

ROAD MAP FOR TOURISM IN ICELAND

October 2015



MINISTRY OF INDUSTRIES
AND INNOVATION



SUMMARY

Over the past years, the rise in the number of tourists visiting Iceland has far exceeded forecasts and the sector is expected to continue to grow. In order to support the successful development of tourism in Iceland, the minister of Industries and Commerce, who is also the minister of Tourism, and the Icelandic Travel Industry Association joined forces to shape a long-term tourism strategy with an emphasis on sustainable development. A steering group and working group was established to collect data, analyse the situation and acquaint themselves with models from abroad. In addition to this, meetings were held with over 1,000 people throughout the country.

Major opportunities

A great deal is at stake, since tourism and its development entail great opportunities for the community to increase prosperity and positive regional development. Tourism has played a major role in Iceland's economic growth in recent years and, at the same time, generated thousands of new jobs. Foreign exchange earnings from this sector as a whole are expected to substantially increase, rising from ISK 350 billion in 2015 to more than ISK 620 billion in 2020 and probably over ISK 1,000 billion by 2030. These are extremely high figures, considering that the country's total currency inflows are expected to reach ISK 1,140 billion in 2015.

Need to bolster foundations

Work on strategy development soon revealed the weakness of existing foundations for the formation of a future tourism strategy in Iceland. Reliable and internationally comparable data and yardsticks are urgently needed, responsibilities are in many cases uncertain, the legal framework is complex, and the organisation of the sector is unclear. The conclusion of the steering group was therefore to focus particularly on priority tasks over the next five years, since they are aimed at

laying solid foundations for the successful and sustainable future development of the tourism industry. Over the next five years, the emphasis will primarily be placed on tasks that support:

- Coordinated management of tourism
- Positive visitor experience
- Reliable data
- Nature conservation
- Skills and quality
- Increased profitability
- Better distribution of tourists

Tourism Task Force

On the basis of an agreement made between the Icelandic government, the Icelandic Association of Local Authorities, and the Icelandic Travel Industry Association (SAF), a Tourism Task Force will be set up and operate until the end of 2020. The Tourism Task Force will ensure that the next five years are used to tackle the tasks that are required to lay the solid foundations that are needed in the Icelandic tourism industry. Its function is to coordinate measures and find solutions in collaboration with government administrations and municipalities, as well as the support framework for this sector throughout the country, the sector itself and other interested parties.

Sound foundations

Great opportunities lie ahead and it is vital to tap them correctly. With more systematic management, integrated approaches, professional solutions, investment in infrastructure and joined forces, the tourism industry can continue to thrive on sound foundations in good harmony with the community, environment and other sectors of the economy.

GROWTH IN TOURISM

According to the United Nations World Tourism Organization (UNWTO), there were over 1.1 billion tourists around the globe in 2014. About half of them visited countries in Europe, i.e. 580 million, some 70 million of whom travelled to Northern Europe and approximately a million to Iceland. The tourists who visited Iceland therefore accounted for 0.2% of the tourists who travelled to Europe and 1.4% of those who travelled to Northern Europe.

For many years now the increase in the number of tourists visiting Iceland has greatly exceeded trends elsewhere in the world. The international media coverage Iceland has been receiving, increase in the supply of flights and exchange rate developments, combined with effective marketing and other interrelated factors have resulted in an average year-on-year increase of 22% in the number of foreign tourists over the past five years, a growth rate that is five times greater than in the rest of the world.

The United Nations World Tourism Organization expects the rise in the number of tourists to continue at a global level, forecasting 1.4 billion in 2020 and 1.8 billion in 2030.

The annual increase in tourism in Iceland is expected to continue to exceed global trends, due to, among other things, a growing enthusiasm for winter, outdoor and adventure tourism and a thriving interest in Iceland in general.

Tourism has been the principal driving force behind economic growth in Iceland since 2011 and generated 8,000 new jobs in its core sectors. The sustained growth in this industry presents opportunities to enhance prosperity and positive regional development in Iceland.

