

Slovak Republic

Tourism in the economy

The share of international tourism receipts in Slovakia's GDP was 2.7% in 2006 and 2.6% in 2005 (Table 3.93). International tourism receipts were EUR 1 207.7 million in 2006, an increase of 24.2% on 2005. International tourism expenditures reached EUR 841.6 million in 2006 compared with EUR 679.8 million in 2005).

The number of tourists (domestic + inbound) increased by 4.5% in 2006 on the previous year, and rose to more than 3.5 million. The number of foreign tourists rose to 1.61 million, an increase of 6.4% year-on-year. The main markets for tourism to Slovakia are the Czech Republic which accounted for 28% of arrivals in 2006, followed by Poland with 14%.

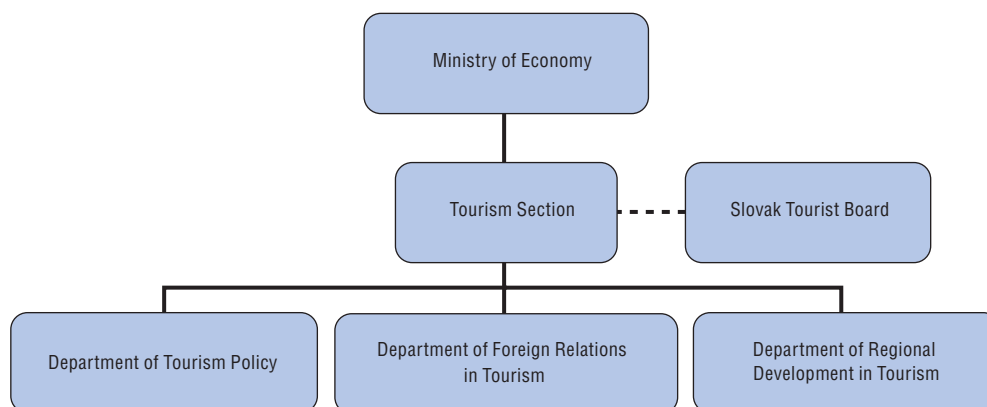
In 2006, 2 490 facilities provided accommodation services in Slovakia (2 446 in 2005), in total offering 48 173 rooms with 124 300 beds. The total number of entrepreneurs in tourism in Slovakia in 2006 was 19 504, a drop of 3.7% on the previous year.

The number of employees in tourism (accommodation establishments, restaurants and catering) was 101 800 in 2006 (90 300 thousand in 2005), equivalent to 4.4% of the employed workforce (4.1% in 2005).

Tourism organisation

Responsibility for tourism in Slovakia rests with the Ministry of Economy (Figure 3.27). On 1 November 2006, the former Tourism Department was transformed into the Tourism Section within the Ministry. The Section consists of three departments: Department of Tourism Policy, Department of Foreign Relations in Tourism and Department of Regional Development in Tourism.

Figure 3.27. **Organisational chart of tourism bodies in the Slovak Republic**



Source: OECD, adapted from Ministry of Economy, 2007.

The promotion of Slovakia as a tourism destination as well as the corresponding marketing activities is the responsibility of the Slovak Tourist Board (STB). The STB was set up by the Ministry of Economy in 1995 as a non-commercial, state-funded organisation. The STB currently has two branch offices in Slovakia and six foreign offices (Germany, the Netherlands, the Czech Republic, Austria, Poland, and the Russian Federation).

As a result of public service reform in 2001, the competencies with respect to tourism were devolved from a local civil service (district and regional offices) to eight self-governing bodies (regional governments) and municipalities. The aim was to strengthen local competencies within the regions and localities which tourists visit, with the municipalities and cities playing the key role in establishing the preconditions for tourism development. The Tourism Section organises regular working meetings with the representatives of these self-governing bodies in charge of tourism. Their purpose is to co-ordinate the development of tourism in particular regions.

