



NORWEGIAN MINISTRY
OF TRADE AND INDUSTRY

The Government's Tourism Strategy

Valuable Experiences

National Strategy for the Tourism Industry





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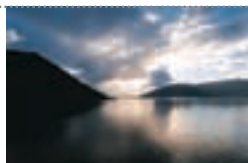
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National Strategy for the Tourism Industry

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Photo: Anders Gjesdal/Innovation Norway

Preface



At the beginning of the 20th century, Norway welcomed some 20,000 tourists each year; by 2006, this figure had soared to 3.9 million. Tourism is one of the fastest growing industries in the world, and Norway is well positioned to take part in the international growth.

National Geographic Traveler has ranked Norwegian attractions amongst the best in the world on a number of occasions. For example, the Norwegian fjords have been voted the best natural attraction in the world, Lofoten is ranked as the third best island destination in the world, and an Arctic safari from Kirkenes is on the National Geograph-

ic Adventure Magazine's list of the 25 best new adventure travel trips in 2008. Despite this, Norway still has a relatively low profile abroad. For this reason, the Government has increased its allocations for promoting Norway as a tourist destination considerably in recent years.

It is still Norway's striking scenery and nature that attract visitors to Norway, and the emerging trend is a growing adventure or experience segment. The Government's investments are therefore targeting the vision «*valuable experiences*». We want to make sure that tourism creates value for the local community, companies, employees, the environment – and of course, the guests we welcome! The strong international growth in tourism opens up a wealth of new opportunities, but also entails some considerable challenges. We must make sure that growth is profitable and sustainable, which is what we have tried to reflect in the vision we have defined.

Because tourism is a complex industry consisting of many parties, it is affected by the work of many different ministries. This is *the Government's* strategy, and most of the ministries have participated in its design. The strategy has also been developed in close consultation with the tourism industry throughout the whole of Norway. We have encountered a high level of commitment and dedication in the industry, and I would like to take this opportunity to thank everyone who took part for their input. In this strategy, we try to suggest solutions to the challenges identified by the industry, and we present a review of what the Government has to offer. The tourism industry itself has a major responsibility, and we hope this strategy will serve as a guide for the entire industry. Close collaboration between the stakeholders in the tourism industry and between the industry and the authorities will be essential to give tourism in Norway a boost in the years to come.

Developing tourism is a long-term undertaking, and we will not see results overnight. Launching this national tourism strategy marks the beginning of a long-term, joint project. This document is a step on the way towards a more streamlined, coordinated effort to realize the potential in the tourism industry. It is now the work must really begin.

I am looking forward to a fruitful collaboration where together we will lay the foundations for a forward-looking, attractive tourism industry that offers valuable experiences!

18 December 2007

A handwritten signature in blue ink, which appears to read 'Dag Terje Andersen'.

Dag Terje Andersen

Norwegian Minister of Trade and Industry



Introduction

Photo: Terje Rakke/Nordic Life/Innovation Norway



1

1.1 The Government's visions and objectives for tourism policy

The objective of the Government's industrial policy is maximum wealth creation in the Norwegian economy. Wealth creation lays the foundation for welfare. A high degree of wealth creation and future welfare depend on the value of creating being combined with the value of sharing. The Government wants Norway to become a globally leading, innovative, dynamic, knowledge-based economy in areas where we have an advantage. Proactive industrial policy is essential to ensure innovation and change. The Government aims to facilitate this through the general parameters in society and through more specific projects in selected sectors.

Tourism is one of five areas ascribed priority in the Soria Moria Declaration. In this declaration, the Government states that national strategies will be developed within the five industries where Norway has expertise or a special advantage. The Government is now presenting its national strategy for the tourism industry. This strategy is intended to stimulate better profitability and wealth creation in the Norwegian tourism industry. Wealth creation must be sustainable to ensure that environmental considerations are safeguarded and our natural and cultural heritage is exploited in a way that gives us a competitive advantage.



Like other business areas, the tourism industry is responsible for its own development. The national tourism strategy will define the direction developments in the industry should take and help ensure that companies are able to meet the challenges and exploit opportunities. The strategy should serve to coordinate and underpin the authorities' efforts to promote tourism. It is also a goal that better coordination in the public commitment to the industry will promote more efficient exploitation of resources. The industry itself must innovate and create good, comprehensive products that ensure visitors valuable experiences. This requires close cooperation between all parts of the industry and other actors involved in creating experiences for tourists.

The Government's vision for the tourism strategy: Valuable experiences

The tourism industry must make the leap from producing traditional tourism products to collaborating to create comprehensive products that include culture, food, history, nature and activities, in addition to transport and accommodation. Our vision is that by offering valuable experiences, we will add value for visitors, companies, employees, the local community, the environment and Norway as a whole. This will lead to greater wealth creation in tourism in Norway.

The Government's three main objectives for the strategy are:

- **Greater wealth creation and productivity in the tourism industry**

All investments in tourism must be based on the general goal of increasing wealth creation in the tourism industry in Norway. To a great extent, this must be done by improving cooperation in the industry and collaboration between relevant players. A greater focus on innovation and training will increase the need for networks and collaboration on all levels. In addition, coordinated marketing of Norway as a destination will require good collaboration between the players involved in the industry and the government.

- **Sustainable rural communities through year-round jobs in tourism**

The tourism industry is an important industry in rural areas and helps ensure attractive local communities. However, the industry is subject to major seasonal variations, which are most keenly felt in rural areas. More year-round jobs will promote better quality and more stable populations and workforce in rural Norway.



Photo: Anders Gjengedal/Innovation Norway



Photo: Christian Houge/Innovation Norway

The Government's national strategy for the tourism industry

Vision: Valuable experiences

Main objectives

- Greater wealth creation and productivity in the tourism industry
- Sustainable rural communities through year-round jobs in tourism
- Norway – a sustainable destination

Focus areas

- Innovation
- Sustainable tourism
- Quality
- Expertise
- Destination development
- Marketing
- Organization

■ Norway – a sustainable destination

Sustainable tourism means that the development of the industry must promote sustainable local communities, good, stable workplaces and economically viable tourism companies, whilst keeping a firm focus on the environmental perspective. Tourism must also aspire to ensure low emissions of greenhouse gases and waste and protect our natural and cultural landscape. The Government's definition of the concept of sustainable tourism also includes social responsibilities.

Focus areas in the strategy:

In order to achieve the main goals, we are focusing efforts in seven areas: *Innovation, sustainable tourism, quality, expertise, destination development, marketing and organisation*. Challenges linked to *information and communication technology (ICT)* and *how to deal with common tasks* are also important, although these are relevant for most of the focus areas.

1.2 Dialogue with the tourism industry

In the elaboration of the national tourism strategy, the government has attached importance to close dialogue with the tourism industry. Contact with stakeholders in the industry has been through meetings in the Minister of Trade and Industry's contact committee on tourism and meetings with a smaller group consisting of important players. During spring 2007, seven regional consultation sessions were held in Alta, Bodø, Trondheim, Bergen, Arendal, Lillehammer and Oslo. In addition, many individual players around the country have given input. Comments and views from people involved in tourism have helped form the basis for this strategy.

The consultative forums have attached particular importance to the need for *better marketing*. Some people believe that we need to do more to promote the diversity of Norway as a tourist destination. Others think that marketing of Norway as a destination ought to be more concentrated, focusing on a handful of highlights. The



Photo: Oddleiv Abneseth/Bergen Reiselivslag

logic behind this theory is that this kind of marketing would ensure Norway greater impact abroad, while the ripple effects would benefit also the smaller players. The co-funding requirement has been highlighted as a challenge for small companies. The tourism industry around the country is concerned about protecting the environment and regards *nature* as our main asset. At the same time, there is a much greater focus on *adventure* and experiences than before.

The necessity of Norway as a destination being easily accessible via Internet booking, for example, has been raised on several occasions. It is important that Norway remains ahead of the game in terms of using technology in tourism. Many people feel there should be more focus on how tourism products are packaged and sold, stressing that individual tourism companies must regard themselves as part of a *larger, comprehensive product* and must get better at collaborating and recommending one another, as opposed to competing with one another. Several players have expressed the wish that a scheme be devised for funding common goods for the tourism industry.

The need for *greater expertise* in tourism has been mentioned many times, but few players in the tourism industry have the time and resources to undertake major training schemes. Establishing forums for exchanging knowledge has therefore been underlined as an important step. Several people have suggested that the networking programme Arena (presented in more detail in the chapter on innovation) should be evaluated and that experiences gained here may form a good foundation for future organization and cooperation models. In this context, there is a need for major «locomotives» that can fill the role of demanding customers. Some people think that tourism would benefit from collaboration and internal organization within the industry being more topic-based, as opposed to geographical.

Many people link the challenges concerning competency to the major seasonal variations and think efforts should focus on encouraging and promoting year-round tourism. Many people also call for a *quality assurance system*. It is emphasized that the focus must be on profitability in the industry, as opposed to counting the number of visitors to Norway, and that the statistical basis for the industry needs improving.



The tourism industry in general would like to see better infrastructure and accessibility to the attractions around the country. It is particularly desirable that requirements are laid down to ensure predictable transport timetables and that timetables are prepared and made available well in advance of the season. Players on the west coast and in northern Norway also want better air connections and direct flights into and out of their regions.

The tourism industry is affected by decisions made by several ministries and other public bodies. The industry would like to see *better coordination* of the public sector's efforts related to tourism, stressing that a long-term perspective and predictable parameters are decisive for companies' ability to exploit the potential inherent in tourism. Some people would like a ministry devoted to tourism. Many people stress that the central government's knowledge and understanding of tourism need to be improved and that work on matters affecting tourism must be better coordinated on the ministerial, regional and local levels and within the system of policy instruments.

There is general consensus that the industry must be more strongly involved in central government work. The tourism industry should be consulted when decisions are to be made, and stakeholders in the tourism industry think that they are often consulted too late in the various processes. Many people state that the various schemes in the policy instrument system need to be better adapted to service production.

1.3 Trends in tourism

Tourism is a generic name for a number of industries where sales to visitors constitute a significant part of the production. Transport, accommodation, food service, and travel and tour companies, as well as players offering different kinds of attractions and activities, are all elements of the tourism industry.

The term «experience industry» is increasingly being used about travel and tourism services. This is because providing a new and memorable experience has become a very important part of tourism, be it in terms of accommodation, food, transport or activities. Travelers have ever higher requirements regarding the content of the tourism products and seek experiences that are authentic and unique. Creating more opportunities for experiences for travelers visiting a town or passing through a region increases their willingness to spend money on the various services.

The turn towards experiences thus provides potential for more wealth creation in tourism, but also entails requirements for creativity and collaboration to provide these experiences. The creative competencies found in the cultural arena can be crucial resources in this work. The institutions and activities in the cultural sector constitute important tourism products in their own right, and art and culture are becoming increasingly important elements in tourism. Exploring the outdoors also contributes to better health through greater activity and recreation.

The tourism industry is growing rapidly internationally. The generally high level of prosperity in the West, combined with longer life expectancy and better health among senior citizens, is yielding a significant segment of wealthy consumers who are willing to spend money on travel. New markets in Eastern Europe and Asia have also opened up as these countries experience an economic boom.

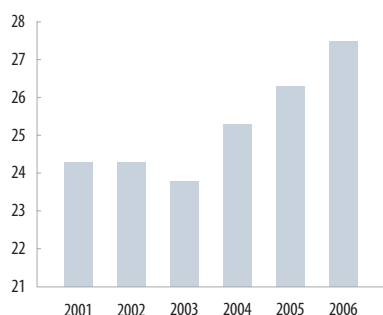
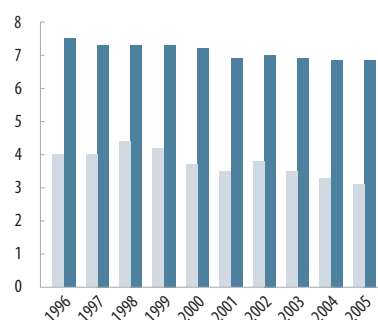


Figure 1 shows the number of overnight stays in millions of guest nights from 2001 to 2006. The statistics do not include figures from hotels with less than 20 beds and self-catering (cabins and similar). An increasing share of overnight stays in Norway are self-catering. The figure does therefore not provide a complete picture, but shows a tendency for the growth in overnight stays.

Figure 1: Number of overnight stays 2001–2006 (millions of guest nights) (Source: Statistics Norway)



■ GDP
■ Employment

Figure 2: The tourism industry's share of Norwegian GDP and employment in Norway, in percent. (Source: Statistics Norway)

The maritime transport sector – essential for land-based tourism

Color Line is Norway's largest and one of Europe's leading cruise and shipping companies linking Norway to mainland Europe. Transporting almost 4.5 million passengers a year, this company plays an important role for land-based tourism in Norway. Color Line markets Norway's attractions internationally, and there is a huge potential for both coastal and inland areas to more fully exploit the increasing number of travelers that international ferries generate.

Growth in the Norwegian tourism industry requires good access to Norway. More than 80 % of the growth in overseas arrivals is due to people arriving in Norway by aeroplane. Some 45 % of foreign visitors to Norway in 2006 arrived by plane. That year, 37 % of tourists arrived by car and 18 % by ferry, meaning that ferry services, road standards and services for drivers along the road network are important.

For Norway to be chosen as a destination, we must be able to offer holistic experiences. The various actors in the tourism sector are becoming increasingly dependent on one another and on players that have not traditionally regarded themselves as part of the tourism industry. This presupposes close collaboration, in the public sector and among the companies involved in tourism. The challenges are amplified by the fact that the players often have different, sometimes conflicting, interests.

At present, tourism companies are not very profitable compared with other industries. Major seasonal fluctuations mean that many tourism companies only make money short periods of the year. Tourism is also a very labor-intensive industry. Pay for employees constitutes a major part of the costs. At the same time, the industry also requires major capital investments, such as building hotels and buying aircraft.

Business travel is the most profitable market. However, this market varies widely according to the general economic climate. The holiday and leisure market is more price-sensitive than the business travel market and is affected by the individual's private economy and spending power. In Norway, it is primarily the cities that benefit from business travel.

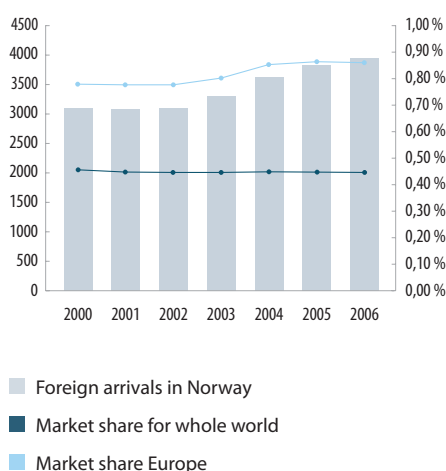


Figure 3: Norway's share and foreign arrivals in Norway
(Source: Institute for Transport Economics (TØI) and UN World Tourist Organization (UNWTO))

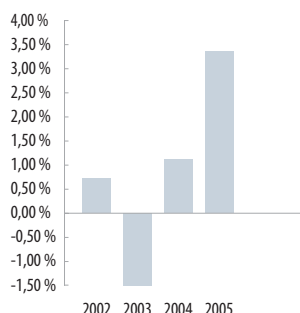


Figure 4: Profit margin (profit in relation to turnover) in the Norwegian travel and tourism industry 2002–2005
(Source: Dun and Bradstreet)

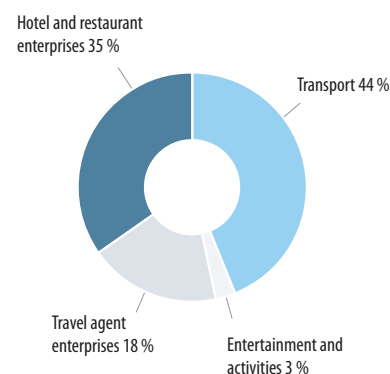


Figure 5: The various sectors' share of production in the Norwegian travel and tourism industry (Source: Statistics Norway)

In an industry as labor-intensive as tourism, there is usually a direct relationship between competence and quality. More than three-quarters of the companies in the industry had four or fewer employees in 2005. With so many small companies struggling to make ends meet, it is difficult to find time and resources for major measures to raise levels of competence. Seasonal variations mean that the companies often are unable to offer year-round jobs, and it can be difficult to maintain a stable team of employees. Some companies are therefore unwilling to invest resources in training employees and skills upgrading.

