cent is expected by the year 2025. Considering the share of the tourism industry as part of the national **GDP**, the figure remains at 1.8 per cent possibility to rise to 1.9 per cent by the year 2025. Both values are the **lowest** to be recorded **in the BSR**.

The Tourism Competitiveness Index determined by the World Economy Forum ranked Lithuania on place 56 out of 136 countries in 2017. This score leads to an improvement of three ranks since 2009 and therefore demonstrates the increased competitiveness of Lithuania in the international tourism context.

Lithuania - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ¹	3.3 ▲
Number of overnights (mio., 2017) ¹	7.4 ▲
International overnights - percentage of total (2017)	46.6 ▼
Employment tourism industry - percentage of total (2017) ²	1.8 ►
Tourism sector GDP - percentage of total (2017) ²	1.8 ►
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	56 ▲

Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF



Photo by: Lidiya Bajarūnienė

The countries from which most visitors travel to Lithuania are considered the major source markets. The most important source market remains Belarus which recorded a growth of 1.7 per cent during 2014 and 2017. This is most likely due to border crossing trade / day trips in the Lithuanian regions bordering Belarus. Latvia is to be found in second place with an increase of 34.6 per cent since 2014. The Top 3 source market is the Russian Federation which showed a decrease of 21.3 per cent in comparison to the year 2014. On places four and five are Poland and Germany which traded places for the first time in the 2014 to 2017 period.

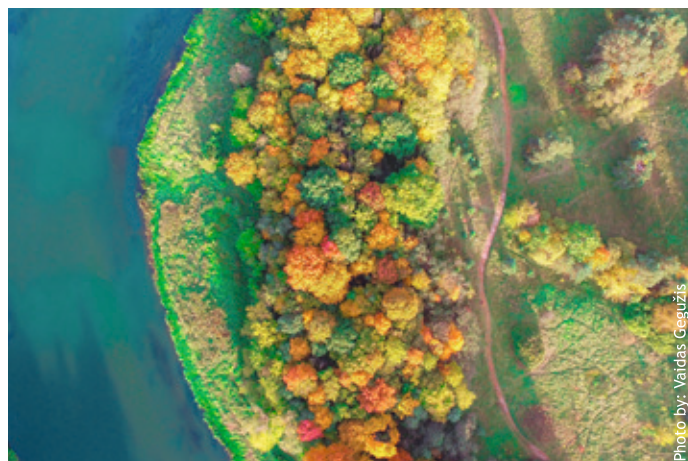
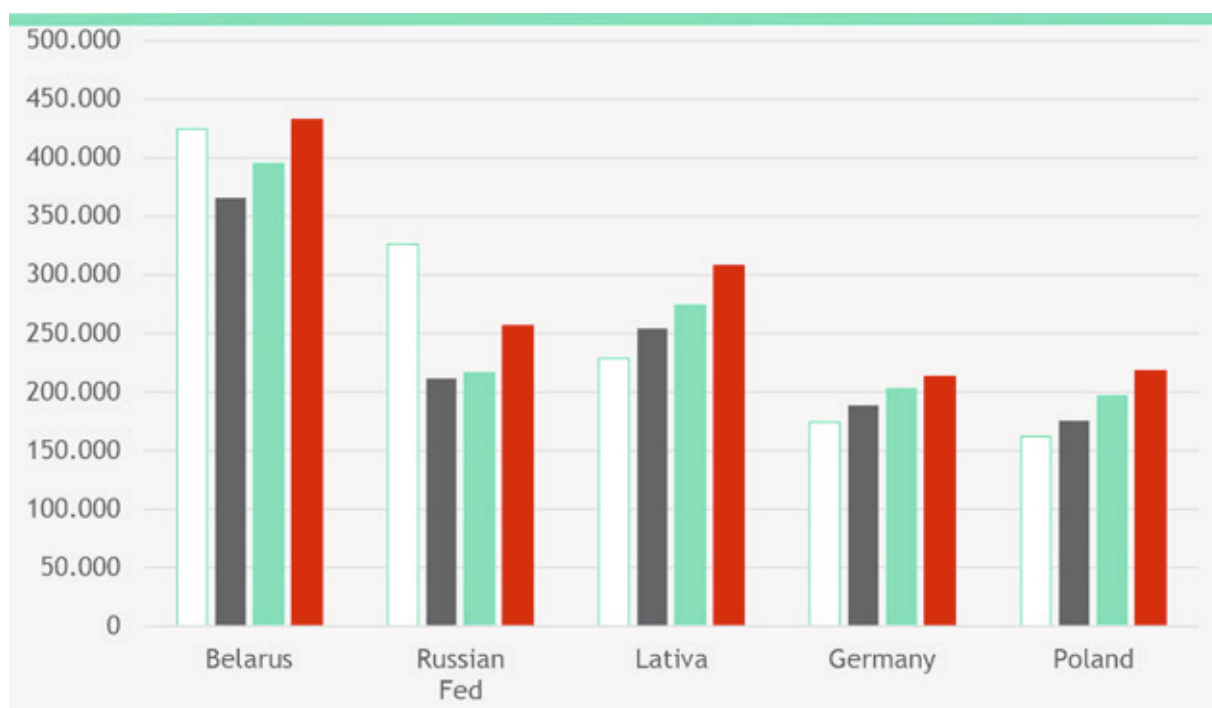