The country's foreign exchange earnings from tourism as a whole in 2015 have been estimated at ISK 350 billion¹. All going well, this sector will yield over ISK 620 billion in foreign exchange earnings in 2020 and over ISK 1,000 billion in 2030. These are substantial figures, since by comparison the currency inflows for the economy as a whole in 2015 are estimated at ISK 1,140 billion.

¹ This is taking into account foreign tourists in Iceland and the activity of Icelandic tourism companies abroad.



THANKS TO PARTICIPANTS

The drafting of this Road Map for Tourism was based on a broad search, both domestically and abroad, and over 1,000 people were involved in this project. Data was evaluated, the state of the tourism industry was analysed and the experiences of other nations, such as New Zealand, Scotland, Australia and Canada, which have been at the forefront of developments in tourism, were taken into account. Most important of all, though, was the participation from the public, government, municipalities, state institutions, companies in tourism, associations, financial undertakings, members of parliament, academics and the university community. Over 50 meetings were held all around the country and a broad consensus was reached on the priorities identified by those who attended the meetings. All these people are thanked for their invaluable contributions.

Collaboration between the ministry and the sector

In order to support the successful development of tourism in Iceland, the minister of Industries and Commerce, who is also the minister of Tourism, and the Icelandic Travel Industry Association joined forces to shape a long-term tourism strategy with an emphasis on sustainable development.

The steering group comprised the minister of Industries and Commerce, Ragnheiður Elín Árnadóttir (Chairperson), the director and chairman of the Icelandic Travel Industry Association (SAF), Grímur Sæmundsen, the managing director of SAF, Helga Árnadóttir, and director general of the Icelandic Tourist Board, Ólöf Ýrr Atladóttir.

The working group comprised consultants Guðfinna S. Bjarnadóttir and Vilhjálmur Kristjánsson from LC Lead Consulting, Helga Haraldsdóttir and Brynhildur Pálmarsdóttir from the ministry of Industries and Innovation, Helena Karlsdóttir from the Icelandic Tourist Board, as well as consultants Þorgeir Pálsson and Vilborg Helga Júlíusdóttir, who were nominated by the Icelandic Travel Industry Association.

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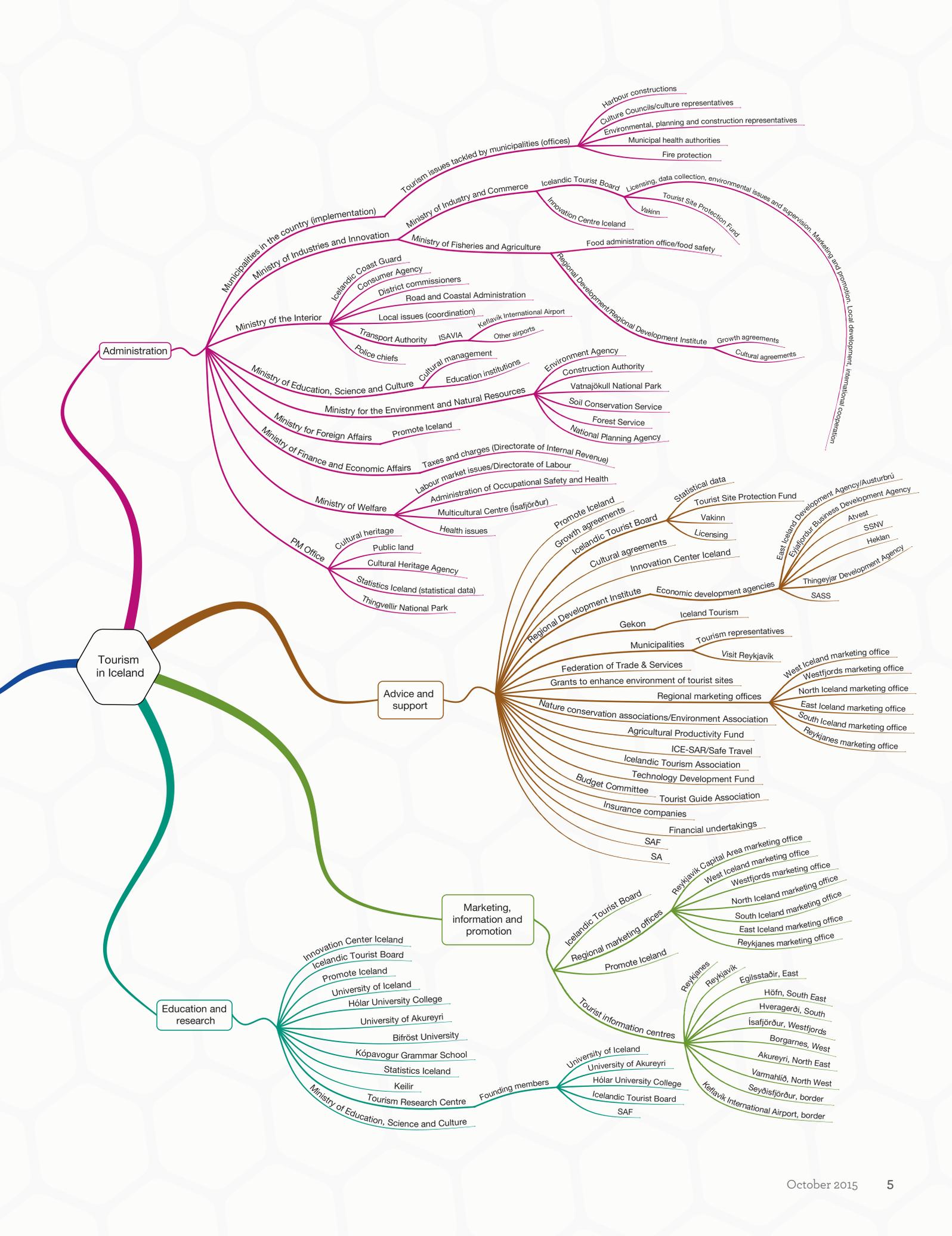
The working group's meetings were held throughout the country and included the following:

2014

- 10.11 Various interest groups
- 12.12 Regional marketing offices

2015

- | | | |
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| 08.01 Iceland Growth Forum | 27.02 Open meeting in the Eastern Region | 29.04 Open meeting in Höfn in Hornafjörður |
| 19.01 Icelandic Travel Industry Association | 03.03 Open meeting in Reykjanesbær | 04.05 Icelandic Tourist Board |
| 22.01 Icelandic Tourist Board | 03.03 Representatives from Statistics Iceland | 06.05 Association of university-educated tourism experts |
| 22.01 Representatives from the Iceland Tourism Cluster | 10.03 Icelandic Travel Industry Association | 06.05 MPs from Left-Green Movement |
| 27.01 Representatives from the Ministry of the Interior and its agencies | 10.03 Open meeting in Akureyri | 13.05 MPs from Bright Future party |
| 27.01 Representatives from the Ministry for the Environment and Natural Resources and its agencies | 11.03 Open meeting in Hólmavík | 15.05 Icelandic Travel Industry Association |
| 29.01 Promote Iceland | 12.03 Open meeting in Húsavík | 19.05 MPs from Independence party |
| 04.02 Various academics | 17.03 Open meeting in Borgarnes | 19.05 AGM of the Reykjavík Capital Area Tourism Association |
| 05.02 Icelandic Tourism Association | 17.03 Open meeting in Grundarfjörður | 20.05 Meet in Reykjavík |
| 06.02 Various interest groups in the economy | 18.03 Companies in the tourism sector | 27.05 Regional marketing offices |
| 06.02 Association of Local Authorities in Iceland | 23.03 Representatives from the Thingvellir Committee | 04.06 Open meeting in Patreksfjörður |
| 11.02 Representatives from travel and outdoor associations | 25.03 Open meeting in Hvammstangi | 12.06 Open meeting in Ísafjörður |
| 11.02 Representatives from ministries and municipalities | 08.04 Open meeting on behalf of Visit Reykjavík | 16.06 MPs from Social Democratic Alliance |
| 18.02 Group from various public entities and banks | 09.04 Icelandic Tourism Council | 19.08 Ministry for the Environment and Natural Resources and ministerial staff |
| 19.02 Icelandic Travel Industry Association | 21.04 Prime Minister's Office and others | 03.09 Representatives from Icelandic Association of Local Authorities |
| 26.02 Insurance companies | 21.04 Open meeting in Selfoss | 14.09 Representatives from Ministry of Finance and Economic Affairs |
| 26.02 Representatives from the Ministry of Welfare and its agencies | 21.04 Meeting on access management and access issues | 01.10 Representatives from Prime Minister's Office |
| | 24.04 Icelandic Tourism Research Centre | |
| | 28.04 Occupational Council | |



SOUND FOUNDATIONS

The conclusion of the steering group was that there was a need to lay the foundations for the prosperous and sustainable development of tourism over the next five years. These foundations are a prerequisite for the shaping of a long-term strategy. A new Tourism Task Force will play a key role in this regard.