At present there are inadequate statistics about the tourism industry. This makes it difficult to get a clear picture of the size and importance of tourism in Norway.

There is a clear trend for more people to plan and book their trips themselves. Information and communication technology have revolutionized tourism, making it easier for consumers to find information about destinations they are interested in, book tickets and give feedback. Technology can also help improve the experience for guests and ensure more efficient operations for the producers, as well as providing new ways of collaborating.

Environmental qualities are becoming an increasingly important criterion in choice of destination. If we are going to make a name for ourselves in the international competition, we must demonstrate that we take environmental issues seriously and always choose the best environmental solutions. Modern tourism must be operated in a way that does not diminish the resources. For example, polluting emissions from transport pose a challenge. We must find and start using more environmentally friendly transport systems and solutions for less-polluting energy.

Flourishing cultural landscapes combined with beautiful scenery are important attractions with huge potential for further use and development, especially in small-scale tourism and rural tourism. Environmental qualities in these kinds of landscapes depend on operation, management and care to be maintained.

Striking a balance between protecting the environment and commercial activities is a dilemma tourism often faces. Protecting areas helps us preserve areas that are major strategic assets and exploit them as an opportunity. At the same time, it is a challenge for commercial players to reap benefits from this advantage. The authorities must help demonstrate the opportunities available.



✧ Innovation

Photo: Bjørn Andresen / Salsen & vegvesen



2

The Government's objective is to facilitate greater profitability and wealth creation in the tourism industry by contributing to increased innovation.

2.1 Stricter requirements for a comprehensive tourism product

Innovation is defined as a new product, service, production process, application or form of organization that creates or is expected to create financial gains for the company. The tourism industry must itself develop and offer attractive products, while the Government's role is to pave the way for business development and innovation. The Government contributes to this with funds and expertise through its system of instruments. The county administrations and county governors have a special responsibility for regional development and innovation, also in relation to tourism. The Government is also keen to strengthen the role of the local authorities as the frontline service for businesses and believes that the local authorities are key players in local development of tourism.

Innovation is important to enhance competitiveness, improve profits and create growth in tourism. High-quality, comprehensive products must be developed that give our guests consistently positive experiences. The range of products must be developed on the basis of up-to-date market knowledge, trends, adaptations for specific high-priority user groups and the goal of providing year-round employment. Norway has authentic products of high

quality, but one of the main challenges is developing new products and combining these in a way that makes Norway an attractive destination.

2.2 The Government's role in facilitating innovation

The Government is working on a white paper on innovation, which is due to be submitted in 2008. This report will follow up the objective defined in the Soria Moria Declaration that Norway is to become a globally leading, innovative, dynamic, knowledge-based economy in areas where we have an advantage. Innovation policy embraces many areas, and in the white paper the Government will present a coordinated policy for promoting innovation, thereby laying the foundation for sustainable long-term wealth creation.

The Government has a number of tools and measures at its disposal that can help contribute to greater innovation in the tourism industry. The tourism industry can take advantage of the general loan and grant schemes offered by Innovation Norway. In 2006, Innovation Norway granted loans and grants worth just under NOK 240 million to the tourism and travel industry (see the table). A large number of the projects funded by Innovation Norway have novelty value beyond the fact that the project is new for the company.

In 2008, the Government is also going to make tourism a priority in its general focus on innovation. In 2008, the Government is setting up a new, central investment fund with an equity capital of NOK 2.2 billion, organized as a subsidiary under Innovation Norway. The purpose of the investment company is to contribute to greater wealth creation by offering long-term venture capital to competitive, internationally oriented companies throughout Norway. In addition to risk capital, the investment company is also supposed to provide a competent, active ownership in the portfolio companies. Tourism will be a high-priority area for the fund, along with the four other focus areas defined in the Soria Moria Declaration (marine, maritime, energy and the environment). The fund has a particular focus on projects related to climate change and the environment.

The aim of the EU's framework programme, the Competitiveness and Innovation Programme (CIP), is to strengthen innovation and competitiveness in European enterprises. The total budget for the entire programme

Investments/programmes in Innovation Norway, proportion for tourism in 2006	Amount (NOK)
Business development grant	16 930 250
The bio-energy programme	117 360
Regional risk loans	60 630 000
Miscellaneous grants	1 358 084
Entrepreneur grants	7 155 350
County rural development funds	12 763 600
County rural development funds – Loans for interest support	23 625 000
Incubator establishment	542 000
Investment grants	25 523 500
Compensation for increases in employer's contribution	16 418 544
Agricultural loans	16 060 000
Nationwide programmes	6 710 000
Low-risk loans	18 000 000
National measures for regional development	600 000
National measures for regional development – measures and projects in Finnmark	11 790 000
Reorganisation and innovation	200 000
Risk loans for agriculture	400 000
Central rural development funds	17 350 000
Development grants	700 000
The Value Creation Programme for Food	2 559 700
Total	239 433 388

period is 3.6 billion Euros, and the Norwegian share is NOK 625 million. The tourism industry can apply for funds from CIP and other EU programmes. Innovation Norway is a national contact for CIP and can inform and advise Norwegian players about the opportunities afforded by the EU programmes.

Another relevant scheme is «Skattefunn», which offers a tax rebate on research and development work. This scheme is open to all enterprises that are trying to create value from new ideas, in all industries. The objective is to stimulate R&D in industry and business. The tourism industry can make use of this scheme. The Skattefunn scheme is currently under evaluation, and the results of the evaluation are expected to be published at the beginning of 2008.



Photo: Christian Houge/Innovation Norway

In addition to general measures intended to promote innovation, there are also programmes aimed specifically at innovation in tourism. Food, cultural landscapes, and art and cultural activities and institutions play an important role in tourism and product development in the tourism industry, and a number of programmes administered by various different ministries aimed at specific sectors can also contribute to innovation in tourism.

In 2008, the Government is setting aside NOK 10 million for the Kort og godt («Short and Sweet») programme through Innovation Norway. The purpose of this programme is to stimulate binding collaboration between different stakeholders within tourism, with the aim of producing comprehensive experiences aimed at the short-break segment. There is clear demand in the market for simple, flexible packages, and the purpose of the «Kort og godt» programme is to encourage development of concepts and arrangements to meet this need. The programme requires collaboration between several players.

Linking food and tourism is a focus area in the Value Creation Programme for Food Production. The aim of this programme is to increase the diversity of food pro-

NCE Culinology

The food cluster in Rogaland, NCE Culinology, includes the value chains within agriculture and the marine sector, from primary production, via processing, to restaurants and retail outlets. The partnership is rooted in a lasting collaboration through the networking company Fagforum for Mat og Drikke (the food and drink forum). This project represents interesting and challenging opportunities for collaboration between players in the blue (marine) and green (agriculture) sectors and between players from primary production to the table. The project is an excellent hothouse for new products, including products aimed at the European markets for high-quality food.

ducts produced in Norway and ensure that the diversity is presented to different consumer groups, including tourists. The programme was initiated in 2000, and in 2008, NOK 67 million has been allocated for this programme. In 2006, NOK 2.6 million of the programme funds went to projects linked to tourism.

In 2008, NOK 65 million is being set aside for a marine value creation programme. The programme is open to players who want to apply for support to develop projects that can help improve interaction between tourism and the marine sector.

The Development Programme for Green Tourism was started in 2007 as a result of the Agricultural Agreement. NOK 25 million was allocated for the programme this year, and NOK 23 million is going to be allocated in 2008. The programme focuses on rural tourism. Target areas are product development, training, marketing and collaboration.

Our cultural heritage plays a crucial role in tourism. The Value Creation Programme in the area of cultural heritage shall help ensure that heritage sites and cultural monuments are used in the development of local communities and trade, lead to better preservation of our cultural heritage, and increase knowledge about our cultural heritage as a resource. The programme tests models for better coordination of public funds and for collaboration between public and private players. The pilot projects all have a significant focus on experience production and tourism. The Norwegian Directorate for Cultural Heritage is responsible for implementation of the programme. For 2008, it has been proposed that NOK 23 million be allocated to the programme via the Directorate for Cultural Heritage and the Norwegian Cultural Heritage Fund.

In 2008, the Government is introducing a Development Programme for Freshwater Fishing. This programme will run for five years, with an annual budget of NOK 4 million. The aim is to transform three poorly developed value chains into successful industries with a wider range of quality-assured products within commercial fishery, freshwater fish farming and fishing tourism.

The Government is also starting up a project to exploit the synergy potential inherent in the overlap between fruit and berry production, tourism and the cultural landscape in Western Norway. This project is still being developed and is expected to come into effect from 2008. The programme will run for five years, with an annual allocation of NOK 2 million.



In summer 2007, the Government presented a plan of action for culture and industry (see the more detailed presentation in the chapter on destination development). The objective is to facilitate better exploitation of the potential inherent in the overlap between culture and business by encouraging innovation and collaboration. Several of the measures are relevant for tourism.



Innovation is often a case of using new technology. It is important for the tourism industry to develop and apply good IT systems and use solutions afforded by communication technology. Through the development programme BIT Reiseliv (Tourism oriented IT programme), the Government wants to increase the focus on use of ICT in tourism. At the same time, the tourism industry must make the most of the expertise in, for example, the cultural and media industry.

Use of design in tourism

Skibladner, the world's oldest paddle steamer, is one of Norway's largest attractions. In connection with the ship's 150th anniversary in 2006, a new graphic design featuring innovative yet traditional elements was commissioned. The main challenge was striking the desired balance between a traditional style and a more modern feel. It was important to find elements that correctly symbolize Skibladner and all that it stands for. A design agency was hired, using funds from Innovation Norway. The result was a fitting new graphic design with a long life expectancy.

Attention has been drawn to the need for a national booking system on a number of occasions. The Government is going to provide funds to develop and implement a national booking system, but its operation and further development will be the responsibility of the tourism industry. The pilot project has been funded by Innovation Norway and the Forum for Tourism.

Design is an important innovation tool and an important instrument that Norwegian tourism companies should employ in competing for travelers' attention. There are many good examples of Norwegian companies increasing their market share and profits by making design a priority. «Design and wealth creation – the Government's focus on design for business» was presented in summer 2006. Tourism is one of the focus areas in this project, which also means that all Innovation Norway's regional offices now provide design advice.

Both the Norwegian Design Council and Norsk Form have schemes and projects that can help strengthen the tourism industry. The Norwegian Design Council is to promote use of design in market-oriented product development and market communication to achieve better competitiveness and profitability in Norwegian industry. Norsk Form's objective is to raise awareness of the importance of architecture and design, and to strive to achieve quality and innovation in the development of surroundings and products.

The Industrial Development Corporation of Norway (SIVA) was founded to develop physical and organizational infrastructure for industrial and innovation nodes. The

expertise SIVA has acquired in developing business centers all over Norway can be employed to develop tourist destinations. SIVA's contributions will include helping develop innovation companies, active participation in them and development of infrastructure for tourism activities. SIVA's active participation in the development of Aurland and Flåm as destinations is regarded as a pilot project for SIVA's work aimed at the tourism industry. SIVA has also been involved in the establishment of an «incubator» for tourism and experiences in Lillehammer to help tourism companies in the early phases of development. In 2008, NOK 2 million of SIVA's allocations is being earmarked for work on tourism.

Universal design is vital to ensure that tourism products are accessible to as wide a range of user groups as possible, including people with disabilities. Senior citizens are an increasingly important customer group for the tourism industry. Innovative solutions based on universal design will also be important for this group of travelers.

2.3 Innovation in networks

The conditions for more wealth creation in tourism are present if the industry manages to develop innovative and market-oriented products and better coordination. In this context, the major players in tourism have an important role. The large players with considerable expertise, networks and capital should assume responsibility for contributing to good, comprehensive products that provide visitors with positive experiences, drawing smaller players with them. Innovation in tourism will primarily occur in the overlap with other industries, such as agriculture, fishing and culture.

The tourism industry must itself assume responsibility for establishing and developing cooperation and networks: on the basis of geography, business areas, and with other industries. A good example of this kind of collaboration is the project «Tourism in the cradle of industry».

The Government is going to lay down more stringent requirements that innovative tourism projects that receive public grants via Innovation Norway must be collaborative and/or network projects. This means priority will be given to projects with a network dimension.

To stimulate development of regional industrial clusters, the Government has established the Arena programme



and Norwegian Centers of Expertise (NCE). The Arena programme is a joint undertaking between Innovation Norway, the Research Council of Norway and SIVA. The aim of the programme is to increase wealth creation in regional business communities by strengthening the in-



Photo: Sve Kjerstein/filkanikvaren

terplay between commercial players, knowledge producers and the public sector. The programme approaches regional business centers where there is a concentration of companies within an industry or value chain and relevant expert communities.

Tourism in the cradle of industry

Together the Norwegian Hospitality Association, the Federation of Norwegian Industries and Color Line have developed the project «Tourism in the cradle of Industry». The project is part of the focus on networks by the Ministry of the Environment and the Norwegian Association of Local Authorities (KS): «Sustainable municipalities», and the participants are Tinn, Odda, Narvik and Sør-Varanger. The idea is to establish a tourism project for industrial towns and villages with particular natural and historical features. A key point is establishing networks that can help in the work to develop and refine a product with international appeal. Network meetings are being planned where, for example, local authorities, the tourism industry and demanding customers can meet.

NCE is aimed at selected business clusters with internationally oriented companies and aims to promote internationalization and innovation in the clusters. Innovation Norway is responsible for the programme in collaboration with SIVA and the Research Council of Norway. Together, these three organizations have a special duty to mobilise and support potential NCE participants within the areas where Norway is particularly well set to succeed. Applicants must present solid criteria for participation in Arena and NCE. The Government also wants to take steps to ensure more Arena projects within tourism, with a view to one or more of them qualifying to become a Norwegian Centre of Expertise.

Through the programme «Instruments for regional innovation» (the VRI programme), the regional partnerships set up comprehensive regional efforts within focus areas of their choice. Most of the regions have chosen to make tourism, cultural industries and experience industries priority areas within the VRI programme. In this way, the regions themselves are getting to grips with research and innovation within these industries. R&D institutes contribute knowledge about what creates wealth within the industries and how innovation work to exploit assets can be improved. The Research Council of Norway funds up to 50 % of a regional VRI effort, while the other half is funded from regional sources.



Photo: Johan Wildhagen/Innovation Norway

2.4 Measures

- The Government is going to continue its efforts to develop short-break tourism in Norway, and NOK 10 million is being allocated to continue the collaboration programme «Kort og godt» in 2008.
- The Government wants to promote Norwegian cuisine as an important element of the package we offer to tourists and is allocating NOK 67 million to continue the Value Creation Programme for Food Production in 2008.
- The Government wants to promote better collaboration between tourism and the marine sector and is allocating NOK 65 million to continue the Marine Value Creation Programme in 2008.
- The Government wants to promote agriculture as an important element in tourism and is allocating NOK 23 million to continue the Development Programme for Green Tourism in 2008.
- The Government is taking steps to ensure that cultural monuments can be used as a resource for tourism, and

NOK 23 million is being allocated to continue the Value Creation Programme for Cultural Heritage in 2008.

- The Government is continuing its efforts to promote design for businesses, with tourism as one of its focus areas.
- The Government regards technology as an important tool in the tourism industry and is going to continue to develop the Tourism-oriented IT programme.
- The Government is initiating a programme focusing on fruit and vegetables, cultural landscapes and tourism in Western Norway and has allocated NOK 2 million for this in 2008.
- The Government is setting up a Development Programme for Freshwater Fishing, for which it has allocated NOK 4 million in 2008.
- The Government wants to ensure good distribution of Norwegian tourism experiences and wants to contribute to the development of a national booking system for the tourism industry.

Arena projects specifically aimed at the tourism industry

Innovative mountain tourism: The background for the project is the challenges faced by mountain tourism as an international industry in the summer months. The mountain destinations Geilo, Hemsedal, Golsfjellet, Vrådal, Rjukan, Rauland and Hovden make up the cluster. The vision is to make mountain tourism a profitable year-round industry with high appeal in selected international tourist markets.