Photo by: Vaidas Geguzis

Lithuania - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD



Photo by: GO Vilnius

Lithuanian Tourism Industry outlook 2019+

From 1 January 2019 the Ministry of the Economy and Innovation of the Republic of Lithuania and the Tourism Policy Division, which is part of the Ministry's structure, is in charge of shaping the national tourism policy, resort and resort territory development policy, taking part in the activities of international tourism organizations and representing Lithuanian there. The Tourism Policy Division is responsible for international agreements in the field of tourism as well as for maintaining relations with diplomatic missions of foreign countries and the Republic Lithuania.

The Tourism Policy Division is currently working on the [guidelines of the long-term Lithuanian tourism strategy \(2021-2030\)](#) to be adopted by the Lithuanian Parliament.

Also, from 1 January 2019, a new public institution called [Lithuania Travel](#) (VšĮ 'Keliauk Lietuvoje') has been established. Lithuania Travel performs marketing and tourism promotion functions and is responsible for raising the awareness of Lithuania as a tourism destination and for the development of inbound and local tourism. Lithuania Travel is reporting to the Ministry of the Economy and Innovation.

The Lithuanian government has defined four priority areas of tourism development:

- Cultural tourism,
- Green (Eco) tourism,
- Business (conference) tourism and
- Health tourism.

From 1 January 2019, the State Consumer Rights Protection Authority supervises the tourism service providers.



Photo by: Visit Finland



Photo by: Valdas Geguzis

Poland and the Polish Baltic Sea Coast Region

Contributions by Karol Biedrzycki, Ministry of Sport and Tourism, Republic of Poland
Marta Chelkowska, Office of the Marshal of Pomorskie Voivodeship

In order to provide a detailed picture of the performance of the Polish tourism industry in the period of 2014-2017, the overall Polish tourism market, as well as the Polish voivodeships Zachodniopomorskie, Warmińsko-Mazurskie and Pomorskie which are bordering the Baltic Sea, are included in the evaluation. The three voivodeships are referred to as the “**Polish Baltic Sea Coast Region**” in this report.

The Polish tourism industry is characterized by a positive development. The number of **overnights** in Poland grew by 27.5 per cent which is slightly higher than the 23.8 per cent growth rate of the Polish Baltic Sea Coast Region (PBSCR). An increase of 26 per cent in the number of overnights in Poland leads to the highest positive change in comparison to all other Baltic Sea countries. The share contributed by **international visitors** is, on the other hand, the lowest (Poland: 19.9 per cent; PBSCR: 20.0 per cent; Baltic Sea Region: 24.9 per cent).

The **employment** in the Polish tourism industry amounts to 2.0 per cent considering the contribution to the overall employment. In the PBSCR the share amounts to 2.9 per cent indicating higher employment in the tourism industry than compared to the national level. The contribution of 1.9 per cent made by the tourism industry to the Polish **GDP** is expected to rise to 2.2 per cent by 2025. Both measures need to be closely evaluated to maintain positive development.

