

FINLAND LOSES BILLIONS DUE TO MISSING RUSSIAN TOURISTS AND RUSSIAN AIRSPACE CLOSURE



2022 has been a "year of recovery" for international tourism. After the lifting of coronavirus restrictions, the situation with air traffic began to improve. The absence of Russian tourists in Finland, however, significantly affects the income of the tourism industry.

Russia currently is not among the top 10 source markets of tourists. The head of Visit Finland, Christina Hietasaari, said that **the absence of Russians really has a noticeable impact on the revenues of the Finnish tourism industry.**

"If we talk about the income that Finland received from international tourism, the share of Russians in it was as much as 19%," Hietasaari added. "Losses will amount to more than 600 million euros annually."

Hietasaari is also convinced that the authorities of the European country urgently need to look for alternative markets. Everyone agrees on the image of Finland in the current wartime. Everyone sees Finland as a safe Nordic country, far from unstable Eastern Europe. Calm Lapland is now especially suitable for tourists, points the expert.

The Closure of Russian Airspace Costs 1.5 M Euros a Month

"In the summer, the transportation volume should reach about 70% of the pre-pandemic level. In addition, we have leased around 10% of our aircraft to Lufthansa and British Airways. Therefore, we can completely return the Finnish staff to work," Topi Manner, Finnair CEO, emphasizes.

However, it is still difficult to talk about great success. The pandemic has already cost Finnair €1.2 billion, with new debt rising to €2.5 billion. The coronavirus pandemic and the war in Ukraine have become a large-scale "double blow" to adapt to which will be very difficult.

Also, Russia closed its airspace in late February as a part of reciprocal sanctions related to the war in Ukraine and Finland has been particularly hard hit by this measure. As a result of the closure of the airspace, Finnair began to fly to Asia through the Caucasus and the North Pole. The duration of flights increased by several hours. Previously, it was possible to fly back and forth to Asian countries, including Japan and Korea, in a day. This made it possible to use the aircraft efficiently.

It was possible to fly through Russian space to Tokyo in about nine hours. Now the flight through the North Pole lasts about 13 hours. The southern route takes even more than 13 hours. As a result of the longer routes, the Finnish flagship airlines lose one and a half million euros every month.

Great Hopes for the Future

Experts agree on the bright future of tourism in Finland. Manner considers tourism an important human need and is confident that Finland will still be able to return to the pre-pandemic levels. In addition, the sphere of business tourism is also beginning to recover. During the coronavirus

pandemic, it was believed that meetings would completely move to an online format. Now the outlook has changed.

"According to some estimates, the share of remote format meetings in the future will be about 10-15%. Probably, short and routine meetings will take place in the online format. However, people have a strong need to meet each other and close deals in person - rather than online. Helsinki is a safe city with good opportunities for meetings. We hope that business tourism in Helsinki will continue to flourish," says Nina Vesterinen, Head of the Helsinki Tourism Department.

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