Innovative fjord tourism: The objective of the Innovative Fjord Tourism project is to increase wealth creation, competitiveness and profitability in fjord tourism in Norway by focusing on nature and culture, and experience-based short breaks. The project is a collaboration between the counties of Møre og Romsdal, Sogn og Fjordane, Hordaland and Rogaland.

Tourism Arena Finnmark: Finnmark has a huge potential for nature and culture based tourism. The project provides support for analysis, establishment and development of arenas for the tourism industry and professional communities, and implementation of development projects. Tourism Arena Finnmark is a collaboration between the county's tourism industry, R&D institutes, the innovation

company Origo Nord AS, Finnmark County Administration and Innovation Norway. SAS and Rica are also involved.

Innovative experiences: This is an approved pilot for a new Arena project in Nordland county. The project focuses on attractions and companies offering tourism experiences in the county. 18 different experience producers are involved. The goal is that enhanced experience production will yield greater wealth creation per guest, ensure satisfied visitors who return, and double the turnover of the companies involved in five years.

Konvekst: In recent years, Oppland and Hedmark counties have been focusing on the culture and experience industries and the potential they represent for wealth creation, competitiveness and innovation skills. The industrial cluster Konvekst is an Arena project that aims to strengthen the competitiveness of the region and Norway's ability to compete on the international market for tourism and as an adventure destination and events producer. The university colleges in Gjøvik, Lillehammer and Hedmark are key participants in this project.

- In 2008, a new investment fund of NOK 2.2 billion is being set up, where tourism is one of the defined priority investment areas.
- The Government recognizes that networks are important for innovation and is going to lay down more stringent requirements that innovative tourism projects that receive public grants via Innovation Norway must be collaborative and/or network projects. This means priority will be given to projects with a network dimension.
- The Government is also going to take steps to ensure more Arena projects within tourism, with a view to one or more of them qualifying to become a Norwegian Centre of Expertise.
- The Government is taking steps to ensure that SIVA promotes development of tourism destinations through infrastructure for property and innovation and is earmarking NOK 2 million for SIVA's work on tourism in 2008.
- The Government is going to take active steps to ensure that Norwegian tourism companies benefit from the opportunities inherent in the EU Competitiveness and Innovation Programme.



Sustainable tourism

Photo: Terje Rakke/Nordic Life/Innovation Norway



3

The Government's goal is to help develop and promote Norway as a sustainable destination.

3.1 Natural and cultural landscapes – our main source of experiences

Forward-looking tourism policy must take the challenges posed by sustainability seriously. As a nation, Norway has binding targets and ambitions in this area (see Report no. 34 to the Storting (2006–2007) on Norwegian Climate Policy and Report no. 26 to the Storting (2006–2007) on Environmental Policy and the State of the Environment). The Government wants to develop and promote Norway as a sustainable destination in a way that preserves and protects our nature, culture, environment, social values and economic viability in a longer term perspective.

Norway's natural and cultural landscapes are important resources and common assets that tourism benefits from and also has a duty to preserve and protect. Under Norwegian law governing public access to private land these resources are common assets for society. Farmers and forestry companies own and manage a large part of these common goods and are important players in terms of administering and paving the way for tourism products based on Norwegian natural and cultural landscapes.

To ensure that Norway will be able to exploit its strategic advantages as a country with opportunities for unique experiences, we must make sure that nature and our cultural



heritage are properly safeguarded. To this end, the Government therefore ensures that our national parks, landscape conservation areas and other valuable landscapes are properly stewarded and that development and construction are sustainable. The natural and cultural heritage in rural and urban Norway must be preserved as a resource for the local communities and for wealth creation. Preserving unique local features and traditions is a prerequisite for good tourism products, and it is important that cultural landscapes do not become overgrown and deteriorate. The Government is going to continue giving priority to cultural landscapes in the annual agricultural negotiations and wants to make sure that the commercial potential in Norwegian natural and cultural landscapes is exploited sustainably. In this context, it is important that the local authorities adhere to the objectives for sustainable land-use planning and management.

In many contexts, Norwegian landscapes seem relatively untouched, not adapted for commercial purposes, and offer peace and quiet. To develop Norway as a brand on this basis, the tourism industry must take into account the environmental requirements entailed by our national environmental targets and international commitments.

Sustainable tourism

The Government uses the Brundtland Commission's definition of sustainability and the United Nations' definition of and targets for sustainable tourism. The UN definition complies with the principles of Geotourism developed by the National Geographic Society, which Innovation Norway has also adopted. The partially overlapping concepts of ecotourism, geotourism and green tourism are all encompassed by the term sustainable tourism.

«Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.»

*The World Commission on Environment and Development
(the Brundtland Commission), 1987*

Environmental considerations are an important part of any company's general social responsibilities. The tourism industry has a duty to ensure that the experience products they develop comply with national policies for our natural and cultural heritage and have a duty to use environmen-



Carbon-neutral car hire

The focus on sustainability has also had repercussions for car hire, for example. Avis Car Hire is 100 % carbon neutral in operation, thanks to a scheme devised by the UN. Through the GRIP foundation («Green in practice») and the company CO₂ focus, Avis Car Hire has entered into a collaboration agreement on purchase and administration of UN-approved carbon offsets. The company neutralizes its emissions of greenhouse gases from company cars, air travel and electricity consumption by using certified carbon offsets and also hires out carbon-neutral cars to customers with corporate agreements. A carbon-neutral car means that emissions are reduced in a developing country by the same amount as the amount of CO₂ emitted by driving. For example, if you drive a car 25,000 km a year with a consumption of 0.8 liters of petrol per 10 km, you will produce 2.8 tonnes of CO₂. The cost of neutralising the carbon impact of this car will be NOK 445 a year.

tally friendly energy and «green» solutions. Heritage sites and cultural environments are important tourist attractions, and measures linked to cultural heritage are discussed in the chapters on innovation and destination development.

3.2 Developing sustainable destinations

As the global climate becomes increasingly unstable, there is greater general awareness about ecology and the impact of climate change. Developing and promoting Norway as a sustainable destination is a matter of developing and promoting sustainable tourist destinations and tourism companies. It is also a question of attracting responsible travelers who respect the environment and culture and who appreciate qualitative experiences linked to local food, nature and culture. The trip in itself ought to have as little negative environmental impact as possible.

The company Enova has been established to help promote conversion to and use of environmental energy in Norway. The tourism industry can use the instruments offered by Enova, on an equal footing with other industries. Enova's focus areas include efficient use of energy, increased heat production from burning waste and waste



Photo: Ministry of Trade and Industry

heat and more production of renewable energy. The Bio-energy programme administered by Innovation Norway aims to encourage farmers and forestry companies to produce, use and supply bioenergy in the form of fuel and heat. Support can be provided for farms and forestry companies that deliver energy to tourism companies. In addition to increasing wealth creation, importance should also be attached to the ripple effects and the competence raising this programme can lead to.

The Government has prepared a plan of action for environmentally sound public procurements where the foundation GRIP («Green in practice») has been commissioned to provide advice about acquisitions and operations. The experience gained here ought also to be useful in the tourism industry, and GRIP has already prepared a number of guides. The tourism industry has a duty to make sure that its purchases are sustainable and can exert an influence by being demanding customers.

There is a large need for more knowledge about the practicalities of sustainable tourism. Sustainable tourism is one of the focus areas in the Research Council of Norway's tourism research programme (see the chapter

on expertise). The programme aims to help increase knowledge about possibilities and critical factors for carbon-neutral tourism and the conditions necessary to preserve our natural and cultural heritage whilst still ensuring wealth creation. In the period 2008–2011, NOK 16 million has been set aside for this programme, four million a year.

The Government would also like to draw attention to the use of pilot projects as a learning arena, where state support systems and the tourism industry are involved in developing commercial concepts for sustainable tourism. The goal will be establishing and developing a local destination as a sustainable destination as an example to inspire other destinations. The results of the work will be made available to all players in the industry.

A project is also being initiated under the direction of Innovation Norway in collaboration with the Norwegian Hospitality Association for development of sustainable tourism in Norway. The main tasks will be performing a situation analysis and defining concrete visions, targets and measures for all groups of players in the tourism industry, in collaboration with the industry.



It is important that travelers have access to information about the natural and cultural heritage both before they come and while they are here. For example, information can be published on the Internet, and the website visit-norway.com might be a relevant channel.

3.3 Challenges linked to emissions and sustainable management of natural resources

The European Environment Agency's (EEA) report «Europe's Environment. The fourth assessment» mentions tourism as one of the main sectors behind changes in the climate and biological diversity, causing pressure in coastal areas and mountainous regions. Transport is one of the main environmental challenges for many aspects of tourism. Using less energy-intensive forms of transport with fewer emissions will be a major challenge in the longer term. Tourism must play its part in ensuring that Norway's ambitious targets for reducing carbon emissions are met. The Government is encouraging the tourism industry to actively seek out green transport systems.

The Government is working on general measures related to climate change that can reduce tourism's emissions of greenhouse gases, such as gas-powered ferries and railways. Work is also being done to make sure that emissions of greenhouse gases from international shipping and air travel are included in binding emissions commitments under the UN Framework Convention on Climate Change and in a global quota market, so that the sectors themselves bear the costs of their emissions of greenhouse gases. Norway has already decided to reduce national emissions from aviation. We are one of only a handful of nations that charge CO₂ tax on domestic air traffic.

This tax is currently NOK 0.54 per liter of aviation fuel. It has been proposed that this tax be raised to NOK 0.65 per liter, which corresponds to roughly NOK 255 per tonne of CO₂ equivalents, from 2008.

In December 2006, the European Commission proposed changes in the quota directive to include CO₂ emissions from air traffic in the EU quota system. The proposal entails that all flights within the EU/EEA area would be subject to quotas from 2011, while from 2012 the system would be expanded to include all flights to and from the EU as well. According to the proposal, the airlines would have to buy climate quotas to counteract their CO₂ emissions. At the same time, the aviation industry is in the process of developing new technological solutions that will lead to considerable reductions in emissions from air traffic. ACARE (Advisory Council for Aeronautics Research in Europe) has set the target that emissions from aircraft manufactured in 2020 must be halved and that nitrogen oxide (NO_x) emissions from aircraft must be reduced by 80 %. Targets have also been set for noise reduction.

Cruise ships generate large amounts of greenhouse gases and NO_x. Through the Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone, Norway has agreed to reduce its annual NO_x emissions to max 156,000 tonnes by 2010. To this end, a tax was introduced from 1 January 2007 of NOK 15 per kilo of NO_x emitted. This tax applies to emissions from propulsion machinery of 750 kW or more, including cruise ships. The cruise industry must accept its part of the responsibility for reducing emissions and is subject to this tax. The cruise industry should take advantage of

possibilities afforded by new types of fuel and new types of ship. We are already noticing that new ships are being built according to very stringent environmental rules and that emissions and consumption of fuel per passenger have decreased. The UN's maritime organization, IMO, is spearheading efforts to reduce greenhouse emissions from shipping.

The authorities are currently collaborating with several industrial organizations to reach an agreement on binding, specific reductions in emissions. This kind of agreement would provide a provisional exemption from the NO_x tax. Ships in cruise traffic would also be covered by this kind of agreement. The Government is paving the way for innovation and technological developments in shipping, for example through support for investments in ways of reducing emissions from shipping and development of NO_x-reducing technology for use on ships.

Sustainable development also entails that harvesting fish at sea and along the coast must be within responsible limits. The export quota of 15 kilos of filleted fish per person introduced in 2006 is intended to limit large-scale fishing tourism (see the discussion in the chapter on destination development). The Government wants to initiate studies of the scope and impact of fishing tourism, in terms of the resource situation and wealth creation. The results of these studies should provide the necessary basis for a new, overall evaluation of the parameters for tourist fishing.

The Government regards it as important to conserve natural areas in Northern Norway and Svalbard, which contain some of the last remaining large areas of untouched nature in this part of the world. The nature and cultural relics in these areas constitute a unique heritage that must be preserved for posterity. Serious challenges in this respect include pollution, possible over-exploitation, damage caused by physical interventions or erosion, and disturbances due to increased traffic.

Report no. 9 to the Storting (1999–2000) on Svalbard lays down that tourism is one of three areas that a sustainable Svalbard community is to be based on. The Government wants Svalbard to be a showcase for good stewardship of natural and cultural environments in the future. The Government has defined the goal that Svalbard shall be preserved as one of the world's best managed uncultivated areas. The strict environmental regulations and the



extensive preservation will be continued and further developed to meet the challenges entailed by more tourism and greater economic activity. The Storting has asked the government to present a new white paper on Svalbard during this period.

In light of the increase in visitors to Svalbard, the Government has implemented new measures to limit the environmental impact on the sensitive nature. This includes requirements concerning fuel quality and restrictions on the number of passengers onboard ships that sail in the conservation areas in eastern Svalbard. The Government has also introduced an environmental fee of NOK 150 for people travelling to Svalbard. These funds are administered by the Svalbard environmental fund and are spent on protecting the natural environment and cultural relics in Svalbard. Some of the NOK 2 million allocation for Svalbard Reiseliv AS (see the presentation in the chapter on destination development) is to be spent on environmental measures, training guides and tour operators, and general information about Svalbard's vulnerable nature.



Photo: Bjørn Jørgensen/Innovation Norway

3.4 Using and protecting valuable natural areas

In Norway, common law dictates that everyone has free access to and passage through uncultivated land areas within the constraints of consideration and due care, as defined in the Open-Air Recreation Act. This right is unique and contains a duty to show consideration. The Government is going to take active steps to facilitate non-intrusive tourism in our conservation areas and wants to make our national parks and other large conservation areas more accessible to users in a sustainable way. Preparation of paths, measures to improve access to parts of conservation areas and establishment of car parks and information all help preserve these assets deemed worthy of conservation by making sure that traffic and activity are channeled to specific areas. There is a potential for commercial development in marginal areas, provided that activities are organized to be as uninvasive as possible. Good access and accommodation in peripheral areas around conservation areas spare the conservation area proper and yet still make it accessible.

The Government is going to implement a review of selected municipalities to look at the possibilities for using national parks and other conservation areas pursuant to the Act relating to Nature Conservation for tourism. The goal is to build on work already underway, and we will use pilot projects. This work will be carried out as a collaboration between the Ministry of the Environment, the Ministry of Agriculture and Food, the Ministry of Local Government and Regional Development and the Ministry of Trade and Industry.

The Directorate for Nature Management has recently issued an invitation to municipalities affected by national parks to apply for «national park municipality» status. A pilot project is also going to be undertaken to assess «national park villages». National park municipalities and villages will be given a trademarked logo that can be used to market the areas.

The Government is going to give priority to work on developing management plans for conservation areas and is working on an action plan for sustainable use and management of national parks and other conservation areas. The work developing national parks as a resource for the local communities and for local wealth creation is going to be continued. GRID-Arendal, a research centre under the UN's environmental programme, is collecting international experiences on how protected areas can generate local income that helps conserve it and serves the local community.

The Government has taken the initiative to start a project on local sections of county planning to identify the development potential for tourism (among others) in zones bordering the main wild reindeer areas in Norway, while protecting the habitat of the wild reindeer at the same time. The plans will affect many of the main destinations in Southern Norway and will play an important part in ensuring clearer and more long-term framework conditions for tourism in areas bordering important conservation areas and mountainous areas.

3.5 Environmental standards

There are currently a number of voluntary schemes linked to the environment that can be used to assure the quality of the tourism industry. The objective of the foundation GRIP is to increase environmental efficiency in Norwegian enterprises, and it is funded on a commission basis by the

Cultural relics and Norwegian power production and mining

The project «Cultural heritage and Norwegian power production» (KINK) is a joint undertaking between the Norwegian Water Resources and Energy Directorate (NVE), the Norwegian Electricity Industry Association (EBL), Statkraft, Hydro and the Directorate for Cultural Heritage in Norway (Riksantikvaren). The first step is to chart, register and assess the cultural relics in the water and energy sector. The project was completed in 2006 and identified 27 HEP stations as cultural relics that merit conservation.

The Ministry of Trade and Industry has recently initiated a project on cultural relics in mining. The aim of the project is to present mining as an activity with cultural-historical value. State-owned mines will also be charted. The project is being run by the Norwegian Mining Museum and will run over a four-year period. The Ministry of Trade and Industry is investing NOK 1 million over four years in this project.