Tourism Task Force 2015–2020

The Tourism Task Force will operate until the end of 2020. Its board is made up of ministers from the four main areas connected to the tourism industry, as well as four representatives from the sector and two representatives from local municipalities. The Tourism Task Force will ensure that the next five years are used to tackle the tasks required to lay the solid foundations that are needed in the Icelandic tourism industry. Its function is to coordinate measures and find solutions in collaboration with government administrations, municipalities, the support framework for this sector throughout the country, the sector itself and other interested parties.

Reforms in the sector

The Road Map for Tourism emphasises the following seven key elements: coordination, providing a positive visitor experience, reliable data, nature conservation, skills and quality, increased profitability and a better distribution of tourists.

This is clearly an immense task since it entails, among other things, the integration and simplification of the administrative system, financing of infrastructures, nature conservation, professional development of the sector, quality control and coordinated measures – and all of this calls for the involvement of everyone engaged in the tourism industry. For this purpose, the Government of Iceland, the Icelandic Travel Industry Association and the Icelandic Association of Local Authorities have made an agreement to bolster the Icelandic tourism industry until the end of 2020.

The objective is to lay sound foundations between 2015–2020, after which the focus will shift to securing that the framework of the sector is dynamically structured, which is crucial to enable the potential of the tourism industry to be fully tapped. In the long term, the goal is to ensure that tourism in Iceland becomes exemplary and to firmly establish the country as an attractive and sustainable destination for tourists in harmony with the landscape and its people.

The coordination that is being proposed here will lead to an effective structuring of the tourism industry, infrastructure development, enhanced quality, the conservation of nature and heritage, as well as a better distribution of tourists throughout the year and around the whole country. On this basis, tourism can evolve in harmony with the country and its people and tourists can benefit from a positive experience, characterised by hospitality and quality.

Tasks of the next five years

The next five years will be devoted to laying solid foundations to ensure tourism can continue to thrive on a sound basis. A common trait shared by many of the countries that have excelled the most in developing a successful and sustainable tourism industry is the dynamic collaboration they have fostered between ministries and institutions to lay solid foundations such as those presented here.

The tasks that lie ahead are complex and multifaceted and priorities therefore have to be clearly established every step of the way. At the same time, there is a great need for flexibility since the sector is rapidly evolving. The Tourism Task Force is therefore expected to evaluate the position of the sector before the drafting of the budget every year between 2016-2020. In the wake of this, the prioritisation of tasks shall be reviewed and a project and financial plan shall be submitted for each coming year.

Long-term outlook

If properly handled, the tourism industry will become a sustainable and profitable sector for the future, which yields stable foreign exchange earnings to the economy and increases prosperity and the quality of life in Iceland. The outlook for the future is bright and comprises the following:

- A general consensus has been reached on the importance of tourism as a pillar of the economy.
- Decision making in the tourism industry is based on timely, reliable and internationally comparable data.
- Nature is the main attraction driving the Icelandic tourism industry and systematic efforts are made to conserve it, guided by the principles of stress control and sustainability.
- Tourism in Iceland is characterised by high skill levels, quality, harmony and a good reputation.
- Tourists recommend Iceland and experience unique hospitality, high quality standards, good service and adventure on their travels.
- The tourism industry is a profitable sector of the economy which attracts a skilled work force.
- Transport evolves in line with the rise in the number of tourists.
- The tourism industry has been boosted throughout the country in good harmony with the population, environment and workers in the sector.
- A coordinated administration works efficiently with the sector to achieve results; collaboration yields results.