Tourism budget

In 2005 the total funding for tourism issues within the government was SKK 262.6 million; this total rose substantially (by 41.4%) to SKK 371.4 million in 2006. EU Structural Funds are also available to the government. In 2005, these totalled SKK 488.1 million, and in 2006 SKK 760.5 million.

Table 3.90. **The financing of tourism, 2005-06**

Unit		2005		2006	
		State budget	EU structural funds	State budget	EU structural funds
Ministerial tourism budget	Thousands SKK	5 660		1 000	
Tourism development support scheme	Thousands SKK			15 616	
Slovak tourist board	Thousands SKK	103 812		85 616	
Entrepreneurial support in tourism	Thousands SKK	75 510	146 428	80 763	94 223
Tourism infrastructure development	Thousands SKK	45 079	244 047	134 605	504 769
Promotion and tourist information support	Thousands SKK	32 540	97 619	53 842	161 526
Totals	Thousands SKK	262 601	488 094	371 442	760 518

StatLink  <http://dx.doi.org/10.1787/157055637740>

Source: Ministry of Economy, 2007.

In recent years, the Slovak Government has taken several measures to support small and medium-sized enterprises. In the field of tourism, the Tourism Development Support Scheme, implemented by the Ministry of Economy in co-operation with the Slovak Guarantee and Development Bank, was funded by the state budget and aimed at stimulating SMEs and enhancing the quality of tourism services. In the period 2004-06, 66 projects were supported within the scheme to a total of SKK 106 million.

Slovakia as a member of the European Union is able to use EU structural funds through the Sectoral Operational Programme Industry and Services for 2004-06 to develop its tourism infrastructure, support business activities in tourism and undertake more sustained marketing campaigns. The programme supported 23 public sector projects to a total of SKK 1 461 billion and 40 private sector projects worth SKK 1 300 billion. After joining the European Union, structural funds represent the most significant source of funds for tourism development in Slovakia. The goal is to improve the competitiveness of the tourism industry, improve product quality and overcome qualitative and quantitative shortcomings in tourism services.

Tourism related policies and programmes

In 2005, the government approved the Tourism Development Strategy until 2013. The document lists numerous specific tasks, including: the creation of a national information system for tourism; increasing the volume of state funds for the promotion of Slovakia abroad; preparing an analysis of holidaymakers' trip purposes and targeting tourism marketing towards EU States. Behind the development of the strategy is the need to define a vision for the position and importance of tourism in the national economy within the timeframe of the EU planning period 2007-13.

Following a government policy manifesto in 2006, the Tourism Development Strategy was re-evaluated and revised by the Ministry of Economy and endorsed by the government in May 2007.

In its 2006 policy manifesto, the new government pledged to create conditions for developing the tourism and hotel industry with the objective of increasing tourism's importance in GDP. The government will establish a tourism satellite account in order to quantify tourism's real value and measure accurately its contribution to the economy.

In 2005, the Slovak Tourist Board (STB) launched a new campaign to promote tourism in Slovakia, to build a strong brand and to increase Slovakia's visibility as an attractive tourism destination. The campaign is centred on the slogan "Slovakia: Little Big Country", and uses a butterfly as its logo. During 2005, the Slovak Tourist Board ran a campaign to support domestic tourism and to encourage people to spend their holidays in domestic resorts. The campaign consisted of a motivational TV spot and various social events.

Box 3.18. Summary of key tourism policy and strategy issues

Tourism strategies

- Strengthening the position of the tourism sector in the national economy.
- Making Slovakia more attractive as a holiday destination.
- Increasing the volume of tourist visits.
- Improving the visitor structure by providing better quality services.
- Supporting the creation of new jobs mainly in regions with a significant tourism potential.

Tourism policies

- Increasing the competitiveness of Slovakia and its sustainable development.
- Development of employment and of a flexible of labour market.
- Regional development and development of entrepreneurship.
- Presentation and promotion of Slovakia as a tourism destination.

