



## **Forecast for Norwegian and foreign holiday and leisure traffic in Norway Summer 2019**

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# Optimism at the start of the summer season. There are many signs that we are entering the sixth summer season in a row with good growth from abroad

- After five good summer seasons in a row, the Norwegian travel and tourism industry and foreign actors who promote and sell Norway as a destination are optimistic.
- However, there are still some stumbling blocks ahead.



## **A new summer with many tourists awaits**

The travel and tourism industry in Norway is largely seasonal, with more than half of all overnight stays taking place during the summer months from May to August. It is also during this period that the largest increase from overseas has occurred in recent years. In addition, summer season growth is not evenly distributed throughout the country, but is often concentrated in specific areas in Western and Northern Norway.

## **High tourist concentration in specific regions during certain periods of the year creates new challenges**

On the one hand, Innovation Norway's inhabitant survey shows that those who live in areas of high tourist concentration highlight traffic challenges, wear and tear on nature, and four out of ten feel that tourists take liberties and act like they own the place. On the other hand, prices are increasing so that visitors find that price and quality do not match.

Due to increased demand in the most popular areas, accommodation providers have increased their prices. This has been accepted due to the low value of Norwegian kroner compared to both the euro and the dollar. However, the price level is now so high that Norway is at risk of tourists choosing alternative destinations. Unfortunately, quality and service haven't increased at the same pace. As a tour operator writes: "Prices seem to have reached a level that guests are no longer willing to accept. At the same time, the quality of food, the service in the hotels etc. have not been increased."

## Norwegian travel and tourism requires sustainable development

We are going to make money from tourism, but it is not a sustainable development to increase prices without increasing quality and service at the same time.

Among other things, the tourist survey measures tourist satisfaction, and never before has “price in terms of quality” scored lower than last summer. In addition, the survey shows that 47 percent of foreign tourists had experienced mass tourism to some degree during their stay in Norway. This was noticed especially in Western Norway. When we know that much more than half of the foreigners that come here wish to experience places that are not ruined by tourism, it is an unpleasant surprise for them to experience queues and traffic congestion. This situation will repeat this summer- Experiencing the fjords is as popular as ever.

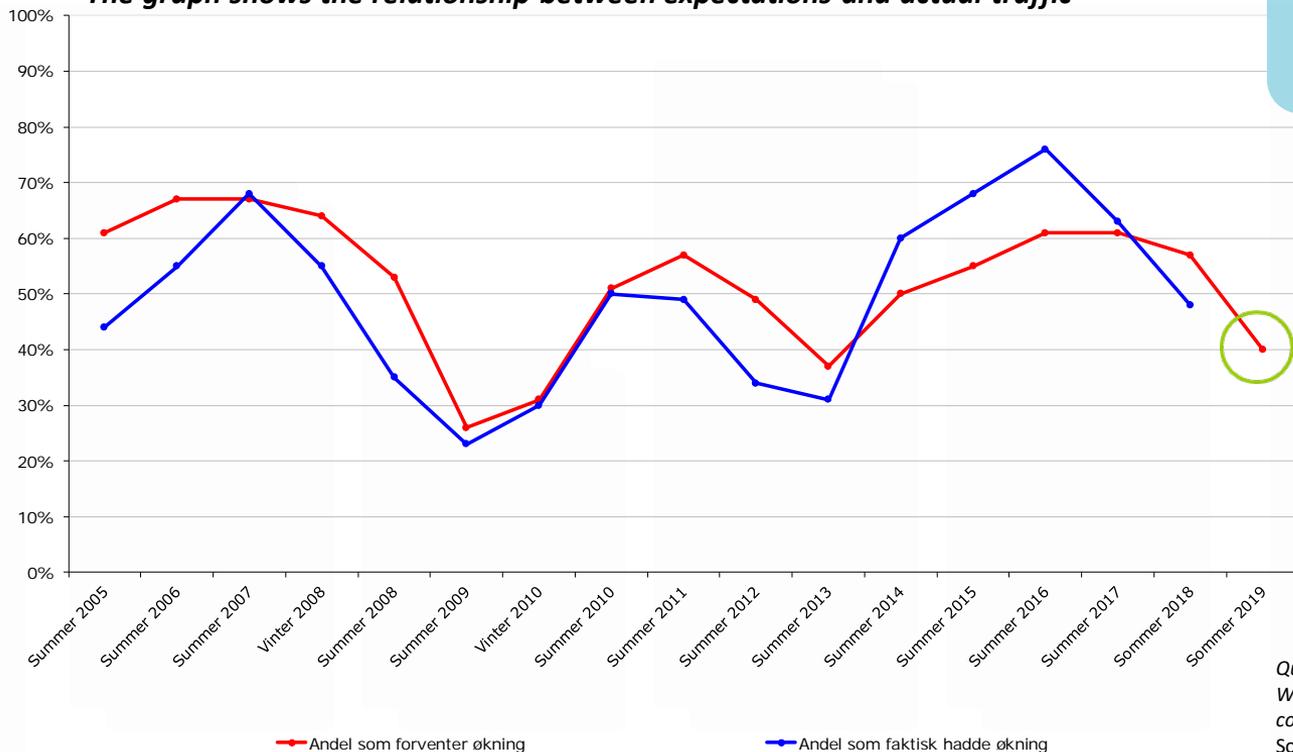
Photo: Thomas Rasmus Skaug / Visitnorway.com

