

Czech Republic

Tourism in the economy and outlook for recovery

Tourism in the Czech Republic experienced stable growth for almost a decade prior to COVID-19. In 2019, tourism directly accounted for 2.9% of GDP and employed 239 506 people (4.4% of total employment). The impacts of the COVID-19 pandemic saw tourism GDP almost halve in 2020 (down CZK 82 billion), with tourism's share of GDP falling to 1.5%. Tourism employment was less impacted, declining by 17 494 people (or 7.3%).

The country welcomed 3.9 million international tourists in 2020, a decline of 73.2% compared to the previous year. International nights in tourism-related accommodation were 7.4 million, a significant decline from 27.2 million in 2019. International tourist nights fell further in 2021 to 6.5 million nights.

The impacts of the pandemic were less severe for domestic tourism, which returned to 8.8 million tourists in commercial accommodation in 2021, 20.7% below 2019 levels. The relative strength in domestic tourism saw the domestic share of tourism expenditure increase to 61.1% in 2020 despite an absolute decline of 36.1% (to CZK 79.1 billion).

The Czech Republic expects international tourism to return to 2019 levels by 2024 or 2025.

Tourism governance and funding

The Ministry of Regional Development is the central administrative tourism body and includes two main departments dealing with competitiveness and legislation in the area of tourism. The Ministry develops strategic documents and supports tourism via subsidies for public tourism infrastructure, marketing activities and support to NGOs.

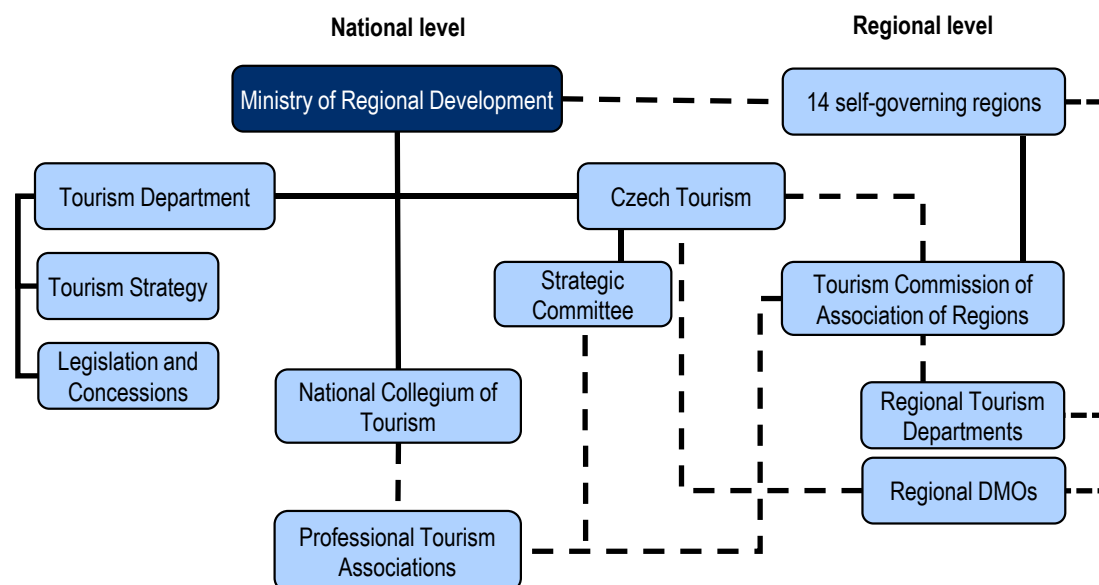
Close co-operation between national and regional tourism organisations is subject to the agreed CzechTourism marketing strategy, which follows the balanced scorecard model and includes the perspectives of both stakeholders and residents. The National Collegium of Tourism is the consultative and advisory body of the Ministry. It facilitates co-operation between state departments and agencies, professional associations, the academic sector, unions and other stakeholders. The Ministry has also established a co-ordination platform to aid inter-ministerial and interdisciplinary co-ordination and co-operation in tourism which includes negotiation, information and feedback from regions regarding marketing activities and product development.

Each region has a co-ordinator whose role is to synchronise marketing activities across all public tourism bodies in that region and provide two-way communication between regional public tourism bodies and CzechTourism at the national level. Twice a year, there is a meeting of these co-ordinators with CzechTourism and the delegates of the Ministry. Once a year, the territorial destination management organisations are invited to share knowledge, needs and information.