In May 2007, the STB launched a new national tourism information portal www.slovakia.travel. The portal is available in Slovak, English and German and provides comprehensive information for potential tourists as well as professionals in the tourism sector, including maps of Slovak cities, information on tourist attractions, product packages, photographs of Slovakia, and a calendar of events.

National tourism legislation is harmonised with EU legislation, and the main laws in force are:

- an Act on package tours and conditions of doing business by travel offices and travel agencies (Act No. 281/2001 amended by the Act No. 186/2006); and

- a Decree of the Slovak Ministry of Economy regulating the categorisation of accommodation facilities and their grading classification (No. 419/2001).

Major forms of tourism


The central forms of tourism stipulated in the Tourism Development Strategy until 2013 for which Slovakia has the best conditions and which will need to be supported, developed and qualitatively improved over the coming years are:

- Urban and cultural tourism.
- Spa and health tourism.
- Winter tourism and winter sports.
- Summer tourism and waterside holidays.
- Rural tourism and agro-tourism.

Statistical profile

Table 3.91. **Inbound tourism: International arrivals and receipts**


	Units	2002	2003	2004	2005	2006
Tourists (overnight visitors)	Thousands	1 399	1 387	1 401	1 515	1 612
<i>of which:</i>						
Czech Republic	Thousands	448	470	419	425	455
Poland	Thousands	267	215	179	198	224
Germany	Thousands	189	176	188	194	190
Hungary	Thousands	88	101	111	122	122
Austria	Thousands	47	51	56	56	61
Tourism receipts	Million USD	724.0	863.0	901.3	1 209.8	1 513.4

StatLink  <http://dx.doi.org/10.1787/156801021713>

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2007.

Table 3.92. **Outbound tourism: International departures and expenditure**

	Units	2002	2003	2004	2005	2006
Departures ¹	Thousands	..	2 098	1 994	1 951	2 202
Tourism expenditure	Million USD	442.2	572.2	745.1	845.7	1 054.7


StatLink  <http://dx.doi.org/10.1787/156870881670>

1. Including business trips and visits to friends and relatives; excluding same day visits abroad.

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2007.

Table 3.93. **Tourism in the national economy**

	Unit	2001	2002	2003	2004	2005	2006
Tourism receipts as % of gross domestic product	Percentage	3.1	3.0	2.6	2.2	2.6	2.7
Tourism as % of employment	Percentage	3.4	3.2	3.7	3.9	4.1	4.4
Tourism receipts as % of export of services	Percentage	25.8	26.0	26.3	24.2	27.5	28.0
Enterprises in tourism	Establishments	17 701	17 076	18 341	19 839	20 254	19 504
<i>of which: Hotels</i>	Establishments	855	749	666	710	729	741
Tour operators	Establishments	914	864	770	845	790	786
Travel agencies	Establishments	392	373	317	374	420	425

StatLink  <http://dx.doi.org/10.1787/157037444016>

Sources: Statistical Office of the Slovak Republic, National Bank of Slovakia, 2007.

Synthesis

The following chapter presents summary details of the tourism sector in 32 countries, 30 of which are OECD members, in addition to Romania and South Africa. Each country section is set out under five main headings:

- Tourism in the economy.
- Tourism organisation.
- Tourism budget.
- Tourism related policies and programmes.
- Statistical profile

For further information, a synopsis table in Annex 3.A1 indicates the main websites for national tourism administrations, national tourism organisations and other important Tourism related organisations.

This chapter focuses mainly on international tourism (inbound and outbound). It also includes some partial data on domestic tourism based on Tourism Satellite Account sources or on national surveys. The measurement of domestic tourism, in terms of the number of tourist trips taken each year, is not generally provided by most countries on a consistent basis and does not readily lend itself to aggregations and international comparisons.

