

The Future of Norway's Tourism Looks Bright

2014 was a great year for Norway's tourism industry, with more tourists coming to the country and spending more money there, thus showing positive signs of development for the industry. The year was, however, an exceedingly positive for the whole world, and Norway's numbers – tourism represented only 2.9% of the country's GDP – were still lower than most other countries'. But while numbers are modest, it is encouraging to see that they are on a rising trend which goes beyond last year's uncharacteristically warm summer and currency devaluation, as the industry's contribution is to continue rising and to reach 3.1% of Norway's GDP by 2025 according to WTTC.



The fact that Norway is not only receiving more visitors, but also that the tourists seek an all-inclusive' Norwegian experience is also encouraging. Growing amounts of visitors want to experience local nature, culture, cuisine and everything else the country has to offer, thus increasing their expenditure.

This not only means the industry will have a bigger impact on GDP, as the number of tourists increases to justify the government's investment on infrastructure and their travel expenses help boosting the economy as well as create more jobs in the industry. In fact, the actual number of jobs is predicted to rise from 133,000 to 134,000 in 2015 alone, though it will remain unchanged for the next 10 years according to the WTTC data.

The most significant development of the year in the industry has to be Scandic Hotels' acquisition and rebranding of 12 properties from Rica Hotels. This is an unprecedented move in Scandinavia's tourism industry, and it means the Scandic group now has an impressive 66 properties in Norway with a total of 15,000 rooms which are said to accommodate an equally impressive 15,000 guests per day, a mean feat by any standard.

In spite of the positive signs registered by Norway's tourism industry, the hospitality sector still faces challenges as a consequence of the recent economic crisis Europe is still recovering from. This had a negative impact on the industry, seeing as tourists were booking trips on short notice instead of doing so in advance.



The surge in tourist activity, however, saw overnight stays increase by 5.5% to reach a total of 3.2% in 2014 that is expected to increase still in the coming years, seeing as more foreigners as well as Norwegians are said to be encouraged by the stabilization of the economy and the increase in availability which will see the airfare rates lower, for instance. The adventure tourism sector, in particular, is one of the fastest growing as far as hospitality goes, and should it stay that way, it will surely make a great contribution to the tourism industry overall.

Norway's tourism also benefitted from some heavy investment in 2014 – NOK28.6bn, to be exact, but that number is said to be lower by 3.3% this year. It will, however, rise 1.9% pa until it reaches 3.4% of total investment.

Improvements made in the industry go beyond investment, though. Last year saw the industry's players finally take notice of the growing trend which has seen global tourism go mobile. Hotels, airlines and transportation companies finally took advantage by upgrading their below par smartphone apps in order for them to become more accessible and user friendly. Scandic hotels, in particular, has taken mobile usage by guests quite seriously by investing in their HTL concept, which allows guests to use their smartphones as room keys. Transportation remains, however, the most mobile sector of Norway's tourism, as travelers are buying their tickets more and more on their phones instead of ticket desks and machines.

The future looks bright for Norway's tourism industry, as the number of travelers is not only meant to stabilize but also increase in the coming years from 5,489,000 international visits in 2015 to roughly 7,219,000 by 2025. Better yet, the experience hungry international travelers alone are predicted to generate a whopping NOK50.3 bn by that time – a great improvement compared to last year's NOK34.6 bn.



Norway's tourism industry will have to continue changing and evolving in order to make these forecasts a reality. Industry insiders expect that more tailored and themed travel packages appeal to Norwegians as well as foreigners, and that the creation of a more budget friendly transportation and accommodation

segment will make all the difference and provide the final push Norway's tourism industry still needs.

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