Tourists don't always get to experience the untouched nature they came to experience



The strong growth experienced in the summer months over the last few years has exceeded the Norwegian travel and tourism industry's expectations. However, this changed last year. This year's results are also a lot weaker than they have been for a long time.

*The graph shows the relationship between expectations and actual traffic*



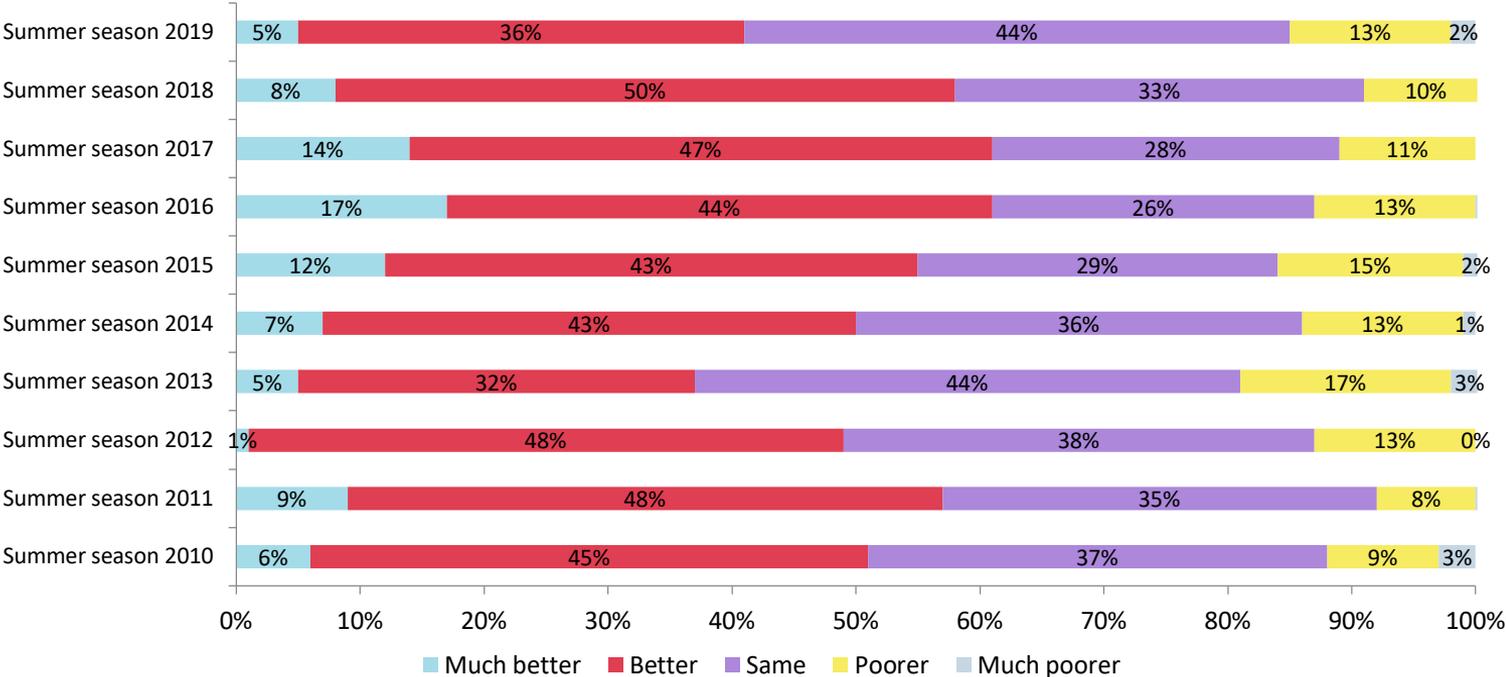
At the start of this year's summer season, 41 percent think the season will be better than last year. This is the lowest expectation that has been seen for a long time, but it still means that we are entering the sixth summer season in a row with many foreign visitors.