Considering the Polish tourism industry in an international context, the World Economic Forum has ranked Poland on place 46 out of 136 nations in their Tourism Competitiveness Index. Poland, therefore, achieved a better ranking in 2017 than in 2009 where the country was found on rank 58 out of 133 countries. This ranking reflects the positive development the Polish tourism industry has accomplished.

Poland / Polish Baltic Sea Coast Region - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ²	32.0 ▲
Polish Baltic Sea Coast	5.4 ▲
Number of overnights (mio., 2017) ²	83.9 ▲
Polish Baltic Sea Coast	26.5 ▲
International overnights - percentage of total (2017)	19.9 ▲
Polish Baltic Sea Coast	20.0 ▲
Employment tourism industry - percentage of total (2017) ³	2.0 ►
Polish Baltic Sea Coast	2.9 ▲
Tourism sector GDP - percentage of total (2017) ²	1.9 ►
Polish Baltic Sea Coast	na
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	46 ▲

Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF

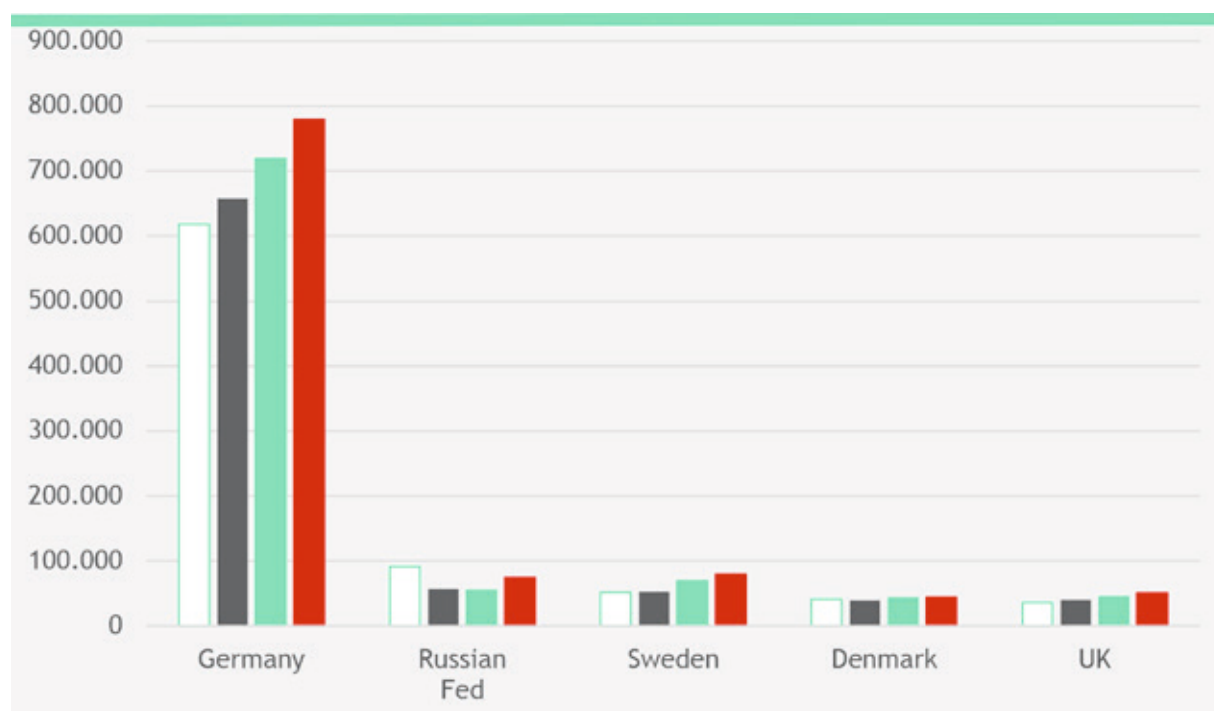
To receive a clearer view of foreign tourists traveling to the Polish Baltic Sea Coast Region, it is necessary to evaluate the five major international source markets. Germany is traditionally the largest source market due to the high number of visitors over the last several years.