OBJECTIVES AND YARDSTICKS

Reliable data is essential

There is a real shortage of timely, reliable and internationally comparable data on tourism in Iceland to use as a basis for decision-making and setting objectives. The compilation of reliable statistics in the tourism industry is a complex process, but there are good precedents in, among other places, Australia and New Zealand, where ways of making good use of reliable data and ensuring ongoing measurements of the state of the sector are being developed. This creates the conditions for establishing realistic targets and the appropriate follow-up to guarantee results.

The plan is to take into account the experience and know-how of countries that are at the forefront in this field and ensure that clear objectives and measurements of the state of the sector are in place at each point in time. This is a prerequisite for achieving results.

Here are the objectives and key yardsticks that will be focused on to evaluate the results and benefits of the sector. The principal objectives are: to provide a positive visitor experience, increase profitability, broaden the distribution of tourists and a positive attitude towards the sector. Each objective has its own key yardsticks, but because of the shortage of reliable data, no numerical values have been established on this occasion. The plan is to make the collection of data a priority in 2016. This will provide the basic criteria required to set numerical targets and to subsequently follow them up.

Positive visitor experience

- The recommendation score of tourists measures high in comparison with other countries³.
- The percentage of foreign tourists who have visited Iceland before increases (return rate).

Increased profitability

- Added value in tourism increasingly contributes to the GDP.
- Increase in foreign exchange earnings from foreign tourists per overnight stay.
- Increase in labour productivity.

Wider distribution of tourists

- A higher percentage of tourists visit Iceland in the off-peak season.
- A higher percentage of overnight stays by foreign guests in hotels and guest houses in rural areas will be generated outside the peak season (June-August). Measurable growth targets will be set for each region, based on the situation in each region.

Positive attitude towards the sector

- The attitude of Icelanders towards tourism measures positive.
- The job satisfaction rate in the sector measures high.

WORK PLAN PRIORITIES FOR 2016-2017

*Priorities shall be reviewed by the
Tourism Task Force every year*

- Master the rapid growth in the sector with the Tourism Task Force, which coordinates measures and ensures priorities are implemented.
- Ensure that reliable, timely and internationally comparable measurements provide a clear picture of the sector at any given time.
- Set measurable objectives based on reliable data and follow them up to achieve the best results.
- Work on branding Iceland as a destination, define target groups and market accordingly.
- Find solutions to ensure municipalities have sufficient revenue to meet their costs in the development and management of tourist destinations under their jurisdiction.
- Ensure that the national transport plan takes into account the needs of the tourism industry and the projected rise in the number of tourists.
- Ensure that the maintenance and development of air travel infrastructures are in line with the rise in the number of tourists in the country.
- Increase the safety of tourists and prevention through, among other things, harmonised information and signposting throughout the country.
- Make effective Destination Management Plans (DMPs) for every region in the country.
- Select “model sites” that are known as such, both in Iceland and abroad, and start with the selection and design in 2016.
- Take tourist destinations into account in the organisation of municipalities and prioritise them in every region with an emphasis on developing facilities for tourists.
- Decide which tourist destinations in each region require access management and manage traffic around them, taking into account environmental and social carrying capacity concerns, guided by the principles of tourist safety.
- Define requirements for integrated solutions to support skills, quality, professionalism and know-how in the tourism industry and work on effective ways to improve them.
- Make plans regarding the manpower and training needs in the tourism industry in each region.
- Establish effective risk management based on continuous risk assessment in line with the best models abroad.
- Boost the tourism department in the Ministry of Industries and Innovation.
- Systematically find ways to eradicate the black market in the sector.
- Further simplify the regulatory framework in tourism and introduce a single portal for the issuance of licenses and support documents.