Question:  
 What are your expectations for the traffic to Norway this coming summer season compared with last summer season?  
 Source: Innovation Norway

**At the start of the summer season, 41% expect the growth to continue. 44% think the summer will be the same as last year, while 15% expect a downturn.**

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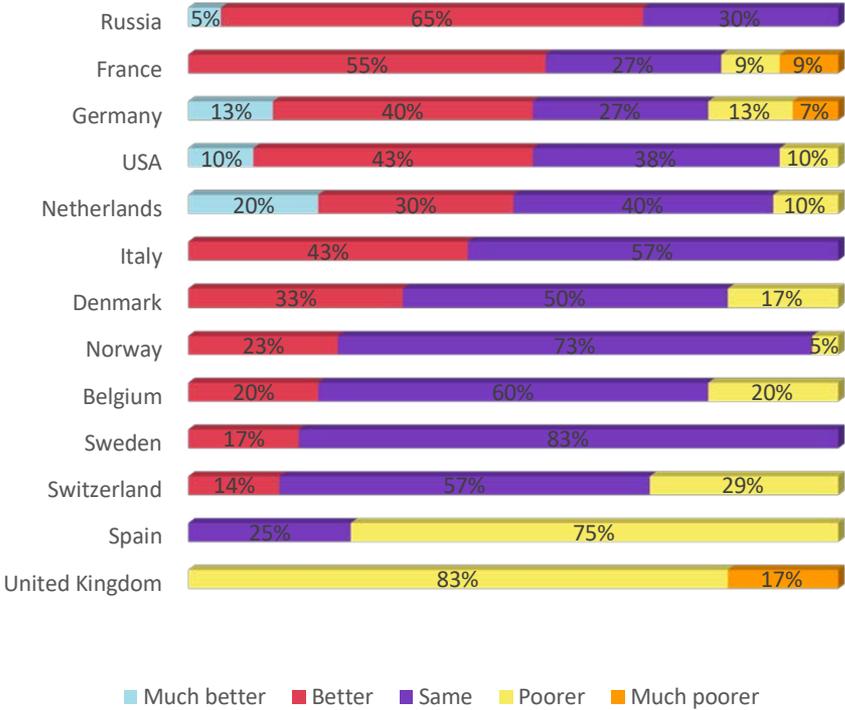
85% expect the growth to continue or that the level will remain the same



