

Similarities and Differences of Travel and Tourism in Poland and Finland – a Quantitative Approach

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Travel & tourism is one of the world's largest economic sectors. It creates jobs, drives exports, and generates prosperity across the world. As well as its direct economic impact, the industry has significant indirect and induced impacts. The purpose of the paper is to compare Poland and Finland in terms of the main indicators determining the importance of travel & tourism industry for the country's economy. The results obtained were collated with the mean values computed for the entire European Union and the world. Data for 2016 were used for all necessary calculations. The relative size of the sector in the Polish economy and in the Finnish economy is considerably smaller than it is in the case of the mean EU country and the average country in the world.

Travel & tourism in Poland, Finland and the global economy – key information

Tourists travel because they want to view beautiful scenery, to learn about other cultures, to visit friends and relatives, etc. Tourism is an activity that takes place in all continents and its economic significance and impacts are far reaching (Turczak, 2016, p. 79).

Travel & tourism is an important economic activity in most countries around the world. Despite the ever-increasing and unpredictable shocks from terrorist attacks and political instability, to health pandemics and natural disasters, travel & tourism continued to show its resilience in 2016. In total, travel & tourism generated 7.6 trillion USD (10.2% of global GDP) and 292 million jobs in 2016, equivalent to 1 in 10 jobs in the global economy. The sector accounted for 6.6% of total global exports and almost 30% of total global service exports (Travel..., 2017, p. 1). The sector brings tremendous economic, social, cultural, environmental, and heritage value.

Poland is one of the countries with constantly increasing number of visitors. In 2016 the number of tourist arrivals to Poland amounted to 17.5 million. The most popular cities are Warsaw (Poland's capital city and its most important business and economic centre) and Cracow (considered the cultural capital of Poland, famous for its historic sites, including Wawel Castle).

Poland has a diversified natural environment. The Baltic Sea in the north and the Sudetes and Carpathian mountain ranges in the south form natural borders of the country. The best recreational destinations include:

- Masurian lakes (the Masurian Lake District in north-eastern Poland counts around 2,000 lakes on an area of about 52,000 km²);
- Baltic coast (there are dozens of sea resorts on the coast of Baltic Sea; the coast stretches 770 km; a distinctive part of the coast is the Hel Peninsula, which is 35 km long);
- Tatra mountains (this is the highest mountain range of Carpathians; the most famous resort for skiing and hiking in the Tatras is Zakopane);

- Sudetes (there are lots of tourist resort – e.g. Karpacz, Szklarska Poręba – for skiing and hiking in the Karkonosze mountains, which is a part of the Sudetes mountain range);
- Białowieża Forest (Białowieża National Park is the last fragment of the primeval forest which once stretched across the European plain; it is home to the world’s largest population of European bison and many other endangered species; the oldest oaks in this forest are 650 years old).



In 2016 the number of tourist arrivals to Finland amounted to 2.8 million. There are many attractions in Finland. It is a dream destination for photographers. Much of the area is pristine and virgin. The Finnish landscape is covered with thick pine forests and rolling hills. The country is famous for its many lakes, too. There are nearly 200,000 of them. Finland is known to have excellent quality of water. Tampere is the biggest city on the Finnish Lakeland.

Hills and lakes provide fine settings for enjoyable outings and activities at any time of year. Finland contains 40 national parks. Interestingly, Moomin World on the outskirts of Naantali is a theme park based on Tove Jansson children’s books about the Moomin.

Finland provides opportunities for skiing, lake cruises, hiking, and kayaking, bird-watching, hunting, fishing and ice fishing, among many others. Ice hockey is a popular sport in winter. It is also possible to go ice yachting or ice skating. In the winter tourists in the north of the country often enjoy trips in reindeer sleighs. It is also worth mentioning that in the winter there is a large snowcastle with an ice hotel built every year in the northern town – Kemi.

Saint Nicholas or Santa Claus is commonly known to live in the northern Lapland region. In the town of Rovaniemi there is the Santa Claus Village for tourists to visit. Rovaniemi is a place from which one can see the Aurora Borealis or Northern lights.