The overall 2021 budget for tourism is approximately CZK 1.2 billion, with the main source of funding being the state budget. There is a specific local tourism tax at the municipality level, but the purpose for which

income is spent in that municipality is decided locally. EU Funds will remain an important mechanism for supporting tourism in the years 2021-27, including investment in tourism infrastructure.

Czech Republic: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Regional Development, 2022.

Tourism policies and programmes

The Tourism Development Strategy of the Czech Republic 2021-30, agreed in 2021, is the framework that underpins tourism policy. An Action Plan for the period 2022-23 focuses on the restart of tourism and enabling the provision of tourism services. Priorities include improving tourism management and financing systems, developing innovative offers and experiences, stimulating demand, building understanding through research and monitoring, and focusing on people as a key determinant of a quality tourism experience.

A consequence of the domestic tourism trend has been a preference for active holidays in rural areas, putting pressure on protected natural areas due to increased visitor numbers. Consumers also have higher expectations in regard to hygiene and safety protocols, along with a preference for online communications.

The Strategy aims to move the Czech Republic to 30th place in the WEF Travel and Tourism Competitiveness index by 2029 (up from 38th in 2019). This target will be set in the context of structural reforms, changing the perceptions of tourism both within government and the wider public and focusing on a number of priorities including:

- Ensuring safe and sustainable tourism.
- Using tourism as a tool for regional development, including support for the construction, modernisation and renewal of public and business infrastructure.
- Spreading tourists among destinations effectively.
- Developing the targeting and integration of marketing communication.
- Improving the availability and sharing of tourism data and supporting the wholesale digitalisation of the tourism sector, including further development of the TSA and its regionalisation.

- Ensuring the availability and quality of employees in tourism.
- Supporting the improvement of the quality of tourism services.

Due to the fragmented nature of tourism in the Czech Republic, activities related to tourism development also fall within the competencies of other central government bodies. The Tourism Strategy supports greater co-ordination of tourism development and integration of tourism issues into other national strategies and policy areas. This includes a range of bilateral meetings and thematic working groups. Typical priorities include co-operation with:

- The Ministry of the Interior and the Ministry of Foreign Affairs about visa issues in third countries, especially concerning the enabling conditions for travel and transport during the pandemic.
- The Ministry of Foreign Affairs on economic diplomacy and the development of inbound tourism through interdisciplinary co-operation.
- The Ministry of Industry and Trade on matters relating to entrepreneurship and the establishment of financial support schemes for tourism entrepreneurs and small businesses.
- The Ministry of Health to promote medical tourism and the design of enabling conditions for tourism services during the pandemic.
- The Ministry of Culture in regard to cultural tourism development, the protection of heritage sites and sustainable tourism.
- The Ministry of Environment in regard to active and cultural tourism, nature conservation and sustainable tourism development, as well as monitoring the impacts of tourism and the attractiveness of regions for residents, investors and visitors.

Support scheme for health spas in the Czech Republic

To compensate for the lack of tourism demand during the COVID-19 pandemic, particularly the decrease in international inbound tourism, the Czech Republic developed a spa voucher scheme in June 2020 that lasted until December 2021. The scheme provided a discount for a week's stay at a Czech spa with treatments provided to citizens of the Czech Republic, EU or EEC. The European Commission supported the scheme, which was underpinned by approximately EUR 39 million.

The initial results of the scheme were encouraging. In Q3 2020, 246 800 guests stayed in spa collective accommodation establishments (a year-over-year increase of 2.6%). Of these, 199 500 were residents (up 43.8%) and 47 300 were non-residents (down 57.2%). Guests made a total of 1.7 million overnight stays (down 18.2%). 1.5 million overnight stays were made by residents (up 6%), and 227 000 overnight stays were made by non-residents (down 67.5%).

The support provided for spas successfully sheltered them from the worst impacts of the pandemic – more spa visitors were recorded in Q3 2021 than compared to the same quarters of 2019-20.