Ministry of the Environment, among others. In the field of tourism, GRIP wants to help build up a clear, market-oriented environmental profile for individual companies, events, local authorities or destinations. GRIP is currently designing an approval system for eco-tourism companies.

The tourism industry currently uses the Green Swan and the Eco-Lighthouse logos to indicate an enterprise's environmental profile (see the more detailed presentation in the chapter on quality assurance).

3.6 Visual impact of wind farms, small hydro-electric power (HEP) stations and power lines on the landscape

The Government wants to increase the number of environmentally friendly wind-power stations. However, tourism in Norway depends on access to natural and cultural environments unmarred by traces of modern human intervention. To ensure that wind-power stations are developed according to coordinated and long-term assessments and to make sure that important aspects are considered in the assessment, the Government has prepared guidelines for planning and choosing where to build wind farms. These dictate that the county administration, Innovation Norway



and local and regional players involved in tourism should be consulted to identify any possible conflicts of interest at an early stage in the development process. The guidelines also suggest that the county administrations devise regional plans that strengthen the basis for a holistic assessment of a license application for a wind farm by identifying and analyzing areas' conflict potential.

The Ministry of Petroleum and Energy has also prepared guidelines for small hydroelectric power stations that the Norwegian Water Resources and Energy Directorate (NVE) must refer to in its processing of applications for licenses and that county administrations must follow when drawing up regional plans for small HEP stations. The interests of tourism where the landscape or nature is a significant part of the attraction are discussed as a topic in its own right.

The Minister of Petroleum and Energy recently presented the main points of a strategy on respect for the environ-




Photo: Morten Thorp/Ministry of Trade and Industry

ment, aesthetics and local communities when planning expansions of the power grid. The energy system in different regions must be seen in a broader context to reduce the overall impact of power lines on these kinds of areas. Alternative measures, including use of subterranean cables, must be considered and analysed to ensure that the power lines that are granted approval have minimal impact on the landscape. The Government is considering introducing a compensation scheme for municipalities negatively affected by extension of the power grid.

3.7 Measures

- The Government wants to increase knowledge about sustainable tourism and, as one of three areas under the Research Council of Norway's research programme on tourism, is going to give priority to projects linked to sustainable tourism. NOK 16 million has been set aside for the programme in the period 2008–2011.

- The Government is going to perform studies on the scope and impact of fishing tourism at sea and along the coast, focusing on the resource situation and wealth creation, as a basis for a possible overall reassessment of the parameters for fishing by tourists.
- The Government wants to protect and preserve the natural and cultural environment in Svalbard and continue the scheme of charging visitors to the archipelago an environmental fee.
- The Government has taken the initiative to start a project on local parts of county planning to identify the development potential for tourism (among others) in zones bordering the main wild reindeer areas in Norway, at the same time as the habitat of the wild reindeer must be protected.
- The Government is giving priority to work on developing management plans for conservation areas and is working on an action plan for sustainable use and management of national parks and other conservation areas.
- The Government is introducing a scheme where local authorities can apply for status as «national park municipalities» and is also going to test a system of «national park villages».
- The Government is encouraging affected counties to draw up regional plans for wind farms and small HEP stations.
- The Government wants to encourage greater use of eco-friendly transport and is increasing the CO₂ tax on domestic air traffic in 2008 from NOK 0.54 to 0.65 per liter of aviation fuel.
- The Government is going to implement a review of selected municipalities to look at the possibilities for using national parks and other conservation areas pursuant to the Act relating to Nature Conservation for tourism.
- The Government is initiating a pilot project as a learning arena where state support systems and the tourism industry are involved in developing commercial concepts for sustainable tourism. The results of this work will be made available to all players in the industry.



✂ Quality

4

The Government's objective is to help ensure and promote the quality of Norwegian tourism products.

4.1 Quality assurance scheme for the tourism industry

Norway is a high cost country. This is largely due to the high level of welfare and high salaries. To be competitive, we must give priority to high-quality products. We must offer tourists good products and make sure our visitors know about them. One way of improving quality is through quality assurance schemes. Unlike many other countries in Europe, Norway does not have a central quality assurance scheme for hotels. Our main competitors Denmark and Sweden have both established such schemes. Other countries' quality assurance schemes vary widely in scope. Schemes applying only to overnight accommodation are by far the most common. Some countries, such as New Zealand and Scotland, have schemes that also include activities and attractions.

Experiences from other countries show that quality assurance schemes are positive for the tourism industry and visitors alike. The schemes lead to increased investments in tourism and motivate companies to attach greater importance to quality. Quality assurance schemes can also be used actively in companies' own marketing and make it easier for them to reach their target groups. The companies have sold more rooms at a price that corresponds to the product, thus improving their profitability. Travelers



also find it easier to compare different offers and choose the standard they want. This means that customers have a better idea of what to expect. In some places, introducing a quality assurance system has also led to a stronger focus on training staff and better maintenance, resulting in greater customer satisfaction.

The Government is going to collaborate with labor and management organizations on establishing a national quality assurance system for tourism. Initially, the system will only apply to overnight accommodation. The details of the scheme still need ironing out, and it is expected that the tourism industry itself will play a leading role in this work. The Government is going to contribute to the start-up costs to ensure that the scheme is established. The tourism industry will then be responsible for operating, funding and further developing the scheme in the long term.

The Government wants hotels to be covered by the Norwegian quality assurance scheme from the outset. A steering committee will be established to design the criteria for the scheme based on a Nordic model and propose a model for organisation and operation. Through the Norwegian Hospitality Association, the industry will be responsible for managing and serving as a secretariat for the steering committee in the ongoing process. Affected parties, including the Norwegian United Federation of Trade Unions (Fellesforbundet), will be included in the process and be represented on the steering committee.

The new scheme will consist of various different quality assurance schemes, including the existing systems for



camping and fishing tourism. The Government is also going to consider the possibilities for establishing and including schemes for agricultural and wilderness-based tourism, including salmon fishing.

Later on, it will be considered whether the schemes developed by GRIP and Standard Norge can be included. GRIP is currently developing an approval system for eco-tourism companies. Standard Norge is working on a standardization project for labeling tourism companies with a view to increasing accessibility for disabled people through universal design. The project is being financed by funds from the Ministry of the Environment and the Ministry of Trade and Industry. The tourism industry has been very involved in this development work.

The introduction of a quality assurance schemes is one of several important steps being taken to improve the quality of Norwegian tourism. Quality also depends on skilled and motivated employees (see the chapter on expertise).



Photo: Oskar Fuschmann

4.2 High-quality, distinctive food products

Each year, the tourism industry carries out a widespread guest-satisfaction survey, where foreign visitors are asked about their holiday experience in Norway. Food is one of the areas that consistently get a very low score, not least from visitors from food-loving nations in southern Europe. The Government believes it is important to include Norwegian produce and Norwegian specialties as part of the tourism product.

Norwegian food has several labeling systems intended to help ensure that the quality of food is good and to promote local specialization. The Norwegian Seafood Export Council (EFF) has designed quality standards with labeling systems for a number of species. The goal is to be able to offer products with a defined quality, linked to a specific label. In connection with following up the Government's Fresh Fish Strategy, the Ministry of Fisheries and Coastal Affairs has asked the EFF to develop a quality standard for several fresh seafood pro-

The Food Services Act

The purpose of this Act is to ensure responsible operation of establishments licensed to serve food and alcoholic beverages in the interests of the industry, the guests and society at large. To be granted a license to sell alcohol, the manager must pass a test proving good knowledge of the relevant legislation, and key people in the establishment must have a certificate of good conduct from the police. The law has been amended making the regulations stricter in relation to economic crimes. Good working conditions are crucial for the reputation of tourism and its ability to recruit qualified workers.

ducts. The objective is to contribute to a better range of high-quality fresh fish.

The Norwegian Speciality logo indicates food products produced in Norway that have special qualities in terms of ingredients, production methods or flavors. The scheme covers new recipes and established traditional products alike and is intended to help consumers identify authentic food experiences. At the same time, the Norwegian Speciality logo should help promote diversity in Norwegian cuisine and promote local and regional business development through food production.

Protected Brand is a public labeling system that allows statutory protection of product names of farm-based food products and fish and fish-products that have a special geographical origin, tradition and/or distinctive character. The investment in the Protected Brand logo is an important strategy to ensure better and greater food diversity on the Norwegian market. Norwegian food producers have an opportunity to differentiate themselves and market unique brands. This kind of protection gives the consumers a public guarantee that the product is what it claims to be. The labeling system also provides producers with security against abuse and imitations of protected product names.

Work is currently being done to develop a new labeling system for Norwegian food in close collaboration with the food industry, the business community and agricultural associations. The foundation KSL Matmerk (The Norwegian Agricultural Quality System and Food Branding



Foundation) is responsible for this work, funded via the Agricultural Agreement (the Agricultural Development Fund).

Smilies are being used to give consumers straightforward information about hygiene in food companies. The Government has taken the initiative to test a Norwegian system for food-service establishments. The system is based on a similar system in Denmark.

4.3 Measures

- The Government wants to ensure good culinary experiences and continue voluntary quality labeling systems for food that are relevant for the tourism industry.
- The Government is going to establish a national quality assurance scheme for the tourism industry in collaboration with the industry. The Government will provide funds to cover the start-up costs. The scheme will be operated and further developed by the tourism industry itself.

Other logo schemes

The authorization system for tourist information offices is administered by the Norwegian Hospitality Association, on commission from Innovation Norway. All tourist information offices that want to use the Information Sign must be approved. There are requirements regarding the premises, opening hours, language skills, services, etc.

Authorization of guides is administered by the Norwegian Guide Federation. The authorization scheme is based on guides receiving training and passing an exam. The Norwegian Guide Federation is a membership organisation with some 500 members throughout Norway. Operation is financed by the membership fees. In Oslo, the city administers the scheme, whereas in Trondheim the scheme is linked to the Norwegian University of Science and Technology (NTNU) and yields credits.

The Farmyard Cockerel logo and the term «Farm food» are quality labels for food products from Norwegian farms where the main ingredients come from Norwegian primary industry (agriculture, reindeer husbandry, wilderness enterprises and fishing). This is a private scheme run by the organization Norwegian Rural Tourism and Food from the Farm.

Olav's Rose is the hallmark of Norwegian heritage. This quality emblem is awarded to experiences with exceptional quality in cultural history and information. A quality assurance and follow-up system has been established to

make sure that the level of quality is maintained. The foundation Norwegian Heritage administers this system. Over 90 cultural heritage products throughout Norway have been awarded the Olav's Rose, including a sailing ship, lighthouse and fishing village, mountain farms, historical hotels, an old railway, craft traditions and cultural events.

The Green Swan is the official Nordic environmental symbol, introduced by the Nordic Council of Ministers in 1989. The goal is to contribute to less polluting consumption. The logo is intended to serve consumers and buyers who want to choose environmental alternatives and encourage development of goods and services that have less negative impact on the environment than otherwise similar products. Work is ongoing to continuously expand the system to include new product groups. As of March 2006, 17 Norwegian hotels had been awarded the Green Swan, and criteria are now being developed for restaurants.

The Eco-Lighthouse programme aims to raise the environmental performance of as many small and medium-sized business and public enterprises as possible. The enterprises are subject to an environmental review, and if they fulfill all the defined requirements for their particular industry, they are certified as an Eco-Lighthouse. Eco-Lighthouse is a Norwegian public certificate. The system is voluntary. The Ministry of the Environment funded administration of the Eco-Lighthouse office in the start-up phase from 2000 to 2005.

Expertise



Photo: Nancy Burd/Innovation Norway

A photograph of a bar with shelves of liquor bottles. The bottles are arranged on three shelves, with the top shelf being the most prominent. The bottles are of various shapes and sizes, and the lighting is warm and focused on the bottles. The background is dark, and the overall atmosphere is that of a classic bar.

5

The Government's goal is to raise levels of expertise in and knowledge about the tourism industry.

5.1 The employees – the tourism industry's main resource

People are Norway's main resource and constitute the largest part of our national wealth. The Government's focus on education on all levels is therefore crucial from the perspective of wealth creation. It is also important that the Government continues to succeed in its efforts to promote diversity in employment and an inclusive workplace. There is a labor shortage in many industries in Norway, and unemployment is currently at 2.5 %. The qualifications and expertise of the workforce are important and are largely determined by the quality of basic schooling.

The tourism industry is dominated by companies with few employees where each individual employee fulfils many functions and performs a range of different tasks. A broad range of skills from different disciplines is therefore essential. The expertise and attitudes of the employees are often decisive for visitors' overall impression of Norway as a destination and form the foundation for wealth creation. It is important to ensure that we have sufficient workers with the relevant skills and expertise to meet tourists' needs. For tourism companies to be able

to release the potential in the tourism market, the national knowledge base must be broadened and levels of competence in the industry must be raised.

Visitors have ever higher expectations for service and knowledge. In keeping up with growing international competition, the need for qualified staff is becoming increasingly obvious. At the same time, the number of applicants for education aimed at tourism has declined in recent years, especially in vocational subjects. The shortage of qualified workforce can threaten the quality of our tourism products.

There is a high rate of turnover among workers in tourism. Some parts of the tourism industry have a bad reputation regarding working conditions and pay. In a tight market, this may affect the ability of tourism companies to attract good, creative, service-minded individuals. The industry itself is responsible for taking steps to ensure positive publicity and providing information about its activities. The Government's role is to help provide good opportunities for education. It is also important that educational institutions and the tourism industry collaborate to ensure relevant education and practice.

The tourism industry as a whole and individual tourism companies are responsible for offering good pay and working conditions and creating a positive, innovative working culture. The Government regards social dumping as unacceptable, and in May 2006 the Government presented an action plan to combat social dumping.

5.2 Expertise in the industry

Trends and developments in the markets affect the tourism industry's needs for expertise and must be reflected in the education on offer. The Advisory Committee for Service and Travel consists of representatives from labor and management organizations and is an important resource in the education system with regard to vocational and professional training. This Committee advises the Ministry of Research and Higher Education and the Norwegian Directorate for Education and Training on matters related to tourism. One of the objectives is to ensure that the education on offer corresponds to the needs in the industry.

5.2.1 Upper secondary education

The Government is responsible for providing good upper secondary education and ensuring sufficient resources

for teachers, equipment and premises. For its part, the industry must ensure adequate competence and resources to provide in-house training in companies. Upper secondary education provides a good foundation for a number of trades and jobs in different parts of the tourism industry. In the future, tourism will require qualified, knowledgeable workers in many areas. Language skills, cultural awareness, knowledge about nature and cultural history and ICT- skills are just a few of the areas where tourism needs more qualified employees. Knowledge about environmentally friendly operations and the local surroundings (culture, cultural heritage, nature and possibilities for outdoor recreation) can help guests get more out of their stay and promote environmentally friendly behavior. Greater demand for authenticity and proximity to local culture and nature also require knowledge about and ability to communicate good stories.

New curricula for vocational training in upper secondary education (the «Knowledge Promotion» reform) cover several areas within modern competitive tourism, such as service and travel, media and communication, utilization of natural resources, restaurant trades and nutritional subjects, sports subjects, music, dance, drama, and design and crafts. Curricula for vocational subjects at upper secondary level are developed in collaboration with the parties in working life, and the education offered within the county is determined in consultation with the county vocational training board and local employment market and industry. To a certain extent, the courses that result in the required competencies within different business areas will depend on future employment possibilities in the region or local area. Activities and businesses involved in the local tourism industry will therefore affect which programmes are offered by the upper secondary system in the region. The same also applies to courses of study offered at regional colleges.

The Directorate for Education and Training has developed a new curriculum for the upper secondary vocational subject that used to be called Travel Services and is now called Travel and Tourism and results in a trade certificate. Access to apprenticeships and sufficient places on courses of study and apprenticeships in companies that work in tourism-related areas are essential for young people who want to follow a vocational course of study aimed at tourism getting the best possible practical training. The Directorate for Education and Training in consultation with the Directorate of Public Roads is also working



Photo: Bjørn Sigurdson/Forbrukerappen-Scapix

on a new curriculum for training professional drivers at upper secondary school with a focus on customer service and service-mindedness.