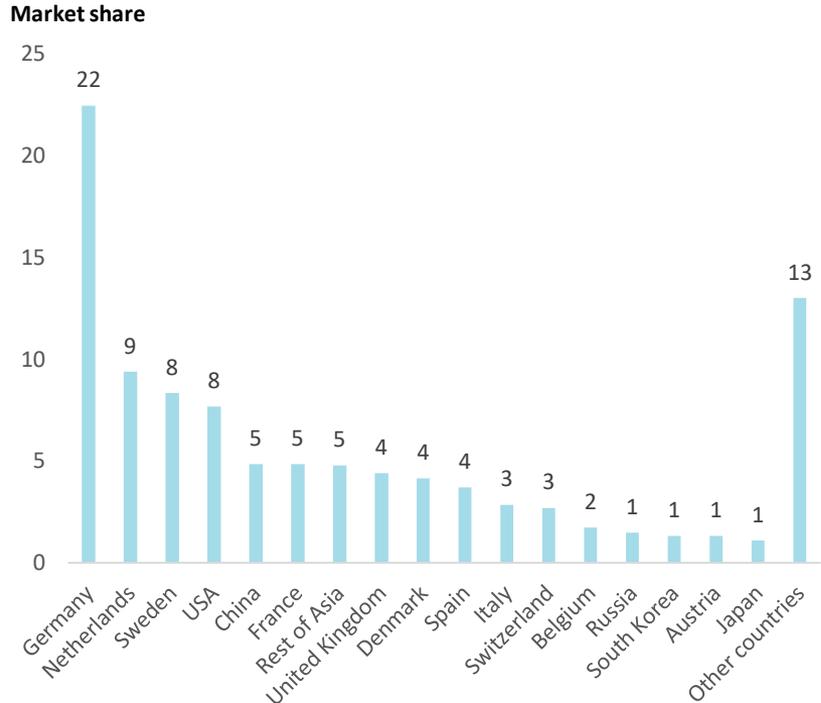
# Mixed expectations regarding the summer season

The expectations are good regarding large and important summer markets such as Germany, the Netherlands and the USA. There is also optimism regarding Russia, even though it represents a small part of the market. The lowest expectations are related to the UK and Spain.