Statistical Profile

Czech Republic: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	9 840	10 636	11 108	8 052	8 814
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	26 962	28 754	29 844	23 994	25 377
Hotels and similar establishments	15 897	16 974	17 552	13 931	15 935
Other collective establishments	11 066	11 780	12 293	10 064	9 442
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	34 701	36 268	37 202	10 267 p	10 014 p
Overnight visitors (tourists)	13 665	14 283	14 651	3 919 p	3 768 p
Same-day visitors (excursionists)	21 036	21 986	22 551	6 347 p	6 246 p
Top markets					
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Nights in all types of accommodation	44 893	46 077	46 617	13 785 p	12 894 p
Hotels and similar establishments	24 136	24 427	24 916	6 699 p	6 067 p
Other collective establishments	2 692	2 931	2 860	1 035 p	750 p
Private accommodation	18 064	18 720	18 842	6 051 p	6 077 p
Outbound tourism					
Total international departures	11 431	12 839	12 974	5 398 p	..
Overnight visitors (tourists)	8 893	9 686	9 655	4 489 p	..
Same-day visitors (excursionists)	2 538	3 153	3 319	909 p	..
Top destinations					
Slovak Republic	1 271	1 504	1 357	670 p	..
Austria	657	676	692	465 p	..
Croatia	850	813	740	412 p	..
Italy	636	607	605	..	..
Greece	371	472	407	..	..
TOURISM RECEIPTS AND EXPENDITURE, MILLION CZK					
Inbound tourism					
Total international receipts	178 956	179 957	182 740	90 198	..
International travel receipts	162 071	161 717	167 476	84 204	..
International passenger transport receipts	16 886	18 240	15 263	5 995	..
Outbound tourism					
Total international expenditure	128 782	131 879	138 372	80 958	..
International travel expenditure	127 210	129 653	135 042	79 436	..
International passenger transport expenditure	1 572	2 226	3 329	1 521	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).


StatLink  <https://stat.link/198h4m>

Czech Republic: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
		2020	2017	2018	2019	2020	2021
Total	..	235 178	238 337	239 506	222 013 p	..
Tourism industries	..	231 699	234 812	235 969	218 529 p	..
Accommodation services for visitors	11 330	..	..	..	..	..
Hotels and similar establishments	..	41 814	42 560	43 135	36 757 p	..
Food and beverage serving industry	48 131	67 733	68 881	68 692	60 365 p	..
Passenger transport
Air passenger transport	..	2 274	2 216	2 342	1 782 p	..
Railways passenger transport	..	12 486	12 787	12 701	12 596 p	..
Road passenger transport	..	12 130	12 381	12 481	12 576 p	..
Water passenger transport	..	50	52	52	48 p	..
Passenger transport supporting services	..	4 067	4 291	4 318	4 287 p	..
Transport equipment rental	..	136	140	143	145 p	..
Travel agencies and other reservation services industry	..	14 159	13 861	14 041	12 622 p	..
Cultural industry	..	12 471	12 492	12 511	11 970 p	..
Sports and recreation industry	..	2 840	2 836	2 831	2 717 p	..
Retail trade of country-specific tourism characteristic goods
Other country-specific tourism industries	..	61 539	62 316	62 723	62 664 p	..
Other industries	..	3 479	3 525	3 537	3 483 p	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/e7rd6s>

Czech Republic: Internal tourism consumption

Million CZK

	2020		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	79 117 p	48 957 p	135 812 p
Tourism characteristic products	51 469 p	32 250 p	91 458 p
Accommodation services for visitors	13 786 p	9 803 p	31 328 p
Food and beverage serving services	17 068 p	9 814 p	26 882 p
Passenger transport services	8 901 p	8 952 p	17 854 p
Air passenger transport services	5 236 p	8 244 p	13 480 p
Railways passenger transport services	598 p	168 p	766 p
Road passenger transport services	2 992 p	541 p	3 533 p
Water passenger transport services	75 p	.. p	75 p
Passenger transport supporting services	2 169 p	1 697 p	3 866 p
Transport equipment rental services	150 p	68 p	217 p
Travel agencies and other reservation services industry	2 352 p	306 p	2 658 p
Cultural services	4 401 p	1 295 p	5 696 p
Sports and recreation services	1 981 p	316 p	2 296 p
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	660 p	.. p	660 p
Other consumption products	27 648 p	16 707 p	44 355 p
Tourism connected products	27 648 p	16 707 p	44 355 p
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/kn7015>



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