

NORWEGIAN TOURISM INDUSTRY - WHICH COMPANY WILL SURVIVE?



Travel trade represents an important part of Norway's economy, as it amounted to 4.2% of the Scandinavian state's GDP in 2017. The Norwegian tourism industry also earned 170 billion kroner (about \$18 billion) into the country that year, of which 50 billion came from foreign tourism.

For this reason, Norway could not have avoided the dramatic effects of the Covid-19 pandemic on tourism worldwide and the country is now counting its losses from this tough period. These effects were reviewed by The Confederation of Norwegian Enterprise (NHO).

Critical Declines

As reported by the analysis of NHO, **the Norwegian tourism industry suffered losses of 41 billion kroner (\$4.4 billion) in the first eight months of the year.** This represents a decrease of 30% compared to last year, from 137 billion (\$14.6 billion) kroner to 96 billion (\$10.2 billion).

The biggest losses were registered in terms of foreign travel - 68%, from 46 billion kroner (almost \$5 billion) to 14 billion (\$1.5 billion).

Business tourism also suffered a significant decline - 30%, from 17.4 billion kroner (\$1.8 billion) last year to 12.2 billion (\$1.3 billion).

Tourism Needs Help

"We have once again received confirmation that the tourism industry in Norway needs help to cover fixed costs from the crisis. Without help, we are facing the destruction of jobs," said CEO of NHO Reiseliv Kristin Krohn Devold.

"The industry needs compensation for up to 80% of fixed expenses in the future as long as the infection lasts," he added.

Devold also believes that the Minister of Finance Jan Tore Sanner is wrong when he says that "the market must decide" which companies will survive the crisis.

"30 billion is gone not only from foreign guests, and Europe is all red, so there is no market that can decide this. No company can survive with the current order levels," Devold concluded.

Date: 2020-10-19

Article link:

<https://www.tourism-review.com/norwegian-tourism-industry-lost-68-of-foreigners-news11721>