Expectations per market at the start of the 2019 summer season

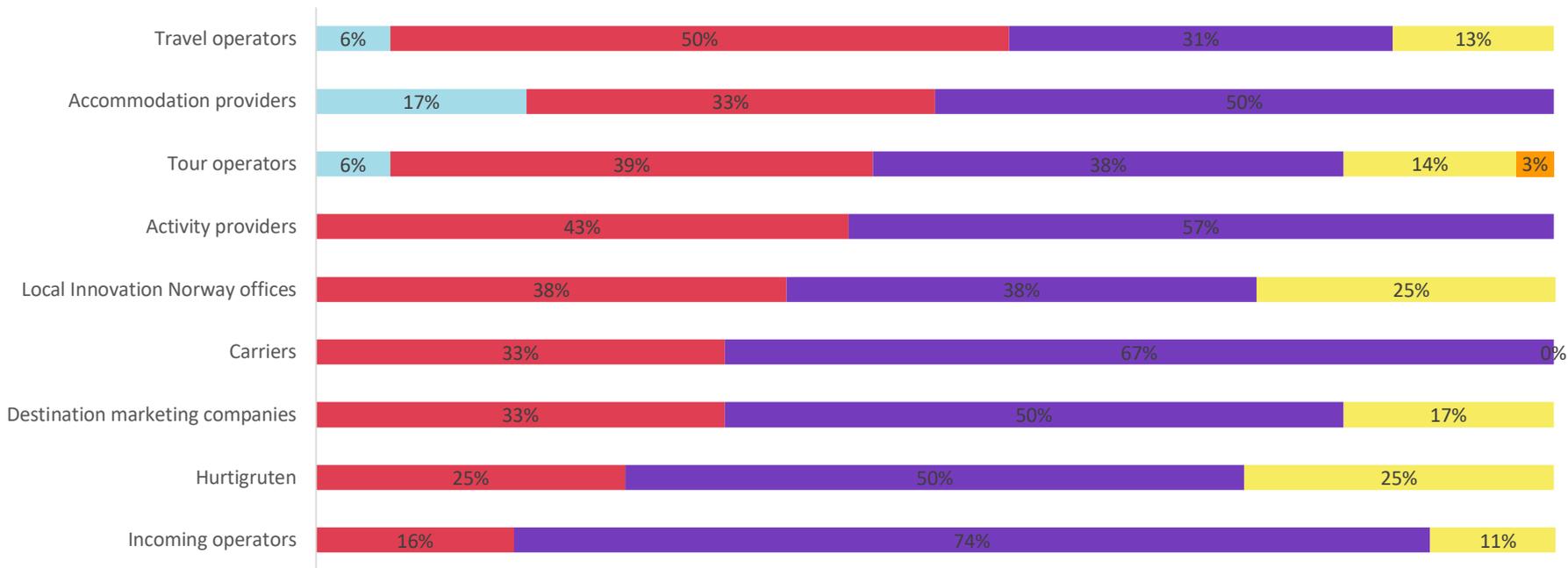


A retrospective view of market size, summer 2018



# Expectations for the summer season per sector

The highest optimism is found among accommodation providers and operators



# Some feedback from those who participated in the Tourist Barometer

# Never before has there been so much feedback about price levels

- “Due to the high demand, some tour operators find it more difficult to get good rates in selected hotels. This makes growth more complex.”
- “Norway is not increasing as much as other Scandinavian winter destinations because of 1) extremely high hotel rates due to high demand 2) low capacity for groups on Hurtigruten 3) many hotels are fully booked, especially in the fjords and the coastal areas: Sognefjord - Nordfjord - Geiranger - Lofoten.”
- “For 2019, the estimated increase will be approximately 10-12 percent - a very high level. Norway is our most important destination and we’re working hard to keep the bookings at this high level. Beside marketing, the most important thing is the exchange rate. The Euro / NOK exchange rate is still very good. But changes in the exchange rate might be demanding in the future. The Norwegian price level is already high compared to similar products in Sweden, Finland, Austria or Scotland. If NOK rises by 10 percent (which is possible), we’ll have problems. And from my point of view with more than 30 years in tourism, the exchange rate is more important than any kind of marketing.”
- “Prices seem to have reached a level that guests are no longer willing to accept. At the same time, the quality of food, the service in the hotels etc. have not been increased.”
- “Hotel rates have increased drastically between 2017 and 18 and it is having a bad effect this year.”
- “Rate increases, especially in the fjords, are driving the selling price up and we are now reaching a point of price that customers are not comfortable paying for. Hotels and suppliers must help us to keep the YOY increases reasonable. Our clients are choosing to travel to Switzerland and Canada instead, which offer better value for their money.”
- “Also, the fact that many ferry companies no longer accept vouchers, the fact that there are rumours about further VAT increases on hotel services, and the fact that a tourist tax is discussed, all point in the direction that Norway does not really want tourists anymore .”

## Other feedback

- “Mediterranean countries become too hot, so people tend to choose more northern destinations. At the same time, summer 2018 was very warm and exotic in the Netherlands - something that caused people to be hesitant in booking holidays abroad (less early bird bookings); It’s a safe destination; less travel by air, movement towards sustainable means of travelling, which could benefit Norway.”
- “Fjords! Fjords! Fjords! Everyone wants to see the fjords!”
- “More flights available to smaller destinations in Norway”
- “Fjords as before, another wave of popularity”