Table 1 Basic facts about Poland and Finland (2016)

Specification	Poland 	Finland 
Area	312,679 km ²	338,424 km ²
Population	37.95 million	5.495 million
GDP	424.3 billion EUR	215.6 billion EUR
GDP per capita	11,000 EUR	39,200 EUR
GDP in PPS	771.9 billion EUR	174.3 billion EUR
GDP per capita in PPS index (EU28 = 100)	69	109

* purchasing power standards

Source: own compilation based on Eurostat database (access: 11.12.2017).

The economic and employment impact of travel & tourism

Travel & tourism contributes to GDP and employment in many ways. The total contribution of the industry consists of the direct, indirect and induced impacts on the economy. The indirect impact includes the GDP and jobs supported by:

- travel & tourism investment spending (such as the purchase of new aircraft and construction

of new hotels);

- government spending on tourism marketing and promotion, aviation, administration, security services, sanitation services, etc.;
- domestic purchases of goods and services including – for example – purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and IT services by travel agents (Travel..., 2017, p. 2).

The induced contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the travel & tourism industry.

The comparison of the travel & tourism's contribution to GDP

In 2016 the world average direct contribution of travel & tourism to GDP was 19.1 bn USD per country (3.1% of GDP). In turn, the total contribution of travel & tourism to GDP was 57.3 bn USD/country (10.2% of GDP). The data concerning Poland, Finland, and the EU mean are given in Table 2.

Table 2 Travel & tourism's absolute and relative contribution to GDP in 2016

Specification	Absolute size (bn USD)	Relative size (share)
Direct contribution		
Poland	8.5	1.8%
Finland	4.7	2.0%
EU28 mean	21.8	3.7%
Total contribution		
Poland	21.1	4.5%
Finland	21.1	8.8%
EU28 mean	60.1	10.2%

Source: own compilation based on (Travel... Poland, 2017; Travel... Finland, 2017).

In Poland the total contribution of travel & tourism to GDP was twice as large as its direct contribution, in Finland – four times and in the EU28 – thrice.

The comparison of the travel & tourism's contribution to employment

In the whole world travel & tourism supported on average 2,152,900 jobs per country (9.6% of jobs), 843,900 directly (3.6% of jobs). Table 1 compares the data regarding Poland and Finland as well as the EU mean.

Table 3 Travel & tourism's absolute and relative contribution to employment in 2016

Specification	Absolute size ('000 jobs)	Relative size
Direct contribution		
Poland	305.2	1.9%
Finland	52.0	2.1%
EU28 mean	407.5	5.0%
Total contribution		
Poland	715.7	4.5%
Finland	238.3	9.5%
EU28 mean	949.5	11.6%

Source: own compilation based on (*Travel... Poland, 2017; Travel... Finland, 2017*).

The comparison of the travel & tourism's contribution to exports

In the average country of the world travel & tourism generated 7.6 bn USD in exports (6.6%). In Poland, the travel & tourism's contribution to exports was 44.5 bn PLN (»11.3 bn USD) and in Finland – 3.2 bn EUR (»3.6 bn USD).

Table 4 Travel & tourism's absolute and relative contribution to exports in 2016

Specification	Absolute size (bn USD)	Relative importance (share)
Poland	11.3	4.6%
Finland	3.6	4.2%
EU28 average	14.9	5.9%

Source: own compilation based on (*Travel... Poland, 2017; Travel... Finland, 2017*).

The comparison of the travel & tourism's contribution to capital investment

When it comes to the average value per country in the world, travel & tourism attracted investment of 4.4 bn USD (4.4% of the total investment) in 2016. In Poland it was 12.0 bn PLN (»3.0 bn USD) and in Finland – 1.7 bn EUR (1.9 bn USD).

Table 5 Travel & tourism's contribution to capital investment in 2016

Specification	Absolute size (bn USD)	Relative importance (share)
Poland	3.0	3.5%
Finland	1.9	3.7%
EU28 average	5.7	4.9%

Source: own compilation based on (*Travel... Poland, 2017; Travel... Finland, 2017*).