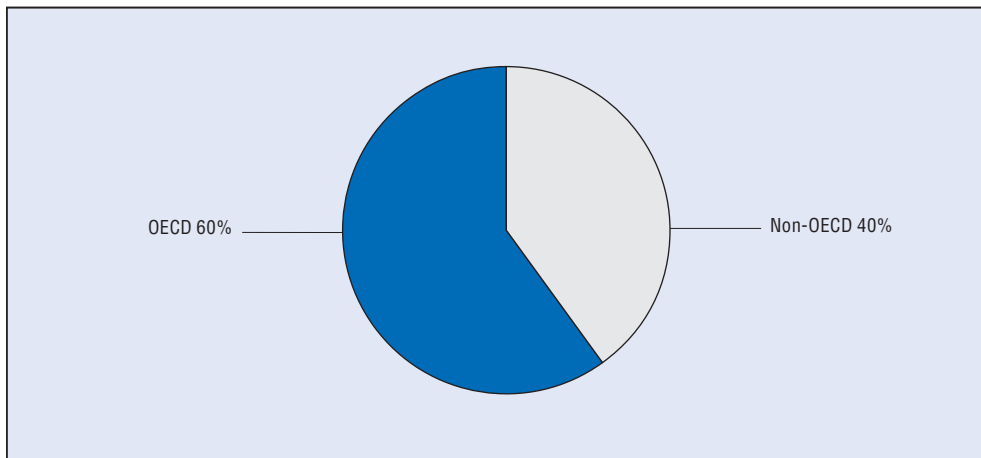
International tourist arrivals, however, are recorded for almost all countries. Data for 2005, the latest year for which complete data are available, show that globally there were 802 million international tourist arrivals (World Tourism Organisation). In the OECD member countries, international tourist arrivals in that year totalled 481.5 million, and thus these countries account for 60.0% of all international tourism by this measure (Figure 3.1).

Eight out of the top ten international tourism destinations are included in this chapter, the exceptions being China and Russia. These eight – France, Spain, USA, Italy, UK, Germany, Mexico and Austria – together accounted for 308.9 million arrivals in 2005, 38.5% of the global total.

Tourism in the economy

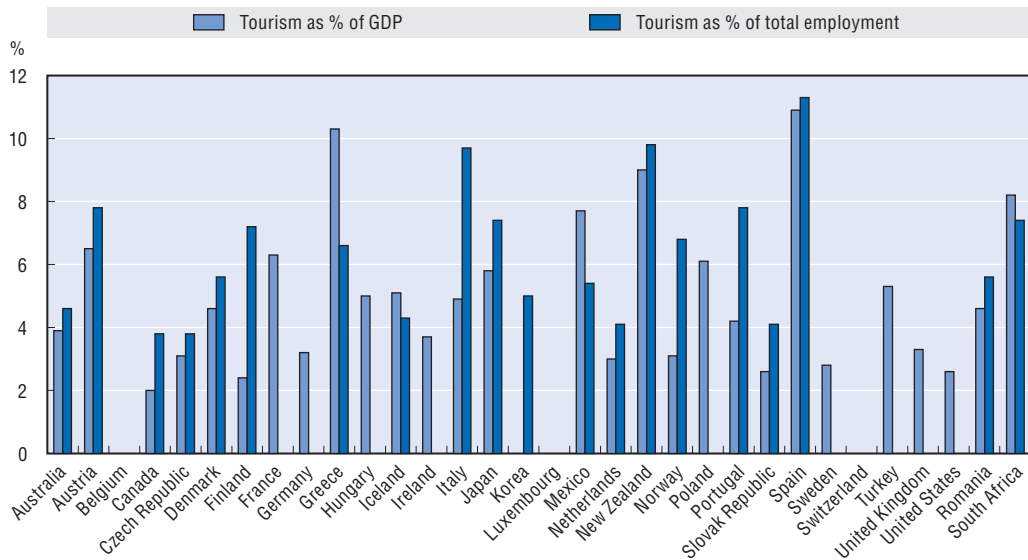
The importance of the tourism sector in the economies of these 32 countries varies widely. To generalise however, tourism accounts for an important share of Gross Domestic Product (GDP) and of services exports in many countries (see Chapter 1, *New Paradigm for International Tourism Policy*), and also generates a substantial share of total employment. Although data coverage of these measures is variable (see individual sections for country details), an idea of tourism's economic importance is given in the Figure 3.2.