# Developing Norwegian travel and tourism

# The travel and tourism industry in Norway is seasonal

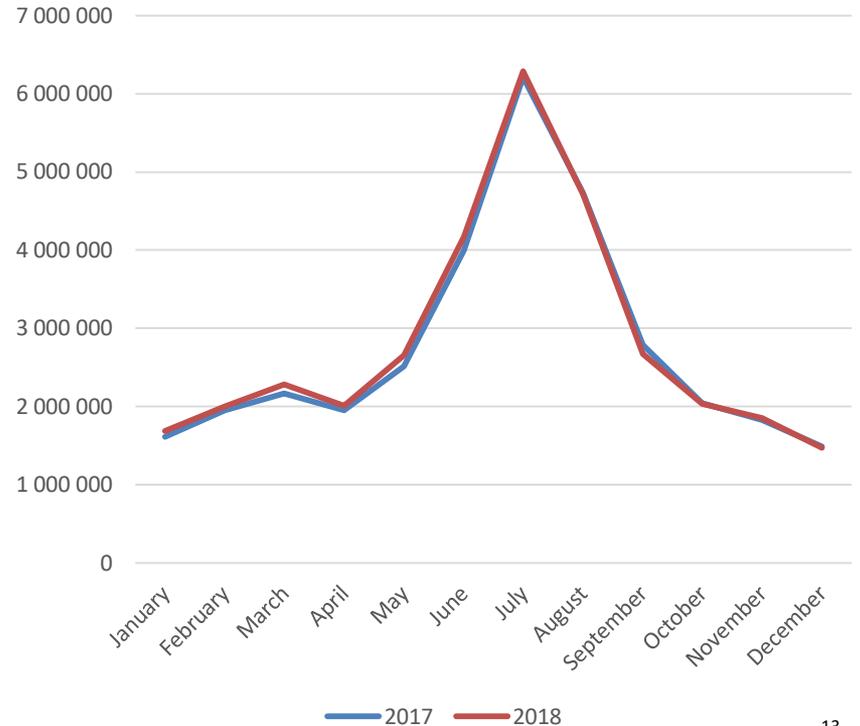
## More than half of all overnight stays occur in the summer months

Tourism provides greater prosperity, economic growth and employment throughout the world, but the economic benefits of tourism are not equally shared. Not in Norway, neither. Traditionally, the Norwegian travel and tourism industry has been seasonal, with more than half of all overnight stays taking place during the summer months from May to August. Some regions of the country can experience periods when there are too many tourists, while others would welcome more.

## This trend was further reinforced in 2018

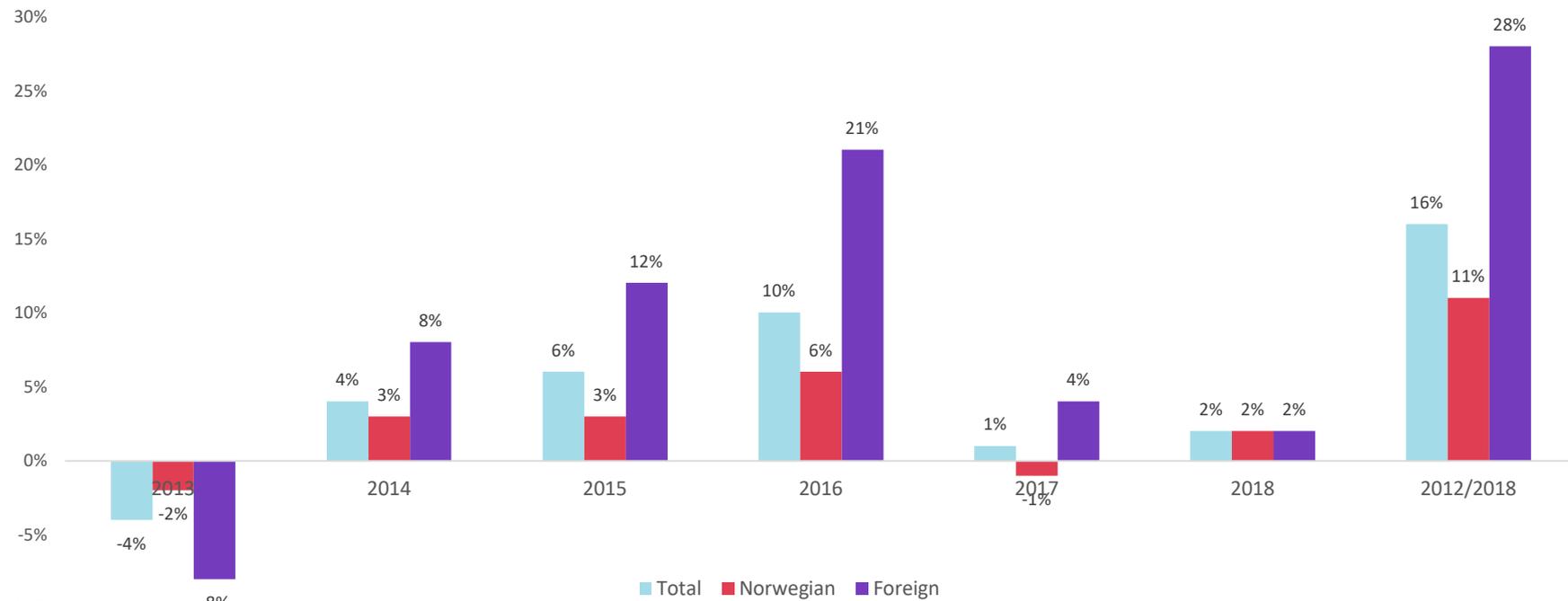
2018 was characterized by a good winter season with good snow conditions, and a glorious summer season with record temperatures in much of the country. Even with a good increase in the number of overnight stays during the winter months (+ 6%), travel and tourism's challenges were further amplified with the greatest growth in the summer months (+ 2%). Out of the 534,000 more overnight stays in 2018, 365,770 of them occurred during the summer season. It represents a share of 68.5 percent. The equivalent figure for 2017 was 66 percent.