5.2.2 Higher education

Norway has a well-developed structure of universities and private and public colleges offering education within a range of subjects relevant to tourism. This infrastructure gives students throughout Norway access to high-quality education and is intended to ensure access to well-qualified employees in the private and public sectors. Higher education within economics, business and administration, languages, management of natural and cultural heritage and more specialized courses provide important expertise for tourism. Examples of more specialized courses of study are farm tourism, sport and recreational activities, sightseeing and coaching within different sports. The range of study programmes available varies from county to county. Where appropriate, the size, selection and development of the courses can be decided in collaboration with local employers and businesses and adapted to local needs. It is important that the tourism industry works closely with universi-

ties and colleges on developing courses and offering work-experience places.

Specialized courses in tourism are offered at private and public colleges all over Norway. Courses range from one-year courses to bachelor's and master's degree programmes. Courses in tourism include subjects such as language skills, leadership, destination development, international marketing, culture and social studies, tourism trends, service and business administration. Some courses offer exchange or internship programmes at educational institutions and tourism companies abroad.

Adapting higher education in tourism to the market and a general strengthening of marketing skills aimed at tourism and leisure can help boost competencies in the tourism industry. It may also be pertinent to ask relevant training institutions to develop courses to raise levels of expertise in fields such as ecotourism, nature-based and culture-based tourism, hospitality, training for guides and environmental management.

A stronger focus on experience industries will necessitate more training courses that provide knowledge and skills required by hosts and tour guides offering high-quality experiences related to nature and culture. The Government is positive towards initiatives that can lead to educational courses being established for guides and tour guides within fields such as outdoor activities, nature guiding and cultural guiding.

5.2.3 Training in the tourism industry

The stakeholders in tourism have a duty to ensure training for people who already work in the industry, through continuing education and competence-raising measures. It is also important to take steps to ensure good trainee schemes, for example through collaboration between several tourism companies.

Innovation Norway provides a number of training programmes for companies within areas such as internationalization and corporate and product development. The Government would encourage the tourism industry to take advantage of Innovation Norway's general schemes. A number of other private educational institutions, foundations and institutes also offer courses and training programmes that are relevant for the tourism industry.

A survey conducted by Folk AS concludes that the tourism industry has particular needs for more qualified workers within business administration, personnel management and communication. Innovation Norway has mapped training needs in the tourism industry and the various training currently available. This study reveals that Norway is lacking good training packages in the areas hospitality, experience production and distribution, sales and packaging.

The Government is going to initiate training programmes in the areas hospitality, experience production and distribution, sales and packaging and further develop and tailor the strategy and business development programme FRAM for the tourism industry. E-learning may be a particularly relevant form of study. Training programmes will not be developed for topics where there are already good courses on offer in Norway. The programmes should be aimed at companies in the tourism industry. To increase access to training programmes offered to the tourism industry today, the Government is going to set up a database listing available training programmes and courses.



The Directorate of Public Roads is also currently working on a new curriculum for training for professional drivers. From autumn 2008, all newly trained bus drivers must undergo relatively extensive training, focusing on customer service, service-mindedness and the drivers' personal conduct and treatment of customers with special needs, such as children, senior citizens, the disabled and foreign passengers/visitors.

Rural tourism has particular needs for raised levels of competency. Some of these needs can be met by general programmes and courses aimed at tourism, while other



Photo: Willy Haraldsen/Scanpix Norway

parts are more specific to rural tourism. Innovation Norway's development programme for green tourism has four core areas, one of which is competence raising.

Through its focus on tourism, Innovation Norway has set aside NOK 2.5 million for courses to promote local food. Various different professional forums, like the Norwegian Seafood Centre in Bergen, the Culinary Institute of Norway and Arctic Menu, hold courses for food establishments along the coast where the focus is on bringing out the best in Norwegian produce through collaboration with suppliers and restaurants.

OPTIMA

The purpose of the OPTIMA projects is to generate factual knowledge about our main markets, with a view to improving Norway's position as a destination. Growth in Norwegian tourism depends on objective, factual knowledge about which products will dominate in the years to come, and a better understanding of which target groups should be actively nurtured. OPTIMA is a tool that enables development of effective communication systems, at the same time as it is a good tool for market-oriented product development. It is important that this information reaches individual players in tourism and thus forms the basis for more innovation and wealth creation.

Roughly 70 % of the people employed in the tourism industry are women. Women are nevertheless poorly represented in top positions and among people setting up new companies. The Government has introduced a number of schemes to improve the position of women in business. The Government wants to help put more women in management positions, in tourism as elsewhere, and is therefore going to consider whether certain Innovation Norway projects to promote the status of women could be adapted to make them more appropriate for this industry.

The Government proposes that self-employed people will be entitled to paid maternity leave and parental benefit on an equal footing with other employees. This would also benefit self-employed people in tourism.

5.3 Knowledge and information about the tourism industry

Innovation Norway performs extensive work within market and social analysis to ensure more efficient use of marketing resources (see the chapter on marketing and PR) and to be a good adviser for Norwegian tourism stakeholders in matters concerning marketing and product development. We need in-depth knowledge about demand, trends and competition, different target groups' preferences, and the potential market for Norwegian product concepts. Good contact with the analysis departments in other countries' tourism organizations is also necessary to allow exchange of up-to-date and relevant information between



Photo: Marte Kopperud/Innovation Norway

the nations. Innovation Norway is a member of the European Travel Commission (ETC) and participates actively in gatherings for market analysts arranged by the ETC and other organizations. The Government believes a common database should be established containing relevant market data and is going to ask Innovation Norway to develop a portal for publishing market data, analyses and trends within tourism to make it easier for stakeholders to access and use the market knowledge Innovation Norway has accumulated.

The Government is going to initiate a study to improve the statistical basis for the tourism industry in Norway. This study will look at employment, the composition of the industry, turnover, wealth creation and ripple effects of tourism.

The Government wants Norway to join the United Nation's World Tourism Organization, UNWTO, as this will give Innovation Norway, Norwegian research institutions and other interested parties access to the statistics and expertise this organization possesses. We also want to be involved in the OECD's work on tourism.

The Government has introduced a research programme to increase knowledge about the tourism industry. This research programme will run over four years with an annual budget frame of NOK 4 million, in total NOK 16 million (see the presentation in the chapter on sustainable tourism). The programme will focus on three areas: Up-to-date and relevant tourism statistics, adaptations for destination and corporate development, and sustainable tourism.

The land-use programme under the direction of the Research Council of Norway will provide new knowledge that can help business development based on sustainable use of Norwegian land and natural resources. The programme includes nature-based tourism and business development linked to conservation areas. In 2006, NOK 19 million was allocated to this programme.

Centre for Geotourism and Sustainable Tourism

The Centre for Geotourism and Sustainable Tourism opened in spring 2007 in Sogndal. This research centre will increase knowledge about more active use of natural and cultural resources as a basis for greater wealth creation in Norwegian tourism. The Centre will work to support national goals for tourism development and climate targets.

5.4 Measures

- The Government wants to improve basic knowledge about tourism and continue the Research Council of Norway's tourism research programme. A total of NOK 16 million has been set aside for this programme, over four years.
- The Government is continuing its efforts to raise levels of competence in rural tourism through Innovation Norway's Development Programme for Green Tourism. Needs are going to be charted as a basis for developing a module-based training programme for green tourism.
- The Government wants to promote good business management in tourism and is further developing and adapting the strategy and business development programme FRAM to make it more appropriate for tourism.
- The Government is introducing a new curriculum for professional drivers and new curriculum for a new tourism study programme within the training programme for specialized studies in the academic year 2008/2009 and also wants to encourage greater recruitment to upper secondary education aimed at tourism.
- The Government will consider the need to support establishment of new further education programmes within tourism in non-university post-secondary education.
- The Government wants to improve the statistical basis for the tourism industry in Norway and is initiating an official study to investigate this in more detail.
- The Government wants to encourage focus on coordinated high-quality products and is going to initiate training programmes in the areas hospitality, experience production and distribution, sales and packaging. E-learning may be a particularly relevant form of study.
- The Government is going to set up a database of available training programmes for the tourism industry.
- The Government wants to make it easier for players in tourism to use the market knowledge Innovation Norway has gathered and is going to develop a portal for publishing market data, analyses and trends within tourism.
- The Government wants Norway to join the United Nations' World Tourism Organization, UNWTO.
- The Government wants to help put more women in management positions in tourism and is going to assess whether certain projects in Innovation Norway to promote the status of women can be better adapted to this industry.



Destination development

Photo: Terje Rakke/Nordic Line/Fjord Norge AS



6

The Government's objective is to contribute to promote the development of comprehensive and good travel and tourism experiences.

Tourists who arrive in Norway wish to realize a holiday dream and select their destination according to the experience on offer. Comprehensive development of destinations concerns establishing a varied selection of accommodation and restaurants, nature experiences, arts and culture, landmarks and other organized activities, as well as shopping and services. Destination development is a broad term. Here, destination development is understood as the development of a destination based on a common thematic or geographic area, such as the high north, the coast, the mountains and the interior and the major cities. Infrastructure and other public assets are local preconditions for destination development and are therefore also discussed.

When referring to destination development, it is important to focus on the development of tourism products, particularly products that can contribute to year-round operation. This can lead to improved profitability for businesses and stable workplaces. Because the employees and their expertise and experience comprise a particularly important resource in the context of tourism, year-round operation is also important for the quality of the product. Varied workplaces and services contribute to the development of sustainable rural communities.

The main responsibility for positive destination development is with the tourism industry itself. Local initiatives, commitment and willingness to cooperate are essential. Municipal and county borders are irrelevant to the visitors and the development of destinations is dependent on cross-border cooperation.

6.1 Public assets as a precondition for destination development

6.1.1 Transport

Accessible and safe transport is essential in order to provide tourists with good experiences of Norway as a destination. The Government actively uses transport policy to strengthen the competitive capacity of trade and industry. The National Transport Plan (NTP) is the most important instrument for providing trade and industry with comprehensive and long-term framework conditions with respect to transport. The Government will present a report to the Storting on NTP 2010–2019 in December 2008. In order to bolster dialogue with trade and industry, the Ministry of Transport and Communication has held a series of regional meetings with participants appointed by various trade and industry organizations.

More direct routes from abroad to various parts of Norway provide opportunities for growth in Norwegian tourism. Avinor is working with Norwegian and foreign airline companies with respect to establishing new routes to Norway from Europe and Asia. One of the newest routes is the one between Tromsø and London. The Asia effort is as a cooperative effort by Innovation Norway and the Scandinavian Tourist Board in Asia. Avinor is also involved in initiating regional route development funds.

A total of 18 selected routes, from Varanger in the north to Jæren in the south, shall be developed as National Tourist Routes by the end of 2015. The National Tourist Routes shall be routes where road travelers will be presented with the best of Norwegian natural scenery, and the actual drive shall have high visual quality. NOK 100 million has been granted to the project in 2008. In order to achieve more rapid returns for society from the tourist route effort and prepare the field for other players in various sectors, the Government has proposed that the project be implemented in two phases with 2011 as a milestone. This entails that the National Tourist Route concept can be collectively marketed as soon as 2012. The industry



players are responsible for establishing activities and providing experiences that reinforce the distinctive characters of the routes. The Norwegian Public Roads Administration, NHO Travel and Tourism and Innovation Norway have entered into an agreement to develop a strategic partnership to strengthen product development and marketing of the tourism product around the National Tourist Route attraction, with a clear division of responsibility and close contact between parties.

The most important railroads in the tourism context are the Bergen railway, the Flåm railway, the Rauma railway and the Ofot railway. NSB has developed a strategy as a tourism transporter, as a supplier of train-based adventure trips and as a participant in tourism operations. The company cooperates with Flåm Utvikling on the operation of the tourist trains on the Flåm railway. Starting in 2008, NSB will operate tourist trains on the Rauma railway in cooperation with Raumabanens Utviklingsselskap. There are still unexploited opportunities in cooperation between NSB and the tourism industry.



The Norwegian National Rail Administration is working on preparing six stretches for protection and museum use which thereby provides a higher value as cultural monuments and tourist attractions. This applies to the Urskog – Høland railway, the Krøder railway, the Setesdal railway, the Flekkefjord railway, the Gamle Vossebanen railway and the Thamshavn railway.

Norway currently has several routes designed for cycling holidays. The Norwegian Public Roads Administration is working on signposting national cycle routes and sets requirements for adequate traffic safety and practicability standards. The routes are marked with their own cycle signs, and maps, route descriptions and other necessary information has been prepared. Along the routes there are services and numerous tourist attractions. The Institution for Cycle Tourism in Norway is developing Norway as a bicycle destination in cooperation with local, regional and national players, among them Innovation Norway and the Norwegian Public Roads Administration.

The Flåm railway

Ten years ago SIVA decided to test their model for the development of industrial and innovation environments on the development of tourism in rural areas through a pilot project focused on developing destinations. In cooperation with the municipality and a local bank Aurland Ressursutvikling AS was founded. SIVA initially provided 40 percent of the capital. Fretheim Hotell was converted to a first class conference and tourist hotel. Flåm Utvikling AS, which is a subsidiary of Aurland Ressursutvikling AS, took over the product development and marketing of the Flåm railway from NSB. At the same time the municipality constructed a cruise quay. SIVA also supports an industrial park in Aurland that specializes in businesses in the food and tourism industries. Currently Flåm has close to 600,000 visitors every year. In 2006 135 cruise ships called at Flåm, and Aurland Ressursutvikling AS made a profit of NOK 16 million.

6.1.2 Nature and culture

Tourism causes a lot of strain on the areas in our coastal and mountain areas. It is important that cabin and skiing destinations are designed so that beautiful landscapes, nature and cultural heritage are not destroyed and that the areas' value with respect to outdoor activities are not reduced. It is a challenge to manage cultural monuments, which represent vulnerable, non-renewable values, in a sustainable manner. It is also important to ensure good maintenance of buildings, installations and landscapes that protect the cultural monument values while also safeguarding them as resources for tourism. The most popular cultural monuments must for example be protected from wear and fire hazard. Many archaeological cultural monuments are best protected if they are left alone.

The Government wants national parks and other protected areas to be used for tourism in a sustainable manner and therefore prioritizes work with these areas (see chapter on sustainable tourism). Natural and cultural landscapes comprise an important part of Norwegian tourism and must be adequately protected. The Government's goal for its cultural monument policy is that cultural monuments and cultural environments are taken care of as resources for use and a basis for knowledge, experiences and wealth creation. A representative selection of cultural monuments



shall be permanently protected by being listed. NOK 94.5 million is provided for the national park work and other major protected areas in 2008. This is an increase of NOK 27 million from 2007.

In recent years several projects based on nature and cultural parks as a concept for the development of local communities have been initiated in Norway. The nature and culture park model entails creating added value based on local advantages and qualities related to the cultural landscape and the natural and cultural heritage and exploiting resources in a sustainable manner. Nature and culture parks may be used as a framework for the development and promotion of tourism products. The Government has initiated work in establishing an experience and expertise network for local and regional authorities who wish to test nature and culture park projects. Two parks have been established so far: Valdres nature and culture park and Aurland world heritage park.

Agriculture produces landscapes and values related to biological diversity and cultural monuments, amongst other things. In order to ensure that we protect various types of cultural landscapes for the future, the government has started work with selecting a cultural landscape area in each county. Agreements between landowners

and the authorities are then drawn up for how the areas shall be protected. The landscapes as attractions may contribute to strengthen tourism in the respective municipalities. In addition, the Government has entered into an agreement with Norwegian Heritage on establishing a national landscape award. It was first awarded in 2007. Local communities and enthusiasts are important for preserving the character that agricultural cultural landscapes constitute locally.

The world heritage areas have a particular potential related to the development of locations and tourism. Norway currently has seven locations on UNESCO's world heritage list. *Urnes Stave Church, Bryggen in Bergen, Røros Mining Town, the Rock Art of Alta, West Norwegian fjord landscapes (the Nærøy fjord and the Geiranger fjord), the Vega Archipelago and the Struve Geodetic Arch.* The status as world heritage area places high demands on the management of natural and cultural values. The Government wants the Norwegian world heritage areas to be developed as beacons for best practice within nature and cultural monument management, and NOK 40 million is set aside for this in 2008. The primary industries in these areas are in decline, and there is therefore a need to investigate how agriculture may be operated and developed in order to preserve the cultural landscape for the future.