Figure 3.1. **International tourist arrivals, world, 2005**



StatLink <http://dx.doi.org/10.1787/153030008744>

Figure 3.2. **Tourism in the economy, 2006**



StatLink <http://dx.doi.org/10.1787/152847245261>

Clearly tourism is an important economic force in many of the countries covered here. For some of the world’s major tourism destinations, tourism plays a crucial role in sustaining employment and in earning foreign currency receipts.

Tourism organisation

The treatment of the tourism sector within the government structures of the countries covered in this chapter varies considerably. Moreover, due to variations in government structures it is difficult to be precise about which portfolio includes tourism. However, the growing economic and political importance of tourism is reflected by the fact that 15 OECD countries have a Ministry or a Secretariat of State with Tourism named in their title.

Several countries have their own dedicated tourism ministries (Greece, Mexico and New Zealand), however in most cases, the tourism portfolio is attached to Economy,

Industry, Trade or SME ministries (Australia, Austria, Canada, Denmark, Finland, France, Germany, Netherlands, Norway, Portugal, Romania, Slovak Republic, Spain, Sweden, Switzerland and United States). For a few others, the tourism portfolio is linked to Regional Development (Czech Republic and Hungary), Culture and Sports (Ireland, Korea, Poland, Turkey and United Kingdom), Environment (South Africa) or Transportation (Japan).

Tourism budgets

A comparison of tourism budgets is complicated by issues of exchange rates and, especially, of the different approaches to the public funding of tourism support adopted by governments. Readers are referred to the country sections for details.

As a generalisation, however, the largest item in public budgetary support for tourism tends to be the marketing budgets granted to national tourist offices or their equivalents for international marketing purposes. Again as a generalisation, it is typically the national tourist office that is responsible for marketing the country as a tourism destination to foreign visitors. Regions or specific destinations within countries are then responsible for their own promotion within the country concerned, but generally national governments discourage regions from direct (and usually costly) international marketing themselves. In some countries, such as the United States for example, where it is felt that the country's international profile is inherently high, international marketing budgets are limited.

For domestic tourism, countries are becoming increasingly aware of the economic benefits to be gained from encouraging nationals to take their holidays in their own countries, both in terms of balance of payments benefits (by avoiding expenditure on holidays abroad) and in terms of the economic stimulation that a vigorous domestic tourism sector can generate. As a result, national tourist offices or other public tourism organisations are taking on more responsibility for the active promotion of tourism opportunities within their own countries to their resident population.

Tourism related policies and programmes

Public investment in tourism is again highly varied across countries, and the reader is referred to the country sections for detailed information.

As an economic activity with the potential to create jobs, add value and earn foreign exchange, tourism is increasingly being seen as a sector in which public investment can be justified, in a number of areas. The most common are:

- Investment programmes in infrastructure which can contribute to facilitating access to the tourism industry for nationals and foreigners alike.
- Programmes supporting the small business sector which, in terms of the number of enterprises engaged, is dominated by SMEs; programmes to enhance quality in tourism most commonly through action of training.
- Programmes aimed at the quality of tourism facilities and services (these often involve the introduction and maintenance of national quality standards and quality accreditation schemes).
- Licensing schemes for personnel engaged in tourism (e.g. the licensing of tourism guides).
- The creation of a business and investment climate that is supportive of the tourism sector and which encourages the participation of the private sector as prime investors.