The number of German arrivals is close to ten times as high as the number of visitors from Sweden in place two. The Russian Federation is ranked in third place while the United Kingdom takes on place four. Both countries were able to increase the number of visitors arriving. Denmark is again ranked in fifth place regarding the visitors traveling to the Polish Baltic Sea Coast Region.



Photo by: Jussi Helstén, Visit Finland

Polish Baltic Sea Coast Region - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = 2015; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD



Polish Tourism Industry outlook 2019+

The Ministry of Sport and Tourism implements the Tourism Development Program until 2020. Recently, new initiatives have been taken to ensure better and more effective achievement of the program's objectives. These include activities being from 2019 onwards in the areas of:

1. Better regulation for tourism

Analytical work is conducted on the issues of tourism promotion in Poland; this includes the development of a new system for financing local and regional tourism organizations based on the proposal to set tourist tax as the main source of financing. Additionally, the "White Paper on the tourism promotion system in Poland" will cover issues related to the sharing economy, both in terms of hotel services and services provided by tourist guides.

In addition, works on regulations concerning tourist routes in Poland are underway. New regulations which are aimed at creating a uniform system, covering various types of routes, regulating their hierarchy, way of marking, as well as responsibility for safety on routes. The new regulations will cover issues related to financing, delimitation and maintenance of trails as well as legal accessibility of areas on which tourist trails are created.

2. Stimulating the development of local tourism via the implementation of tourism products

The main goal of the "Polish Tourism Brands" project introduced in 2018 is to identify and launch onto the market the offers of Polish tourist brands. The implementation of the project will contribute to a more comprehensive management of tourist destinations, will help to lead a more effective marketing campaign and will bring effects of increasing attractiveness of tourist regions as well as will encourage tourists to extend their stay in one place.

3. Improving the quality and effectiveness of training staff for tourism

Activities aimed at improving the quality of tourist personnel will focus mainly on including market qualifications in the field of tourism to the [Integrated Qualification System](#). The qualifications from the accommodation, gastronomy and tourism sectors will be included. Inclusion of qualifications will allow jobseekers to confirm qualifications outside their own country.

4. Opening to new tourist markets from Asia (incl. China) and the Middle East (incl. Israel)

In the coming years, the activities of the Polish Tourist Organization (PTO) on the Asian market will continue, including the activities of the international office of PTO in Beijing. PTO will run image and promotional campaigns targeted at local tour operators, the media and bloggers as well as tourists. The opening of new flight connections is also conducive to the increase of tourist traffic.

5. Tourism Development Program after 2020

In 2019, intensive work is underway to set the aims of the Tourism Development Program after 2020. [Trends that will be included in the Program](#) include:

- evolving visitor demand resulting from the increase of the level of income and level of education, the increase in the number of elderly people participating in tourism and the growing importance of new generations (millennials and generation Z),
- sustainable tourism growth,
- enabling technologies,
- travel mobility.



Photo by: Masi.fi, Visit Finland

Polish Tourism Industry outlook 2019+

Based on a detailed evaluation of the Polish Baltic Sea Coast, major **strengths** have been identified in the area of cultural heritage and related offers, the accessibility to museums and historical objects, the availability of natural resources, the price competitiveness of the tourist offerings (“value for money”) as well as the accessibility as witnessed by the increasing number of national and international flight connections.



Photo by: Eva Tordera-Nuno, Visit Finland

Weaknesses to be addressed can be found in the area of touristic infrastructure (parking space, public transportation such as local bus connections, tourist information availability, “crowding”), especially in dealing with the increasing number of tourists. This could be addressed by increased cooperation between the institutions involved. To deal with these aspects, based on facts, tools and processes to monitor traffic flows / tourist movements as well as related statistics are required.

The **priority** for the further development of the tourist industry is seen in making full use of the potentials of the entire voivodeship of the region. Seasonality should be addressed by developing an all-year-round offer by making use of existing trends in tourism, technology, and industry. The creation of a supra-regional offer is one of the subjects to be addressed by the Polish Baltic Sea Coast.

