

# ICELAND'S TOURISM GROWTH VIEWED AS A BURDEN



With magical natural phenomena and mysterious legends Iceland attracts more and more visitors. The growing numbers of Iceland's tourism however are the cause of the locals' concern.

Iceland's tourism cannot benefit much from the current political uncertainty in the traditional holiday destinations. **The volcanic island is no alternative to the sun-drenched holiday havens of Turkey and North Africa that are potentially at risk from terrorism.**

"Iceland is an individual destination; especially nature lovers and active tourists feel at home here," said Silke Hartmann, from Thomas Cook. However, according to her, it is precisely this distinction from the crisis-hit rest of the world, this image of idyllic and harmonious solitude islands, that is increasingly attractive to travelers.

For more than a decade Iceland's tourism have been growing largely thanks to the natural landscape as the main attraction. In 2015, 1.3 million tourists visited the second largest island state in Europe, which is home to only 330,000 people. In the previous year, there were just under 998,000 visitors - their number thus increased within one year by almost one third, and more than doubled over the past five years. The island is most popular among the travelers from the U.S., UK and Germany.

This year, it is expected that the Nordic island will welcome even more holidaymakers. In November 2015, the air navigation Isavia forecasted 1.5 million visitors for 2016. Since then, the estimated has been corrected upwards to 1.7 million. In any case, Iceland's tourism providers are to accommodate more than five times more people than is the amount of the locals.

To cope with this rush, the industry is expanding. In 2013, around 19,000 people were employed in tourism-related jobs; in 2014 it was already 21,600. About 60 percent of the jobs that have been created since 2010 are related to tourism.

Since the 2008 financial crisis, Iceland's tourism has made a substantial contribution to the steadily rising employment rate. Currently, the country is again one of the fastest growing economies in Europe (4.3 percent expected this year).

Since the the hotel and restaurant sector is expanding, there is a search for new locations on the volcanic island. Last year alone, 57,600 square meters of new space has been established for entertaining and accommodation services. In total, there are now 394 hotels in Iceland, which has 103,000 square kilometers. The next largest country in Europe is Hungary with 93,000 square kilometers. Iceland has almost three times more guest houses and more than four times more hotel beds than Hungary.

**If Iceland's tourism continues to build new accommodation facilities for all the travelers, there would have to be more investments in the other infrastructure.** Ásgeir Jónsson, economics professor, is skeptical: "If there are more tourists coming into the country, we must

expand the airport. It would also be necessary to build new roads and expand the old ones. Iceland however would dig its own grave. The tourists are coming because of the remoteness and unspoiled landscapes. If the government invests in the growing tourism industry, there might be so many travelers that the country would become overcrowded."

The Icelandic population is also worried about the increasing tourism numbers. A study by the Tourist Board showed that 75 percent of the population is concerned, that tourism might harm local nature, and 52 percent see tourism as a threat to the cultural practices.

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