Commercial overnight stays per month



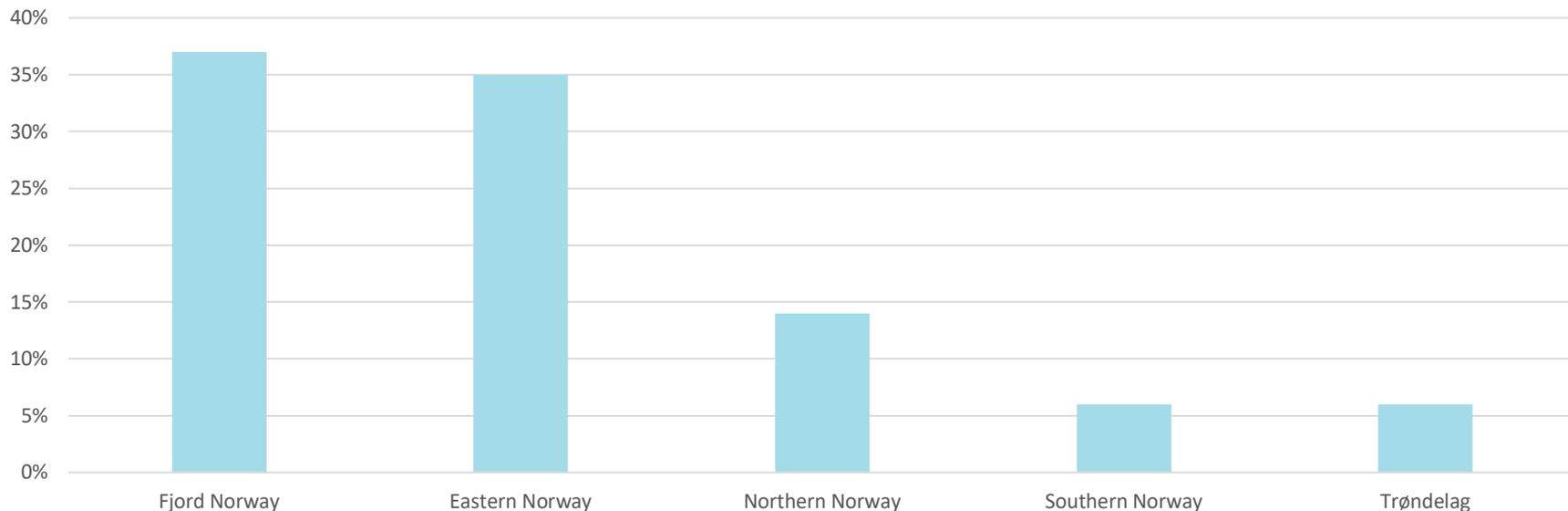
# Summer season development 2013-2018

2018 was the fifth year in a row that produced a growth during the summer season



# The four fjord counties had the most foreign overnight stays

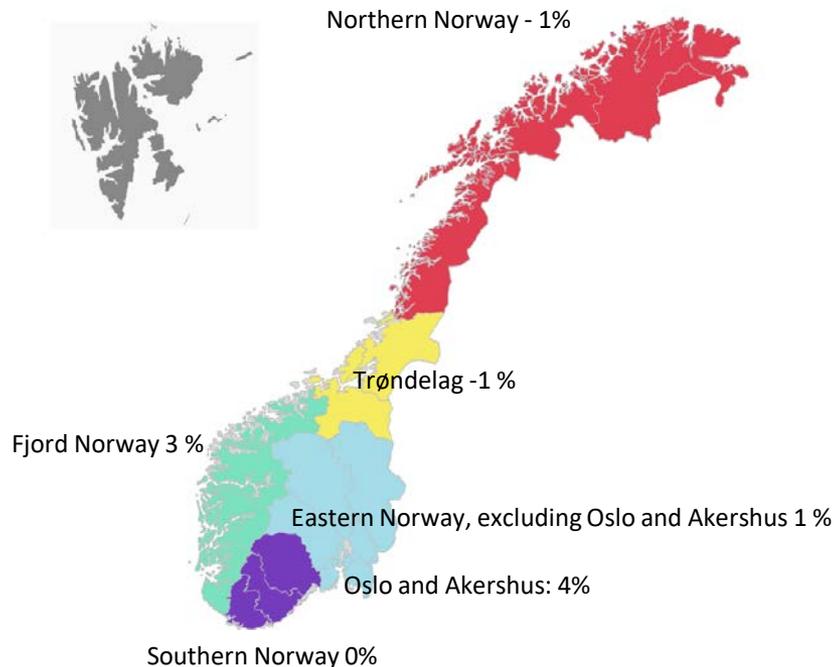
Distribution of foreign overnight stays during the summer season 2018



# Oslo and Akershus had the largest growth in 2018

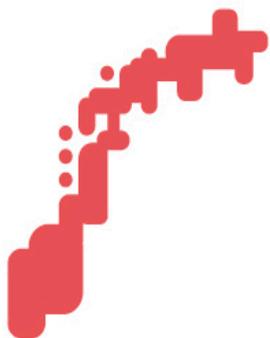
Northern Norway experienced a downturn due to poor summer weather. While the rest of the country experienced record temperatures, Northern Norway struggled with a cold summer that may have resulted in the downturn regarding Norwegian overnight stays. Many media reports about overtourism in Northern Norway can also be a cause.

**The whole country grew by two percent Overnight stays in 2018**



# Statistics Norway publishes satellite accounts for tourism, which provide information about the importance of tourism for Norway

## Turismens betydning for Norge



**4,3%**  
**BNP**



**7 av 100** jobber i reiselivs-næringen



**177 mrd**  
Samlet turistkonsum



**53 mrd**

Utlendingers andel av det samlede turistkonsumet utgjør 30 prosent

## Background and methodology

- An electronic questionnaire was sent out and was accessible from 23rd of April to 15th of May, 2019.
- 159 participated in the survey.
- The purpose of the Tourist Barometer is to provide an overview of the expected growth in traffic, broken down into markets and sectors.
- Participants in the survey have been involved in Innovation Norway's campaigns and activities over the past 12 months, with the exception of the Norwegian inbound operators.
- The expert panel is made up of representatives from the tourism industry at home and abroad. These represent tour operators, inbound operators, accommodation providers, carriers, cruises, activity and attraction enterprises, local tourist offices, regional destination marketing companies, and Innovation Norway's marketing managers in the respective markets.
- The survey is conducted twice a year, before the summer and winter seasons.
- This is the 33rd time the Norwegian Tourist Barometer has been conducted.



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