Until 2020, the rebranding for example of the Pomorskie Region - from leisure tourism offer to active and cultural tourism and leisure offer - is one of the targets to be followed. The activities linked to this require considerable investments until 2021, which will partly be covered by ERDF funds.

For the consistent development of the Polish Baltic Sea Coast, it is important to use the potential of areas with special touristic, historical and landscape values, which is why the regional government supports the creation of regional products of active tourism and the development of cultural tourism. Equally important is international cooperation allowing to join the European network of investments and promotions, which has a direct impact on tourist traffic. For example, Pomorskie region is making efforts to build a stronger position in the BSR as a transport hub and as a tourist destination.



Photo by: Julia Kivela, Visit Finland

Sweden

Contributions by Erika Rosander and Sofi Sjöberg,
Swedish Agency for Economic and Regional Growth

During the period of 2014 to 2017, the Swedish tourism industry is characterized by an overall positive development. The number of arrivals increased by 15.6 per cent since 2014 leading to slightly higher growth in comparison to the average rate of the Baltic Sea Region (BSR) countries (BSR: 14.2 per cent). Additionally, an increase to 24.9 per cent in the share of international overnights can be observed. Sweden, therefore, maintains a share of international visitors which is equal to the share of the BSR.

Taking into consideration the contribution of the tourism industry to the overall employment in Sweden, an increase of 0.1 per cent is observed resulting in a share of 3.6 per cent. The value is believed to increase to 4.0 per cent by the year 2025 indicating a moderate growth. The contribution of the tourism industry to the national Swedish GDP was not impacted by changes and amounts again to 2.4 per cent. Nevertheless, minimal improvements are predicted for the year 2025.

The World Economic Forum publishes a Tourism Competitiveness Index on a regular basis and ranked the Swedish tourism industry on place 20 out of 136 countries in 2017. Comparing the rating to the 2009 edition where Sweden was found in the 7th place (out of 133 countries) a significant decrease can be observed.

Sweden - Key Tourism Industry Data

Number of tourist arrivals (mio., 2017) ¹	29.9 ▲
Number of overnights (mio., 2017) ¹	58.7 ▲
International overnights - percentage of total (2017)	24.9 ▲
Employment tourism industry - percentage of total (2017) ²	3.6 ▲
Tourism sector GDP - percentage of total (2017) ²	2.4 ►
Travel and Tourism Competitiveness Index, rank out of 136 countries (2017) ³	20 ▲

Note: Indicators reflect change to previous year
(▲ increase, ► no change, ▼ decrease)

Source: BSTC TMM, 2019 based on (1) Eurostat; (2) WTTC; (3) WEF



Photo by: Harri Tarvainen, Visit Finland

Tourism statistics on international arrivals are an exception to the rule since they are not sourced from OECD; Instead, they are calculated by Swedish authorities based on guest nights (see remark at the end of this chapter). Considering this, neighboring Norway remains the largest international source market for Sweden. However, after a peak in 2015 numbers of international arrivals from Norway are decreasing slightly.

Traditionally Germany is the second-largest source market which shows a constant increase of arrivals since 2014. Denmark -being the third-largest source market - follows a similar pattern as Norway with peak numbers in 2015 and a decrease since then. A positive development can be witnessed for the US market closely followed by the United Kingdom which showed an exceptional growth between the years 2016 and 2017.

Sweden - Top Five Source Markets 2014 - 2017 (International Arrivals)



■ = 2014; ■ = **2015**; ■ = 2016; ■ = 2017
Source: BSTC TMM, 2019 based on OECD



Photo by: Jussi Helttén, Visit Finland

Swedish Tourism Industry outlook 2019+

Sweden and the Swedish tourism industry are, as other countries, affected by changes and megatrends such as urbanization, digitalization, changing traveling behaviors and increased awareness of, and demand for, sustainable alternatives.

In that context, the Swedish government has announced the development of a [Swedish tourism strategy that will be developed in 2019](#) and launched in 2020. This will be the first governmental strategy for tourism in Sweden and is requested by many stakeholders in public as well as private sectors.