Governments are also increasingly conscious of their role in facilitating international access for visitors to their countries by means of the pursuit of increasingly liberal air transport policies. In the area of environmental policy and conservation, governments are also becoming more directly involved in the promotion of ecologically-friendly policies aimed at minimising the adverse impact of tourism on the physical environment and maximising the sustainability of their tourism sectors.

The concept of public-private partnerships in tourism is being pursued actively by a number of countries, both in the financing of national tourist offices and the development of tourism networks such as those providing information to tourists at a local level, as well as investment programmes geared to leveraging private investment in the tourism sector by means of public pump-priming money.

Policy advice and enabling measures are also increasing, led by national governments, to assist tourism industries and especially small businesses to meet the fast-growing competition in global tourism. A notable emphasis is now being seen on maximising the use of on-line technologies to enable tourism businesses to benefit from and cope with the rapid globalisation of tourism marketplaces and of tourism marketing. Information and reservation systems are at the heart of many of these initiatives, as the direct linkages via the Internet between the tourist and the tourism service supplier strengthen and disintermediation (the elimination of the need for the use of travel intermediaries such as travel agents) increases.

Finally, in addition to the pursuit of national policies and programmes and the promotion of tourism clusters and networks, governments are becoming increasingly aware of the potential benefits to be gained from international co-operation in tourism marketing and promotion and generally take the lead in developing tourism linkages with other, often contiguous, states.

Summary

To summarise, tourism is gaining in importance in the eyes of governments as an economic activity which justifies serious consideration at the level of national policy. Tourism in many countries has already surpassed in economic importance some of the more traditional sectors such as agriculture which historically have commanded greater political attention at national government level. Governments are becoming more aware of the benefits and of the potential pitfalls of the tourism sector in national economic development terms. Closer study of this chapter will illustrate the many initiatives taken by governments in the tourism field and will assist the reader in comparing their own national experience with international best practice.

Basic methodological references

The following definitions are based on UN and UNWTO (1994), International Recommendations on Tourism Statistics (IRTS), UN, Madrid and New York.

Inbound tourism

Arrivals associated to inbound tourism correspond to those arrivals by international (or non-resident) visitors within the economic territory of the country of reference.

Visitors include: a) *Tourists (overnight visitors)*: “a visitor who stays at least one night in a collective or private accommodation in the country visited”; b) *Same-day visitors*: “a visitor who does not spend the night in a collective or private accommodation in the country visited”.

When a person visits the same country several times a year, an equal number of arrivals is recorded. Likewise, if a person visits several countries during the course of a single trip, his/her arrival in each country is recorded separately. Consequently, *arrivals* cannot be assumed to be equal to the number of persons travelling.

Tourism receipts data are obtained from the item “travel, credits” of the Balance of Payments of each country and corresponds to the “expenditure of non-resident visitors (tourists and same-day visitors)” within the economic territory of the country of reference.

Fare receipts data are obtained from the item “transportation, passenger services, credits” of the Balance of Payments of each country and corresponds to the “fare expenditure of non-resident visitors (tourists and same-day visitors)” within the economic territory of the country of reference.

Outbound tourism

Departures associated to outbound tourism correspond to the departures of resident visitors outside the economic territory of the country of reference.

Tourism expenditure data in other countries are obtained from the item “travel, debits” of the Balance of Payment of each country and corresponds to the “expenditure of resident visitors (tourists and same-day visitor)” outside the economic territory of the country of reference.

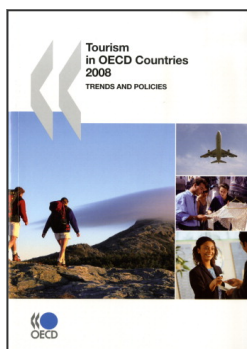
Fare expenditure data in other countries are obtained from the item “transportation, passenger services, debits” of the Balance of Payment of each country and corresponds to the “fare expenditure of resident visitors (tourists and same-day visitor)” outside the economic territory of the country of reference.

Symbols and abbreviations used

.. Not available

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