NOK 3 million has therefore been allotted to the world heritage effort through the agricultural agreement. The funds shall be viewed in connection with measures for other sectors.

Nature and recreation areas are important in the context of tourism, and it is important to secure the opportunity for outdoor recreation. Public acquisitions and the securing of recreational areas for public use is an area of priority for the Government, and the Government has increased efforts to secure and prepare attractive recreational areas and beach areas. In the 2008 budget, NOK 27.5 million has been allocated for the preparation, operation and maintenance of the acquired recreational areas. The Directorate for Nature Management has approved a total of NOK 100 million for approximately 100 new areas. In addition, there is a restrictive practice in connection with building permissions in the shoreline area.

Protection plans have been prepared for our 14 national fortresses. The protection plans will, in addition to constituting an important basis for the protection of the fortresses, also be important for the administration of the fortresses for cultural purposes, business and events. The challenge is to identify users who may contribute to invigorating the fortresses while maintaining financial viability. Income from leasing may be a considerable source of income for the operation of the installations. There are examples of successful cooperation with local authorities that has had positive side effects for local business. In the current year funds for the renovation and modernization of space for accommodation purposes in order to contribute to increased use have been invested, and will in the future result in increases in profits.

There are close ties between the cultural sector and the tourism industry. The various parts of the cultural sector contribute in many ways to the content of the tourism products and the cultural sector has expertise that can strengthen creativity and innovation in the tourism industry. At the same time art and culture, for example museums, concerts and festival, are often an attraction in themselves. A number of cultural attractions are wholly or partially publicly funded. In June 2007 the Government introduced a plan of action for culture and business that shall strengthen cooperation between culture and business and strengthen wealth creation in culture-based businesses. The relationship between the cultural sector and the business sector is described in detail in this plan

of action. The plan of action shall realize the potential for development between the two industries and contribute to innovation and wealth creation in all parts of the country. The plan of action shall further contribute to strengthening cooperation between culture and business in order to achieve more creativity and better ability to change. Several of the plan of action's measures are relevant for the tourism industry, for example specific business development measures and measures related to culture-based business development, efforts abroad, knowledge and expertise efforts.

6.1.3 Funding special common goods for the tourism industry

A survey carried out by the Institute for Research and Business Administration (SNF) showed that the tourism industry consider international marketing and improving expertise to be the two most important common goods. These common goods are already supported by the Government, and grants have increased significantly in recent years. Regular public budgets cover common goods that also benefit the tourism industry, e.g. the construction and maintenance of roads and grants to culture businesses.

In a letter dated 3 April 2006 some municipalities requested legal authority to allow municipalities to collect a special tax for funding common goods for the tourism industry. Such a trial could have had positive effects for the tourism industry, but there are nevertheless several fundamental and economic objections. It is a fundamental principle in Norway that the municipalities shall have identical tax and duty systems. The Government will therefore not allow such a trial for funding common goods for the tourism industry.

The Government has permitted municipalities to collect property tax on residential properties, holiday properties and business properties. The Government has also significantly increased grants to municipalities. This has provided municipalities with more room to maneuver.

The municipalities may establish voluntary arrangements in order to fund common goods. This is dependent on cooperation. The Government is prepared to allow Innovation Norway to participate in the funding of one or more projects where voluntary funding of common goods is a part of the funding of the project.

6.2 Instruments for the comprehensive development of destinations

It is important to emphasize and strengthen tourism in municipal and regional planning, both as a basis for partnerships in various development and infrastructure measures and as a basis for efficient land use for tourism. It is the Planning and Building Act that regulates land use. Sustainable tourism entails that the construction of tourism installations and cabins must not be at the expense of landscape values related to nature and cultural heritage, and that the land use policies the Storting has endorsed must be emphasized (also see the chapter on sustainable tourism). The Government will prepare guidelines and support pilot projects that show how the municipalities' land use management related to tourism and associated activities may be done in a sustainable manner.

A comprehensive, long-term plan and the ability to pursue it is an important precondition for the development of profitable destinations. Innovation Norway has developed a methodology for how the development of destinations may take place. A successful destination development process presumes the ability to take strategic decisions, the will to prioritize time and money for a planning process, that the work is market-oriented and that both public and private interests are included in the project. Destination development processes should be carried out in cooperation with tourism businesses, the retail sector, landowners, other parties and the municipality in each individual location and must be seen in connection with other municipal and county administration planning.

6.3 The northern regions

The Government strategy for the northern regions was presented in December 2006. The strategy aims for a comprehensive, coordinated and long-term northern region policy. Tourism is to an increasing degree a source of employment and wealth creation in the northern regions. Tourism in the north has potential for development related to clean and fresh nature, a living coastal culture and opportunities for nature-based experiences. As in other areas, organization and close cooperation between parties is essential.

The Government views the northern regions as Norway's most important strategic focus area in the years ahead. Tourism has a natural place in this context. At least NOK

Lofoten as a destination towards 2015

Lofoten has developed as a destination based on the area's unique natural surroundings, coastal culture and fisheries. For the first time since Lofoten started to develop tourism as an industry approximately 25 years ago, one has established a joint strategy for all six municipalities in the archipelago based on Innovation Norway's destination development program. Seasonal development as a basis for year-round business operations is the most critical challenge for improved profitability and greater wealth creation in the years ahead.

«Hunting the light»

«Hunting the light» is an example of product and concept development of tourism in the north. The project was established in 2006 when Hurtigruten/The Norwegian Coastal Voyage assembled collaborators, tourism players, culture personalities and other resources to discuss whether the hunt for the magic light of the north could be used to develop a trip through northern Norway and contribute to extending the tourist season. The result was an innovative product where travelers participate in a Viking sacrifice in Lofoten, go dog sled riding in Tromsø, see presentations of Sami culture, catch king crabs with local fishermen, go snow scooter driving in Lapland and experience crossing the Arctic circle.

5 million of the increase in the Ministry of Trade and Industry's grant to Innovation Norway's work on tourism shall be dedicated to following up the northern region strategy. Better coordination and cooperation between parties in the north will be decisive for strengthening efforts (also see the chapter on organization). In addition, NOK 2 million has been granted to Svalbard Tourism. Innovation Norway cooperates closely with Svalbard Tourism on the marketing of Svalbard as a destination. Funds have also been made available over the budget of the Ministry of Local Government and Regional Development for efforts in the north.



Photo: Terje Bakke/Nordic Life/Innovation Norway

6.4 Tourism in Sami areas

The Sami areas on the Norwegian side of the border stretch from Hedmark in the south to Finnmark in the north. Sami tourism has until now been most extensive in Finnmark county. Sami tourism is dependent on co-operation with other tourism elements, and consideration to identity and authenticity in practice and in marketing must be emphasized.

Determined efforts to develop Sami tourism in a sustainable manner could provide significant contributions towards wealth creation in the Sami areas. In 2006 Innovation Norway's office in Finnmark started work on developing Sami tourism in order to lift Sami culture and experiences towards a status as a beacon of tourism for the county. The Arena programme *ReiselivsArena Finnmark* is based on nature and culture tourism, and Sami tourism is one of the priorities of the project. The challenge is to also develop Sami tourism in the Sami areas outside of Finnmark. It is important that there is expertise on Sami culture and business in the system of policy instruments, and that players in Sami tourism use the existing instruments.

The Government views it as important to develop a tourism industry based on nature and Sami culture in Sami areas where the Sami themselves are responsible for the presentation and communication of Sami culture. The government has proposed that a wealth creation program

for combined businesses in Sami areas will be established in 2008. The Sameting will be responsible for administering the program. In this way the Sameting is given the opportunity to participate in developing Sami tourism in combination with other businesses. The Sameting also has funds at its disposal that may be used for the development of tourism through the Sami development fund.

The Sameting may play a central part along with the county municipalities, Innovation Norway, the destination businesses and tourism players in creating arenas for the development of Sami tourism.

6.5 The coast

Few countries have a coastline as long and varied as Norway. Tourism is currently a growth industry in many coastal communities. While employment in the traditional fishing industry is reduced through increasing rationalization, tourism will contribute to diversity with respect to employment and the development of coastal communities in general.

The coastal fishing fleet's main fishing period is during the autumn and winter. The circumstances should therefore be ideal for tourism activities based on the use of fishing vessels during the summer. The combination of coastal fisher during the winter months and tourist host during the summer should also be conducive towards



developing year-round employment within tourism and strengthen the incomes of coastal fishers. The Ministry of Fisheries and Coastal Affairs will, in cooperation with the fishing cooperatives, draw up a scheme where visitors who fish from registered fishing vessels may export their catch in addition to the regular export quota (see chapter on sustainable tourism). The catch must be counted against the vessel's quota and will thereby be registered within the determined quotas.

In the autumn of 2007 the Government presented report to the Storting no. 40 (2006–2007) concerning the Management of King Crab. The overriding objective for the management of king crab is to as far as possible prevent the further spreading in Norwegian ocean areas and ensure as low a population as possible outside of commercial areas. Every year a share of the total quota of king crab is reserved for tourist fishing and is allocated to applicants who wish to use catching king crabs as an attraction. In recent years the quota for tourist fishing has been 2,000 animals. Several players have embraced this opportunity and the arrangement has provided new opportunities for many businesses from the North Cape to the Russian border. King crab may be freely caught and it is prohibited to throw them back in outside of the commercial area.

Landscapes, buildings, activities and the availability of restaurants also contribute to create the «total experience» of coastal tourism. The «fisher farmer» and the distinctive character that the combination of agriculture and fishing has brought to the coast is an important cultural historical element that contributes to the total experience. Trips with fishing vessels, the experience of touring genuine processing plants e.g. for stockfish, bird and whale safaris and coastal culture in the shape of traditions and local history, have a great potential in the tourism context. This includes the possibility of enjoying local seafood and other local food. The Government wishes to develop the interaction between the fisheries and aquaculture industries and the tourism industry and contribute to more food based on marine ingredients in Norwegian restaurants.

The Government has prepared a plan of action for coastal culture in order to contribute to new uses and wealth creation related to coastal cultural monuments. An important measure is the project *Stories of Coastal Norway* which is planned for 2009–2014 and which aims to increase knowledge of the cultural history of the coast, combined with the coast's cultural heritage as a resource for tourism and other wealth creation. It has also been decided that from 2007, lighthouses may not be sold or



transferred, but rented. Renting entails that the properties are made available to the general public. It is thereby possible and desirable to use the lighthouse properties in connection with tourism.

Hurtigruten/The Norwegian Coastal Voyage, in cooperation with the county municipal boat routes, plays an important role as a regional transport service along the coast. The state purchases transport services from Hurtigruten/The Norwegian Coastal Voyage in order to maintain a good transport service along the coast of western and northern Norway. At the same time the route is a fantastic experience and has been used by tourists for many years. In 2006/2007 Hurtigruten/The Norwegian Coastal Voyage was named the «World's Best Boat Trip» by Lonely Planet, as well as voted to be one of the world's ten best cruise companies for smaller cruise ships by the Condé Nast Traveller magazine. In 2007 Hurtigruten/The Norwegian Coastal Voyage was also named the world's best supplier of specialist cruises by renowned Travel Weekly. Hurtigruten/The Norwegian Coastal Voyage cooperates closely with local tourism services, and by offering trips which combine a boat trip with stays on shore, Hurtigruten/The Norwegian Coastal Voyage contributes to local wealth creation. In the state budget for 2007 the Government proposed that the security crew on board Hurtigruten/The Norwegian Coastal Voyage ships should be included in the net wage arrangement effective from 1 July 2007.

For the past 20 years the cruise industry has been the sector in the tourism industry with the greatest growth. In recent years, growth has been particularly high for the

cruises in northern Europe, and the shipping companies are investing in new, large ships. Cities that are turning ports for the cruise ships are expected to experience substantial economic side effects. The most important thing the Government can do for the cruise industry is to ensure that there are exciting destinations and living communities along the coast. Local food and local attractions can help to improve the experience for the passengers. The cruise industry's marketing company Cruise Norway and Innovation Norway have drawn up an agreement on the marketing of Norway as a cruise destination.

6.6 Mountains and the interior

Tourism in the mountains and interior is often based on activities such as hunting, lake fishing, farm tourism, hiking, cycling and winter sports. There are challenges related to great seasonal variations. Many of the efforts directed at innovation in the tourism industry are important for the efforts in the mountains and interior, e.g. the Arena project Innovative Mountain Tourism, theme efforts and the Development Programme for Interior Fishing.

Approximately 2,500 businesses are involved in rural tourism in Norway. Based on the agricultural negotiations, and with the Ministry of Agriculture and Food's strategy for industrial development as a backdrop, the agricultural industry has established a separate development program for green tourism based on the farm and the rural communities' resources. Focus areas are product development, competence development, marketing and cooperation/alliance building.



The potential for synergy effects between local food producers and the tourism industry is large. In the autumn of 2007 the Ministry of Agriculture and Food presented its food strategy. The strategy is to bring good products based on Norwegian ingredients to the forefront and bring these products to consumers through hotels, restaurants, cafes and shops. «Local food on the menu» is a collaboration between the Ministry of Agriculture and Food, the Norwegian Agricultural Quality System and Food Branding Foundation, Innovation Norway and Rica Hotels. Through the project 69 local suppliers to Rica Hotels have been found, and local food is now on the menu for all meal types in the eight Rica hotels that are included in the project so far.

Close to 50 percent of the state's land is common land. The common land is managed by the Mountain Act and local publicly elected bodies (mountain boards) manage hunting, fishing and agriculturally related use. Statsskog and mountain boards shall facilitate the public's access to hunting, fishing and other recreational activities and contribute to their own and other's wealth creation in connection with these properties. Both with regard to common ground and other state ground it is a goal to use the land in a way that strengthens local business through sustainable development.

6.7 The major cities

The marketing of Norway as a destination is currently mainly focused on the fjords, the mountains and wilderness, the coast and coastal culture and arctic Norway. The major cities, particularly Oslo and Bergen, represent important points of entry to Norway and have a wide range of cultural, social life and shopping opportunities. They are also destinations with historical city centers, distinctive building environments and important landmarks. Many of the most popular attractions in Norway are in the major cities, e.g. Holmenkollen in Oslo and Bryggen in Bergen. As the capital Oslo is a central destination to many, with numerous important sights and attractions for visitors. The Government will establish a major city project headed by Innovation Norway, possibly in the form of an Arena collaboration where the cities cooperate on a project that focuses on common activities directed at city holidays and the development of the cities as destinations. It is also important that the cities contribute to the funding of comprehensive, operative marketing.

The market for MICE (Meetings, Incentives, Congress/Convention/Conference and Events/Exhibitions) is growing. Consumption in this segment is higher than in the market for holidaymakers and the segment is less dependent on the seasons. At the same time this may be an important recruitment ground for future holidaymakers. It is primarily the major cities that are relevant for such efforts. The Government will, through Innovation Norway, strengthen work directed at the market for meetings, incentives, congress/convention/conference and events/exhibitions.