Different components of travel & tourism in Poland and Finland

In 2016, leisure travel spending in Poland generated 51.3 bn PLN of direct travel & tourism GDP compared with 12.5 bn PLN for business travel spending. In Finland it was 10.0 bn EUR and 4.2 bn EUR, respectively.

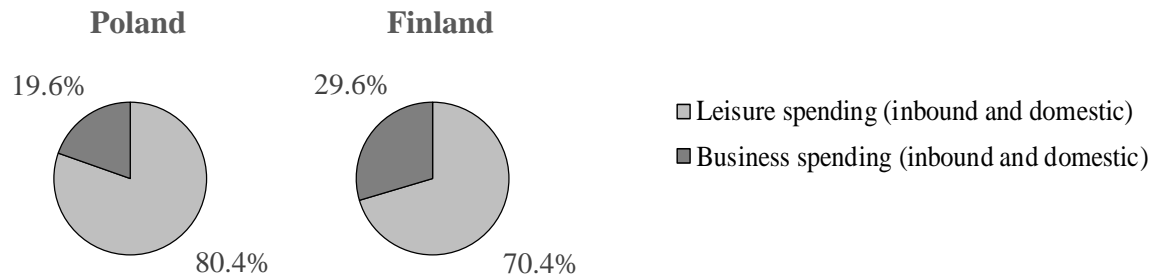


Figure 1 Breakdown: business spending vs leisure spending in 2016

Source: own compilation based on (*Travel... Poland, 2017; Travel... Finland, 2017*).

In Poland, domestic travel spending generated 19.2 bn PLN of direct travel & tourism GDP compared with 44.5 bn PLN for international tourism receipts. In Finland, it was 10.9 bn EUR and 3.2 bn EUR, respectively.

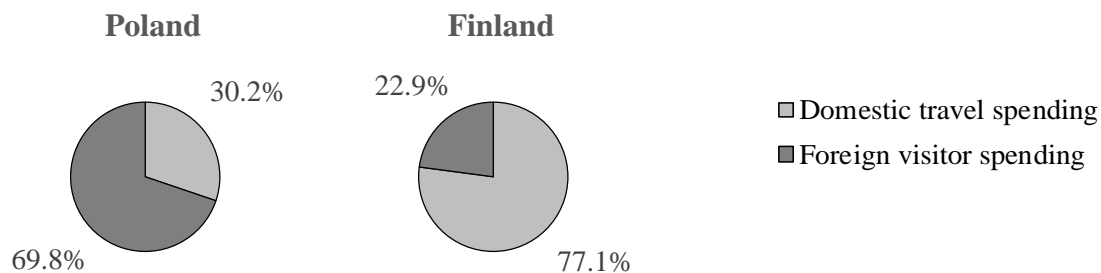


Figure 2 Breakdown: domestic expenditure vs foreign visitor exports in 2016

Source: own compilation based on (*Travel... Poland, 2017; Travel... Finland, 2017*).

Conclusions

In 2016 the direct contribution of travel & tourism to GDP in Poland was 1.8% and the total contribution was 4.5%. In Finland the industry accounted for 2.0% (direct contribution) and 8.8% (total contribution) of GDP. In the entire EU, these shares were even higher: 3.7%, 10.2%.

In Poland, travel & tourism directly supported 1.9% of employment and the total contribution to employment in the country was 4.5%. In Finland it was more: 2.1% and 9.5%, respectively. In the group of twenty eight EU Member States taken together the obtained results were: 5.0% (direct contribution) and 11.6% (total contribution).

In Poland, travel & tourism generated 4.6% of total exports. In Finland it was a bit less (4.2%). In the EU28 it was more (5.9%).

In Poland, travel & tourism investment was 3.5% of the total capital investment, in Finland – 3.7%, and in the EU28 – 4.9%.

In Poland, most of the direct travel & tourism GDP was generated by foreign visitor spending. In Finland, on the contrary – majority was from domestic travel spending. In both countries leisure travel spending significantly exceeded business travel spending.

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Field of scientific interests – the use of quantitative methods in economics

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