Major issues to be addressed in the strategy will most probably be how to tackle the [supply of labor](#) and competence, the [regulatory burden](#) for SMEs, effects of and ways to gain from [digitalization](#) and not least skills and tools for [sustainable development](#).

Another important area is the implementation of the Swedish rural policy where the government in collaboration with stakeholders are planning actions of high relevance to the tourism industry, including a 10 million SEK program for the development of [nature-based tourism](#).

The major national bodies for tourism in Sweden are Visit Sweden, responsible for international marketing, and the Swedish Agency for Economic and Regional Growth, responsible for tourism statistics, knowledge and quality development in tourism as well as coordination and co-operation between stakeholders.

The latter of the two governmental bodies is during 2019 concluding a large project on destination development, and is, in collaboration with industry stakeholders, supporting a project called Visit the Future, focusing on cross-sectoral innovation in tourism. Another important project about to start is the development of methodology for destination development in World Heritage Sites based on the UNESCO how-to guide, with Falun World Heritage as pilot site.

Furthermore, Sweden is trying to get deeper in to understanding new ways of developing tourism statistics, for instance by use of mobile positioning data.



Photo by: Flatlight Films, Visit Finland



Photo by: Matti Koutonen/Vastavalo, Visit Finland

Remarks on methodology and data - [Sweden](#)

- Please note that the data for [international arrivals](#) per source market is based on the assumption that all foreign markets have the same relationship between guest nights and arrivals. Sweden does not have statistics on arrivals per nationality; Swedish statistics only distinguishes between Swedish and international arrivals. The figures are therefore based on total guest nights per nationality divided by 2,3 which is the average length of stay for international guests in Sweden.



BSTC Baltic Sea Tourism Center

The countries bordering the Baltic Sea have much in common. In the field of tourism, we all want to assert ourselves in a demanding world with ever faster and new developments. It is time to **bundle our resources**, pool our expertise and grow together for increased innovation and prosperity!

The Baltic Sea Tourism Center offers you that sort of **platform**. It jointly improves competitiveness for a sustainable tourism in the Baltic Sea region by focusing on its **Core Competences Partnerships, Insights, and Skills**.

Partnerships

The **competence area “partnerships”** provides and facilitates connections to BSR-tourism stakeholders. “Connection” refers not only to the community of BSR-tourism stakeholders itself, but also to the link between them, stakeholders from other industries (e.g. culture, transport, education, innovation) and the policy level inside and outside the BSR.

Strong partnerships form the basis for cross-border cooperation by bundling resources and competences. It enables the tourism industry to talk with one voice and represent the interests of the industry more effectively.