Norway's ten most popular tourist attractions

Innovation Norway has prepared a list of Norway's 50 most popular attractions during the period from 1 May to 31 August 2007. The ten most popular were:

1. The Holmenkollen ski jump and the Ski Museum (643,620 visitors)
2. Kristiansand zoo (556,320 visitors)
3. The Flåm railway (501,042 visitors)
4. The Hadeland Glassworks (475,600 visitors)
5. Tusenfryd amusement park (445,537 visitors)
6. The Fløibanen funicular (434,139 visitors)
7. The Viking ships (323,414 visitors)
8. Fredriksten Fortress (268,600 visitors)
9. Hunderfossen Family Park (260 200 visitors)
10. Blaafarveværket (236,225 visitors)

6.8 Measures

- The Government is committed to tourism in the north and in 2008 NOK 5 million has been allocated to follow up tourism efforts in the northern region strategy, as well as NOK 2 million for Svalbard Tourism.
- The Government wishes to develop the Norwegian world heritage areas as beacons for best practice within nature and cultural monument management, and NOK 40 million has been allocated to this in 2008.
- The Government will prioritize efforts on National Tourist Routes, and NOK 100 million is allocated to the project in 2008.
- Starting in 2008 the Government will initiate a tourist train project on the Rauma railway in cooperation with Raumabanens Utviklingsselskap.
- In December 2008 the Government will present the National Transport Plan for the period 2010–2019.
- The Government will facilitate the use of protected railway stretches for tourism purposes.
- The Government will facilitate the use of lighthouses for tourism purposes.
- The Government will prepare guidelines and support pilot projects that show how the municipalities' land use management related to tourism and associated activities may be done in a sustainable manner.
- The Government wishes to contribute to realizing the opportunities inherent in developing a tourism industry based on nature and Sami culture in Sami areas by establishing a wealth creation program for combined businesses in Sami areas.
- The Government wishes to develop the interaction between the fisheries and aquaculture industries and the tourism industry and contribute to more food based on marine ingredients in Norwegian restaurants. The efforts to link tourism and local food from agriculture will be pursued.
- The Government will, in cooperation with the fishing cooperatives, draw up a scheme where tourists who fish from registered fishing vessels may export their catch in addition to the regular export quota for tourist fishing.
- The Government recognizes that coastal cultural history is an important resource for the tourism industry and will develop the Stories of coastal Norway project.
- The Government will establish an experience and expertise network for local and regional authorities who wish to test nature and culture park projects.
- The Government will focus on common activities directed at city holidays and the development of the cities as destinations, and will establish a major city project headed by Innovation Norway.
- The Government will, through Innovation Norway, strengthen work directed at the market for meetings, incentives, congress/convention/conference and events/exhibitions.
- The Government is prepared to allow Innovation Norway to participate in the funding of one or more projects where voluntary funding of common goods is a part of the funding of the project.



Marketing and promotion

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Photo: Per Eide/Innovation Norway

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7

*The Government's objective
is to strengthen the recognition
of Norway as a destination.*

7.1 Norway's reputation

A sound national reputation is important for our international impact. Putting Norway on the map and creating interest in and trust in our country therefore becomes more and more important. The objective of the promotion of Norway is to contribute to a positive reputation for Norway through a systematic, long-term effort, but a positive reputation must also be earned. Here we have a common responsibility, and it is in the best interest of both the tourism industry and the Government that Norway has a positive reputation.

In 2007 the Government established a public diplomacy forum which is chaired by the Minister of Foreign Affairs. The public diplomacy forum comprises selected experts and professional capacities from public office and culture and trade and industry. The tourism industry is represented in the forum which shall contribute to increased debate and dialogue between the authorities, trade and industry, academia and others on how and in which areas we can coordinate strategies for Norway's reputation.

A reputation plan has been developed for the foreign missions that shall provide guidance with respect to the values and overarching issues the missions should emphasize in their outward work. Each embassy and general consulate shall, based on the reputation plan, prepare their own

country strategy. Tourism will, in cases where this is appropriate, be an important part of the country strategies.

An important channel for the promotion of Norway is Norway's official website (www.norway.info). The website attracts approximately 400,000 separate visitors every month, and tourism is one of the most popular categories. The website acts as a portal to Visitnorway.com (see below), and closer cooperation between Norway's official website and Visitnorway.com will be emphasized.

7.2 The Norway brand

In 2005 Innovation Norway carried out a brand survey. The analysis showed that Norway belongs in the category of *nature-based experiences* and the sub-categories *Nordic and alpine nature experiences*. Our main competitors in this market are primarily Sweden and Finland. In addition, Canada, Alaska, Austria and Switzerland are strong competitors. The conclusions from the survey were that Norway should aim towards promoting itself as a country with opportunities for experiences in beautiful, unspoilt nature, active nature experiences, experiences of local culture and way of life as well as good hosts. Based on this, four areas have been identified for spearheading the promotion of Norway: the fjord and mountain landscapes, the coast and coastal culture, the mountains and wilderness, and Arctic Norway. This forms the basis for the brand of Norway and the new graphic profile for marketing campaigns that Innovation Norway has developed in cooperation with the tourism industry. The design is inspired by the Norwegian flag. In order to get the message of Norway across, it is important that efforts are directed towards building a brand and that marketing is long-term, consistent and stable.

The work on promoting Norway is based on the strategy of promoting the brand of Norway. The brand strategy is well integrated in the work that is done in developing Norway's reputation.

7.3 The promotion of Norway as a destination in Norway

Promoting Norway as a destination in Norway shall contribute to increasing the number of Norwegians who travel and spend their holidays in their own country. In 2006 there were 27.5 million overnight stays in Norway. Norwegians were responsible for approximately 70 percent



of these stays. The statistics also show that Norwegian stays have the highest increase, while there are considerable fluctuations in foreign overnight stays from month to month. This entails that accommodation businesses are becoming more and more dependent on Norwegian travellers. In recent years the price of international air travel has significantly decreased as a result of increased competition, and the Internet has made it much easier to select, configure and book travel now than just a few years ago. Foreign destinations are strong competitors to domestic destinations.

Domestic marketing has traditionally been the responsibility of the tourism industry with extensive contributions from county administration and municipal funds. The Ministry of Agriculture and Food has since 2003 earmarked funds for the marketing of Norway in Norway, and as of 2007 it also became possible to use grants from the Ministry of Trade and Industry for promotion in Norway.



Photo: Christian Houge/ Innovation Norway

There are two major marketing campaigns in Norway: The Rural tourism campaign and the Norway campaign. The Rural tourism campaign focuses mainly on the marketing of small-scale tourism businesses in rural Norway. The Norway campaign aims at creating interest in Norway as a holiday destination for persons living in Norway. The synergies from coordinating these campaigns will benefit the tourism industry and create a stronger effect in the market.

7.4 The promotion of Norway as a destination abroad

The promotion of Norway as a destination abroad shall contribute to Norway becoming the preferred destination within its segment. Grants to this purpose have been more than doubled from 2005 to 2008. In 2008 NOK 215 million has been earmarked on the Ministry of Trade and Industry's budget. This represents an increase of NOK

15 million from 2007. The funds are mainly used for marketing and promotion. At least NOK 5 million of the NOK 15 million increase in 2008 shall be used for following up the high north strategy (see measure in chapter on destination development). Funds granted through the Development Programme for Green Tourism are also used for the promotion of Norway.

The public funding of promoting Norway as a travel destination is intended to complement and strengthen the industry's own contributions. The Government is of the opinion that it is a precondition that the tourism industry pays a charge in order to participate in Innovation Norway's campaigns. The contribution from the tourism industry itself shall be at least as high as the public contribution. Innovation Norway and the tourism industry have cooperated in preparing a draft of a model for funding promotion work. The basic principle is that the authorities shall mainly fund overarching activities, such as brand building and profile marketing of Norway as a destination, while the industry itself shall fund activities that trigger sales. The promotion of adventure areas, product groups and destinations shall be jointly funded. All marketing must include a predominant Norway/destination promotion, and the support must be in accordance with the regulations concerning government support. Beyond this, the Government encourages industry players to cooperate in the promotion of products and areas of joint interest.

There are two large campaigns every year promoting Norway as a destination abroad: The Summer Campaign and the Winter Campaign. Summer traffic comprises the largest portion of turnover from foreign travelers and the largest portion of Innovation Norway's marketing effort is used in the Summer campaign. The marketing of Norway as a winter destination is also an important part of the work in several markets, and grants for this have been trebled in the course of just a few years. The number of short holidays in Europe has had tremendous growth in recent years. The tourism industry in Norway has the potential to capture a larger share of this market. This is why short holidays are an important strategic focus area.

In addition to these campaigns, there are theme efforts in certain countries related to cycling and trekking, river and lake fishing, and sea fishing and salmon fishing. Innovation Norway has granted funds to the Norwegian Farmers' Union and the Norwegian Forest Owners Association to carry out a pilot project which shall provide the



Market priorities for 2008

Consumer market: Norway, Sweden, Denmark, Germany, the Netherlands, Great Britain, France, Italy, Spain, the USA and Russia

Sector market: Poland, Japan and China

Developing markets: India and South Korea

necessary expertise in order to initiate a three-year project directed towards businesses which will offer hunting experiences.

Innovation Norway directs its marketing efforts at three main types of markets: consumer, sector and developing markets. The consumer markets are the main markets where Norway as a destination and Norwegian products shall be marketed directly to consumers. Promotion in the sector markets is directed at the distributors, while efforts in the developing markets are directed at establishing distribution networks.



A market strategy council with ten representatives from the tourism industry has been established in order to provide advice on which countries to include in the various market types. The council contributes to developing and recommending which strategies, market priorities, activities and budgets the market-related tourism efforts should have, and is an important tool for Innovation Norway in order to ensure coordinated and consistent marketing of Norway (*see measures in the organization chapter*). In addition market groups have been established for Denmark, Great Britain, Germany, the Netherlands, southern Europe, the USA and Asia. These groups provide expert advice to Innovation Norway's various foreign missions.

Knowledge of the different markets, both with regard to which type of experience is in demand and how Norway is perceived, is an important precondition in order to carry out efficient marketing of Norway as a destination.



Photo: Anders Gjengeid/Innovation Norway

The Government therefore requests that Innovation Norway prioritizes work on acquiring market knowledge. It is important that market knowledge is distributed to the tourism players (see measures in expertise chapter).

Editorial content is a very efficient and cost-effective channel for disseminating information on what Norway has to offer. Such information is also perceived by consumers to be more trustworthy than advertisements. It is therefore important to work purposefully towards foreign media. In 2006 approximately 900 foreign journalists visited Norway. This resulted in more than 5,000 newspaper articles and almost 80 radio programs about Norway as a destination, with an approximate market value of more than NOK 300 million. In addition, more than 250 television features about Norway as a destination were produced. Innovation Norway has also started a training programme for travel agents, currently only in England.

Norwegian Travel Workshop (NTW)

NTW is the most important meeting ground for sellers and buyers of Norwegian tourism products. Every year approximately 330 invited international tour operators and 350 sales representatives from all sectors in the Norwegian tourism industry participate. The goal is that 10 percent of the foreign operators shall be new, either as potential Norway operators with production plans, or as operators who have not previously participated at the event. More than 7,000 meetings are held where next year's products, prices and terms are negotiated. Both sellers and buyers are given the opportunity to present their products in a manual. The Norwegian participants additionally have their own stands. NTW is one of Innovation Norway's most important tourism events.

The Government cooperates with other countries in order to ensure that the reciprocal exchange of tourists becomes easier. The Norwegian-Russian Working Group for Tourism is subordinate to the Norwegian-Russian Governmental Commission on Economic, Industrial and Scientific-Technical Cooperation. The goal of the work is to strengthen Norwegian-Russian tourism cooperation through promoting the exchange of visitors between our two countries. The number of Russians coming to Norway is on the increase, and there is also an increase in Norwegians travelling to Russia. Visa issues and transport opportunities between Norway and Russia are among the themes being discussed. There is emphasis on promoting tourism in the northern regions.

In 2004 Norway and China signed the ADS agreement (Approved Destination Status) which allows Chinese citizens to obtain tourist visas for Norway. Previously this was difficult. Innovation Norway has also strengthened its presence in China with a tourism envoy in Shanghai. Efforts have paid dividends, and in 2006 there were just below 70,000 overnight stays by Chinese visitors, an increase of 24 percent from the previous year.

The seafood industry cooperates on marketing abroad through the Norwegian Seafood Export Council (NSEC) which works with the promotion of Norwegian seafood. This work has positive side effects for the tourism industry too, and marketing efforts should be coordinated. It

will become steadily more important to emphasize local food and experiences related to local food culture, also in connection with marketing destinations and regions.

Norway as a destination is also promoted through state visits and other official visits abroad. Norwegian businesses participate in such visits through trade and industry delegations and may establish contacts. Several ministries cooperate with Innovation Norway through Taste of Norway in order for official Norway to focus on Norwegian ingredients and Norwegian food culture through events at home and abroad.

Norwegian participation at international fairs such as the World Exhibition (Expo) and Internationale Grüne Woche is also important. Internationale Grüne Woche is held annually in Berlin, and Norway has a relatively strong presence with Norwegian food and Norwegian tourism on the menu. The Government will continue to promote Norway as a destination when appropriate at fairs and during official visits and through exhibitions such as the World Exhibition (Expo).

Promotion only has a positive effect if the end product satisfies the travelers' demands with respect to quality and experience. The strong promotion efforts must therefore be seen in connection with the efforts that are made to promote expertise, innovation, quality and cooperation in the Norwegian tourism industry and thereby satisfy increasing demands from travelers.

7.5 Visitnorway.com

New IT solutions and the customers' changing purchasing patterns have provided the tourism industry with numerous new opportunities and challenges. IT is an important tool and a precondition to reaching the travelers with information on opportunities in Norway. This also places strong demands on how we work on adapting information on experiences in Norway.

Visitnorway.com is a national tourism website on the Internet. The website is operated by Innovation Norway and is currently available in a new design. The ambition of the website is to unite Norwegian tourism on the Internet and become the definitive source of reference for all relevant Norwegian travel products. The website shall compel visitors to travel to Norway and provide good and comprehensive information about Norway and what the

tourism industry has to offer. The website shall also contribute to create sales opportunities for the participants through a national booking channel (see measure in chapter on innovation).

The Government recognizes that the increase in the use of the Internet as a channel of information and expectations from travelers with respect to a comprehensive source of information on the Internet creates challenges for the tourism industry. At the same time this provides an opportunity to reach customer groups one has not easily been able to reach previously. The Government is of the opinion that authorities should contribute to the existence of a national tourism portal for Norway on the Internet and will prioritize the further development of Visitnorway.com.

7.6 The promotion of Norway through films and other cultural activities

The use of films as a promotional tool is a new approach for the Government. The Government has granted NOK 1.5 million for a pilot project of Naturvisjon which shall become a series of nature documentaries for television and the cinema. The films shall provide a depiction of Norwegian nature for international audiences and will be valuable for the promotion of Norway as a destination. Innovation Norway, Bergans and Nordisk Film have signed an agreement linked to the television series 71 grader nord. The series will be aired in the Netherlands and Belgium in February/March 2008 and will contribute to considerable promotion of Norway. Innovation Norway will follow this up with a subsequent marketing campaign.

There has been a general increase in the number of foreign film productions using Norway as a location. According to the Norwegian Film Commission there were complete or partial recordings of 56 foreign film productions in Norway in 2005, compared to 30 in 2004. Innovation Norway cooperates with the Norwegian Film Commission in order to attract foreign film productions to Norway.

Other cultural activities with international focus may have positive side effects for the tourism industry through the marketing of Norway as a nation of culture. This applies for example to the work by Music Export Norway and the Music Information Centre Norway (MIC) towards increasing the recognition of and the use of Norwegian music abroad. NORLA, Norwegian Literature Abroad, works



towards promoting Norwegian authors abroad. Further, the dissemination of information on festivals such as the Risør Chamber Music Festival and the Bergen International Festival and on operators and products within Norwegian design may have a corresponding effect.

7.7 Measures

- The Government will continue to build the general reputation of Norway.
- The Government will continue to promote Norway as a destination when appropriate at fairs and during official visits and through exhibitions such as the World Exhibition (Expo).
- The Government will ensure that more information on Norway as a destination will be made available on the Internet and will prioritize the further development of Visitnorway.com.
- The Government will continue the work of attracting foreign film productions to Norway.
- The Government will prioritize closer cooperation between Norway's official website and Visitnorway.com.
- The Government contributes to strengthening the knowledge of Norway abroad, and grants for brand building and marketing of Norway as a destination will be strengthened in 2008. The funds may also be used for international media and sector work.
- The Government will develop agreements with other countries in order to facilitate the exchange of tourists.

❧ Organization



8

The government's goal is to improve coordination of the public efforts towards tourism and improve cooperation with and within the tourism industry.

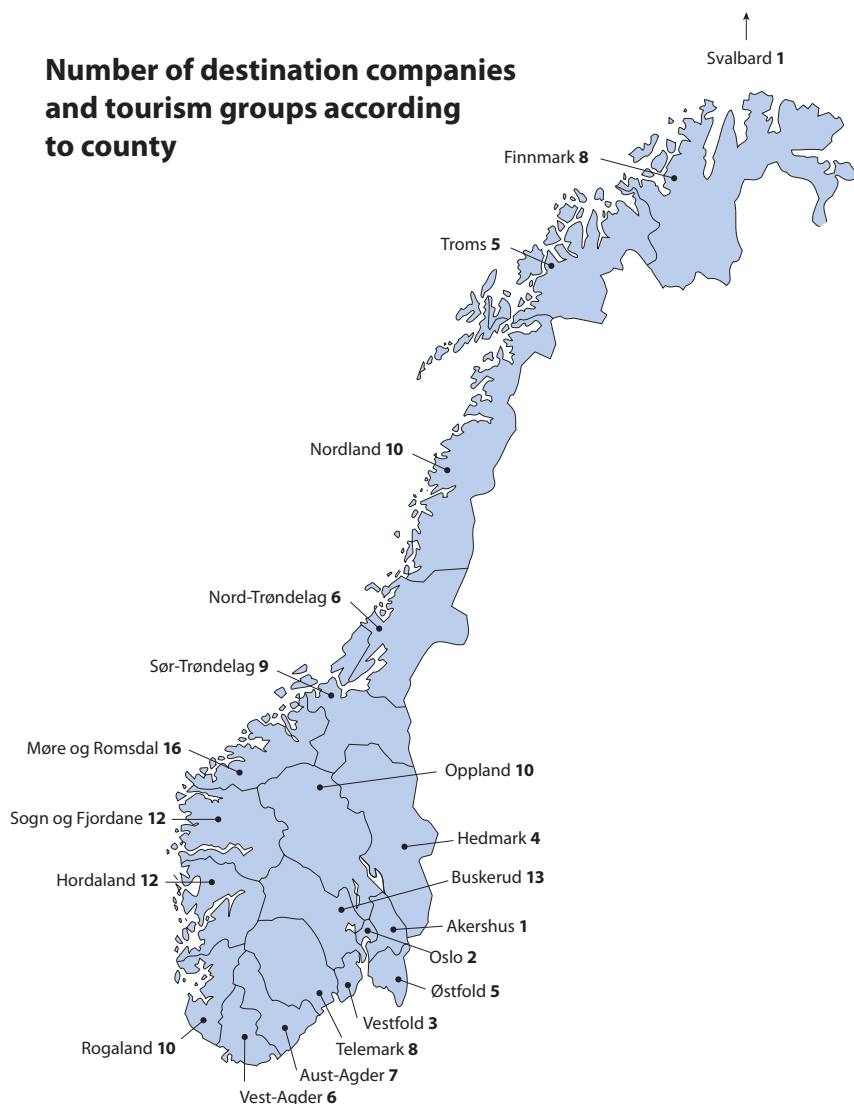
8.1 Framework conditions for tourism

The Ministry of Trade and Industry is responsible for the general tourism policy in Norway, but there are a number of ministries which also have areas of responsibility that involve the tourism industry to some degree. There are also many people involved in work that affects the tourism industry in Norway in subsidiary departments and organizations.

The tourism industry is, in common with other industries, dependent on the general framework conditions for industry in Norway. This includes the taxes, rates and dues system, monetary policies, labor policies, regional policies, environmental policies, infrastructure and general trade and industry policies. At the same time sector policies, e.g. fisheries policies, agricultural policies and transport policies, are of great influence, in addition to the actual tourism policies. The government is concerned with providing stable and predictable framework conditions for trade and industry, including the tourism industry.

The tourism industry is further affected by policies developed at the regional and municipal level, e.g. through development plans and protection plans. Additionally, the

Number of destination companies and tourism groups according to county



Value added tax on accommodation

In 2006 an 8 percent value added tax was introduced on accommodation, but the businesses were nevertheless given the right to a full refund of 25 percent on investments and operational costs. The rules initially applied to camping sites, hotels etc., but not for rental cabins on farms. This resulted in businesses in rural tourism risking losing large amounts, which could affect further efforts in the sector. In order for the regulations to be the same for businesses within the same sector, the Government proposed changes in the duty regulations for 2008. The proposal makes e.g. the business of rental of cabins at farms being included in the rules for value added tax.

municipalities and county administrations have funds that may be used for developing trade and industry, and the municipalities are the first point of contact for services for trade and industry. The county governors play a role in developing tourism through their responsibility for developing regional strategies for agricultural development, for nature management and for environmental measures.

Public funds for developing trade and industry are currently largely centralized in Innovation Norway. It is Innovation Norway that has the operative responsibility for carrying out many of the tasks that follow from the strategy. Other agencies such as the Norwegian Public Roads Administration, the Research Council of Norway, the Norwegian Design Council, the Industrial Development Corporation of Norway, the Directorate for Cultural Heritage and the Directorate for Nature Management also administer measures that are of importance to trade and industry in general and the tourism industry in particular.

The fact that several different public players at various administrative levels affect the tourism industry increases the need for cooperation and coordination. This is important in order to ensure that the needs of the tourism industry are assessed and compared with other considerations and that the public efforts directed at tourism are effective and comprehensive.

Good cooperation and a clear division of labor with the industry itself is an important precondition for a coordinated public sector. The authorities are responsible for the general formulation of policies and for policies and efforts directed at the tourism industry, while the industry is responsible for the actual production of the tourism services. The authorities will also to a certain degree be able to contribute with funds for the development of products and destinations in the tourism industry. Some tasks, e.g. marketing, should be carried out in cooperation between the authorities and the industry.

8.2 Coordination in the public sector

The Government is concerned that the tourism policies and efforts directed at tourism are coordinated at and between all levels, both at a national and regional level, as well as towards the policy instrument system.

Various ministries' work related to tourism

- The Ministry of Trade and Industry grants funds for the promotion of Norway as a destination both internationally and domestically and for the development of the tourism industry
- The Ministry of Agriculture and Food grants funds for the promotion of Norway as a destination both internationally and domestically and for the development of rural tourism
- The Ministry of Local Government and Regional Development supports tourism through grants to municipalities and county administrations and Innovation Norway
- The Ministry of Transport and Communications provides infrastructure, hereunder National Tourist Routes, and strengthens public transport through the public purchase of transport by railway, short runway aerodrome and Hurtigruten/The Norwegian Coastal Voyage.
- The Ministry of the Environment is responsible for the management of nature, cultural monuments and cultural environments and landscapes, land use planning and outdoor leisure activities
- The Ministry of Education and Research is responsible for education and the development of expertise in the field of tourism
- The Ministry of Fisheries and Coastal Affairs is working on the development of marine-based tourism and coastal culture, as well as the use of Norwegian seafood
- The Ministry of Culture and Church Affairs is responsible for promoting quality, availability and diversity in culture through contributions to cultural institutions and activities and to ensure good framework conditions for sports activities and film and other media
- The Ministry of Foreign Affairs is responsible for the general promotion of Norway and for promoting the interests of Norwegian trade and industry abroad, including the tourism industry.

The overarching responsibility for tourism policy shall be with the Ministry of Trade and Industry. For this reason the tourism work in the ministry shall be strengthened and a separate unit in the Ministry of Trade and Industry shall be established with particular responsibility for tourism policy. Responsibility for the other relevant policy areas will remain with the individual relevant ministries. The Government emphasizes the importance of good cooperation and good coordination between the different ministries working with issues that affect the tourism industry. In order to follow up the tourism strategy at the political level, meetings at the state secretary level will be held every six months. The meetings will be headed by the Ministry of Trade and Industry. In addition, a coordination forum will be established at the senior official level. The forum will comprise the secretary generals of the ministries that to a large degree are involved with tourism.

Substantial public funds are provided, both at the national and regional level, for the marketing of Norway as a destination and for the development of various parts of the tourism industry. However, there is currently no overview of the total sum of public grants to the tourism industry in Norway. The Government therefore wishes to examine the use of public funds for the tourism industry in Norway. The examination will include both the national, regional and municipal levels.

In order to best exploit the resources granted to tourism, the Government also wishes to improve the coordination of Innovation Norway's tasks with regard to tourism. This will be done through the newly established collaboration forum for ministries (the Ministry of Trade and Industry, the Ministry of Local Government and Regional Development, the Ministry of Fisheries and Coastal Affairs and the Ministry of Agriculture and Food) which grants funds to Innovation Norway.

The Government wishes by way of the administration reform (Report to the Storting no. 12 (2006–2007) Regional advantages – regional future) to strengthen the regional level. As a part of the reform it has been decided to change the ownership structure of Innovation Norway from 2010. Innovation Norway shall be jointly owned by the state and the regions. Further, the Industrial Development Corporation of Norway and the regions shall jointly establish regional innovation companies. In addition, regional research funds shall be established, and the regions shall be further developed as regional development actors.

Through the administration reform one is aiming for close, binding cooperation between the national and regional levels. It is intended that the regional potential may be better exploited and form the basis for an industrial policy that is better suited to regional premises and opportunities, for example within tourism. A broad local partnership and cooperation with the private sector is important.

The Government is also concerned with good coordination between public players at the regional level who work with issues that are of relevance to tourism. The Government is positive to possible initiatives that may strengthen such coordination where this is appropriate for tourism work at the local and regional levels. In connection with this, Innovation Norway's role in relation to the regional tourism companies may also be evaluated.

It is important that efforts directed towards tourism from other public agencies are coordinated. The Government will therefore establish a coordinating group for other public agencies and players who largely work with the tourism industry, e.g. Innovation Norway, the Norwegian Public Roads Administration, the Research Council of Norway, the Norwegian Design Council, the Industrial Development Corporation of Norway, the Directorate for Cultural Heritage and the Directorate for Nature Management. Innovation Norway will be responsible for the group.

8.3 Cooperation with and within the tourism industry

The Government wishes to invite the tourism industry to a closer, more formalized cooperation, much as one has done in the maritime sector through Marut. The Government suggests converting the Minister of Trade and Industry's contact committee into a more permanent group, a strategic council for tourism, as the central organ in the cooperation. The council should meet two to three times every year. Further, a working committee should be established in order to arrange and prepare the meetings in the Strategic council for tourism, as well as handle requirements for continuous dialogue and coordination between the industry, trade unions, the system of policy instruments and concerned ministries. In addition it is suggested to establish a secretariat that will have the responsibility for the day-to-day work, with particular focus on coordinating the sector's activities and contributions.



Gustav Vigeland Fontenen, Vigeland-museet © Vigeland-museet / BONO 2007 Photo: Svein Grønvold/AN Samfoto

The Ministry of Trade and Industry will contribute with parts of the funding, providing the sector also contributes funds and assumes responsibility for the secretariat.

The Market strategy council plays an important part of the cooperation between the system of policy instruments and the tourism industry. The Government will continue the arrangement whereby Innovation Norway and the tourism industry jointly agree on strategies, market priorities, activities and budgets in the Market strategy council (also see the chapter on marketing and promotion).

There are currently more than 150 regional, county, destination and municipal companies working with the promotion of tourism and the role of host. Most are owned by both private and municipal and county administration players and administer substantial funds. The companies are not organized in a fixed structure. In many counties there are currently mergers in progress towards fewer companies which cover areas that travellers naturally see in the same context, independently of municipal borders. There are many small players, and the Government is positive towards processes that provide more flexible and effective regional, county, destination and municipal tourism companies.

There is a need for a greater degree of cooperation and coordination across the three northern county administrations. It is important to find solutions that maintain the

region's interests and needs and that provide good dynamics with other relevant measures. The Government has a good dialogue with the northernmost county administrations and the tourism industry in this area for taking a closer look at establishing an arena of cooperation for tourism in the region (Arctic Norway). The objective is to strengthen tourism in the north.

In order to further strengthen cooperation between Innovation Norway and the tourism industry, the Government will request that Innovation Norway enters into strategic partnerships with relevant players. An example of a relevant player is Avinor. Norway has a considerable potential in the field of short holidays and fly-and-drive holidays. These types of holidays are dependent on the good availability of flights from important foreign markets. In order to capture larger parts of the holiday market from Asia and the USA, it is also important to work towards establishing an improved availability of flights from these regions. An agreement of cooperation shall mutually ensure the exchange of expertise between the two organizations regarding marketing opportunities for Norwegian tourism and air travel. In addition one shall look at joint measures to trigger the market potential for air-borne foreign tourists to Norway.

8.4 Measures

- The Government will use the expertise in the tourism industry and pursue the arrangement whereby Innovation Norway and the tourism industry jointly agrees on market priorities in the Market strategy council.
- The Government has a good dialogue with the northernmost county administrations and the tourism industry in this area for taking a closer look at establishing an arena of cooperation for tourism in the region (Arctic Norway).
- The Government will improve coordination of Innovation Norway's tasks in the field of tourism through the newly-established cooperative forum for ministries who fund the company.
- The Government will strengthen the Ministry of Trade and Industry's work with the tourism industry and establish a separate unit in the ministry with particular responsibility for tourism policy.
- The Government will ensure good coordination of tourism related issues, and meetings at the state secretary level will be held every six months in order to follow up the tourism strategy.
- The Government will establish a coordination forum for tourism at the senior official level.
- The Government is positive towards possible initiatives that may improve coordination of tourism work at the regional level.
- The Government wishes to initiate an examination of the use of public funds for the tourism industry in Norway. The examination will include both the national, regional and municipal levels.
- The Government will formalize the cooperation between the tourism industry and the authorities in the same manner that has been done in the maritime sector through Marut. This entails that:
 - The Contact committee for tourism is converted to a strategic council for tourism and becomes the central organization for cooperation.
 - A working committee is established comprising the Ministry of Trade and Industry, other relevant ministries, relevant sector organizations, trade unions and other players.
 - A secretariat is established that coordinates the day-to-day work. Responsibility for the secretariat is with the industry itself, with support from the Ministry of Trade and Industry.
- The Government will establish a coordinating group for other public agencies and players who largely work with the tourism industry, e.g. Innovation Norway, the Norwegian Public Roads Administration, the Research Council of Norway, the Norwegian Design Council, the Industrial Development Corporation of Norway, the Directorate for Cultural Heritage and the Directorate for Nature Management.
- The Government will request that Innovation Norway enters into strategic partnerships with relevant players in the tourism industry.



Concluding comments



9

The Government's objective for this strategy is to contribute to profitable and competitive tourism businesses. Profitable businesses provide good and attractive jobs in both rural and central areas, also for the future. We wish to contribute to increased wealth creation in the tourism and travel industry while balancing consideration to the environment. The objectives for the Government's tourism and travel policy are based on the industry's main challenges. By initiating and pursuing measures, the Government wishes to contribute to alleviating many of the challenges that face the tourism and travel industry.

We have significantly increased funding for both domestic and international marketing. By focusing on marketing we ensure that foreign visitors come to Norway and that Norwegians spend their holidays in their own country. We facilitate innovation and thereby contribute to having comprehensive and attractive tourism and travel products. In parallel we are also working with a national quality assurance system for the tourism and travel industry, and we are working on improving expertise within and about the tourism and travel industry. Expertise allows us to provide high-quality products, while a quality assurance programme brings quality to the forefront.



Innovation, expertise, quality and marketing are all essential to ensure year-round operation and improved profitability. By developing cooperation between businesses, one can utilize the workforce the year round and retain the employees' expertise.

We are also taking specific organizational measures to improve coordination towards the tourism industry, between the ministries and between other public players. This will contribute to a coordinated and improved use of public resources, and thus improved wealth creation.

The Government also uses considerable funds for providing infrastructure for the tourism industry through transport projects. Through an increase in grants we have improved the ability of municipalities and county administrations to contribute to the development of industry and society. We also contribute by way of substantial funds and beneficial framework conditions through the focus on culture, agriculture and fisheries that indirectly are a part of the total tourism and travel product.

Through this tourism strategy the Government is facilitating wealth creation and profitability in the tourism industry. There is a substantial need to improve coordination and exploitation of tourism resources. Through increased efforts and stronger cooperation we will contribute to fulfilling the goal of increased wealth creation and profitability, viable rural areas through year-round jobs, and sustainable development within tourism. The industry itself is responsible for developing future tourism. This entails that networks between tourism players and other involved parties must be developed. The large actors must pave the way and take along the smaller players in local and regional networks. It is important that the tourism industry ensures that associates are motivated and service-minded with a positive attitude towards their own industry and profession. Together we will give the tourism industry a boost!

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