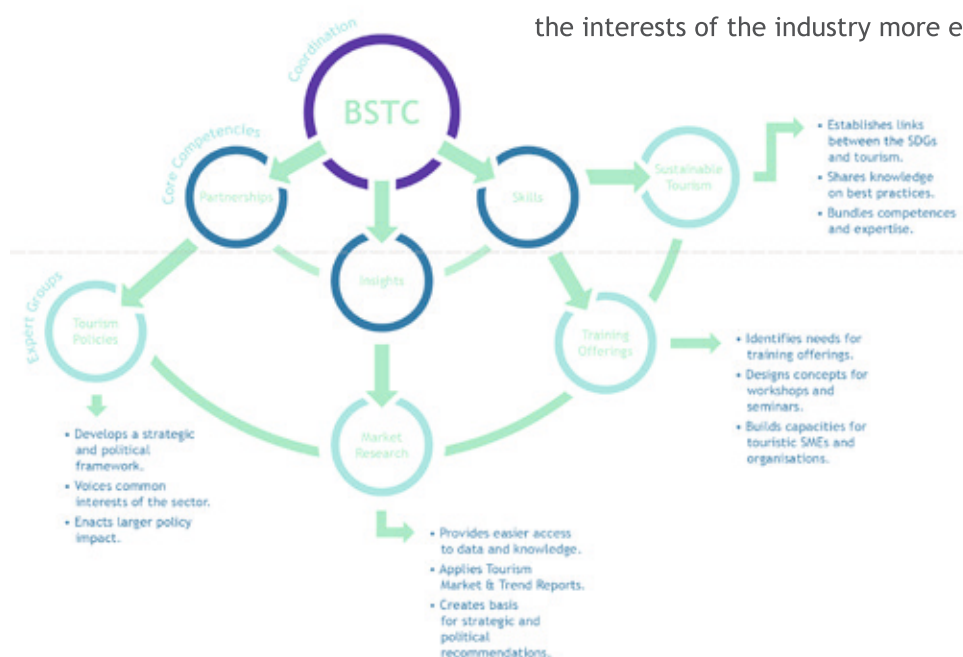


Fig. 3 BSTC Baltic Sea Tourism Center platform



Insights

The [competence area “insights”](#) researches, unlocks and provides knowledge to BSR-tourism stakeholders. Apart from statistical data and individual market research activities, BSR tourism actors regularly work on joint projects and thus create comprehensive knowledge that often still remains unused after the end of the projects. The BSTC will strive to coordinate and facilitate better use of existing data, thus providing knowledge, inspiration and benchmarking possibilities and preparing the ground for strategic decisions.

Skills

The [competence area “skills”](#) aims at improving the competences of BSR tourism stakeholders. It refers to the dissemination of up-to-date knowledge among stakeholders with relevance for BSR tourism and its future development. This will lead to enhanced quality of tourism offers and further internationalization of products and services. Specific topics include product development, sustainability, internationalization, digitalization or seasonality.

In order to further develop the three competence areas, four BSTC expert groups will be set up to deal with tourism policy, market research, sustainable tourism and training offerings. In the thematic expert groups, a more continuous and strategic work on transnational topics should be enabled.

What’s in it for you

- Grow your international network
- Enhance the international visibility of your institution
- Get easier access to data, knowledge and best practices
- Take better advantage of international development trends
- Build up capacities in sustainable tourism development
- Benefit from a joint representation of interest

What’s in it for you

- Destination Marketing Organisations
- Public Administration
- Education & Research Institutes
- Transnational Organisations
- Private Companies

Become a [member of the BSTC](#) and an active partner in one of our Expert Groups and thus contribute with your expertise in [Tourism Policies](#), [Market Research](#), [Training Offerings](#) or [Sustainable Tourism](#).

BSTC Market Research: Tourism Market Monitor®

This report is based on the BSTC Tourism Market Monitor (TMM) which provides BSR tourism stakeholders with **current trans-regional industry data** for strategic decisions on BSR tourism developments. The semi-automatic system uses open data to compile information from different sources through a defined set of key performance indicators on a national and regional level, taking into account different stakeholder data requirements.

Among others, the data collected provides the basis for **predicting the future demand for BSR tourism and benchmarking the current supply** of BSR tourism infrastructure. The TMM data will support BSR tourism stakeholders to make better-informed decisions, thereby enhancing the competitiveness of the industry.

The BSTC TMM uses different data sources to populate the BSTC database with relevant tourism industry data. Data updates are done automatically (with pre-defined sources) or manually via the BSTC. Based on the data availability a set of standard reports is automatically produced and also allows for individual analysis by BSTC members. The development and maintenance is provided by the BSTC expert group on market research.

Future enhances of the BSTC TMM should include NLG (natural language generated) bespoke reports for the BSR tourism stakeholders.

Training and access to the BSTC TMM data is provided to BSTC members.



Fig. 4 BSTC TMM Tourism Market Monitor® concept

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Unless otherwise stated, all websites mentioned in the text were last accessed on June 1, 2019.

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List of Abbreviations

BRIC	Brazil, Russian Federation, India, China
BSR	Baltic Sea Region
BSTC	Baltic Sea Tourism Center
BSTC TMM	Baltic Sea Tourism Center - Tourism Market Monitor
Eurostat	Statistical Office of the European Union
GDP	Gross Domestic Product
ICT	Information and Communication Technology
KPI	Key Performance Indicator
OECD	Organisation for Economic Co-operation and Development
UNWTO	United Nations World Tourism Organization
WEF	World Economic Forum
WTTC	World Travel & Tourism Council



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