TOURISM TASK FORCE

Temporary project in 2015-2020 to establish a firm foundation

Board

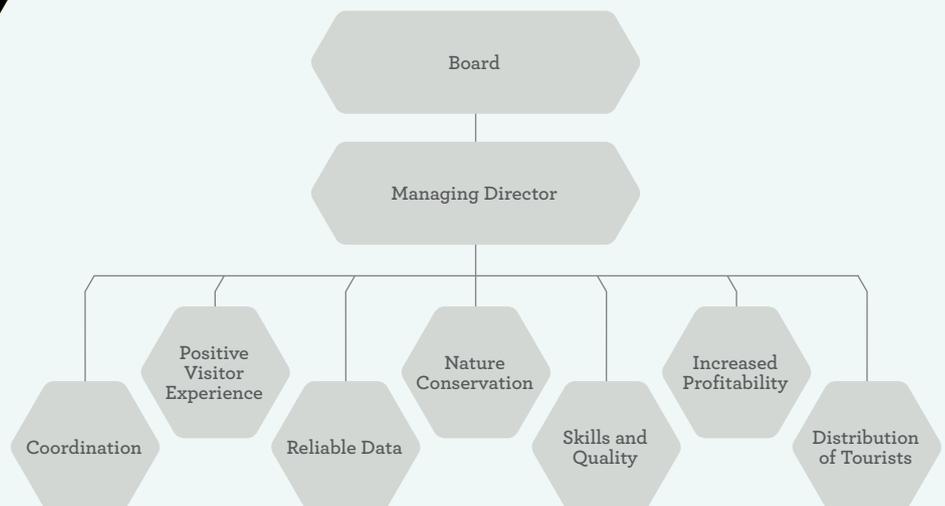
The function of the Tourism Task Force is to coordinate measures and find solutions in collaboration with government administrations, municipalities, the support framework for the sector throughout the country, the sector itself and other interested parties. The Prime Minister appoints its board. The minister of Industries and Commerce, who is also the minister of Tourism is the chairperson. The minister of Finance and Economic Affairs, the minister for the Environment and Natural Resources and the minister of the Interior shall also sit on the board along with four representatives from the Icelandic Travel Industry Association and two representatives from the Icelandic Association of Local Authorities.

The Tourism Task Force will ensure that the next five years are used to take on the tasks that are required to lay the solid foundations that are needed in the Icelandic tourism industry, by among other things, supporting the funding of measures and coordinating development work.

Managing Director

The Tourism Task Force will follow the Road Map for Tourism and appoint a managing director who will draw talent from Iceland and abroad to address the most pressing priorities in the tourism industry in Iceland.

The Althing is expected to be annually briefed on the status of tourism projects, along with emphases and priorities for the future.



SEVEN FOCAL POINTS IN THE ACTIVITIES OF THE TOURISM TASK FORCE IN 2015-2020

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Skills and Quality

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Increased Profitability

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Distribution of Tourists



COORDINATION

Coordination and a holistic approach is crucial for laying a firm foundation in the tourism industry

Coordination consensus

To ensure optimal operating conditions and the success of the Icelandic tourism industry in harmony with the country and its people, a cross-ministerial approach is needed for effective coordination with an integral vision and shared responsibility. Under an agreement between the Icelandic government, the Icelandic Travel Industry Association, and the Icelandic Association of Local Authorities for the strengthening of the Icelandic tourism industry, which was signed in October 2015, the Tourism Task Force will coordinate the forces of the government, the tourism industry and municipalities to implement the Road Map for Tourism.

More efficient administration

Administration will be simplified and its effectiveness increased in order to simplify the management of tourism entities by, among other things, coordinating institutions, streamlining work procedures, simplifying and harmonising legislation and regulations and setting up a single portal for the issuance of licenses and support documents. Tourism will also be given more weight within the Ministry of Industries and Innovation and the role of the Tourism Department will be better defined in relation to, among other things, policy-making, the harmonisation of the legal framework, funding and the enhancement of the working environment in the sector.

Tourism Task Force 2015–2020

The Tourism Task Force shall appoint a managing director to coordinate measures and follow up on the Road Map for Tourism. Among other things, care shall be taken to ensure that reliable data on the state of the sector are published on a regular basis, that the implementation of priority tasks is coordinated and objectives systematically followed up on. The managing director of the Tourism Task Force shall seek the collaboration of others to define ways of achieving the best results. Close links will be fostered with the representatives of public institutions that deal with tourism issues, as well as representatives from the industry and other interested parties. The Tourism Task Force shall draft proposals regarding the prioritisation of measures in connection with the budget every year, since this prioritisation is expected to be revised on a continuous basis.

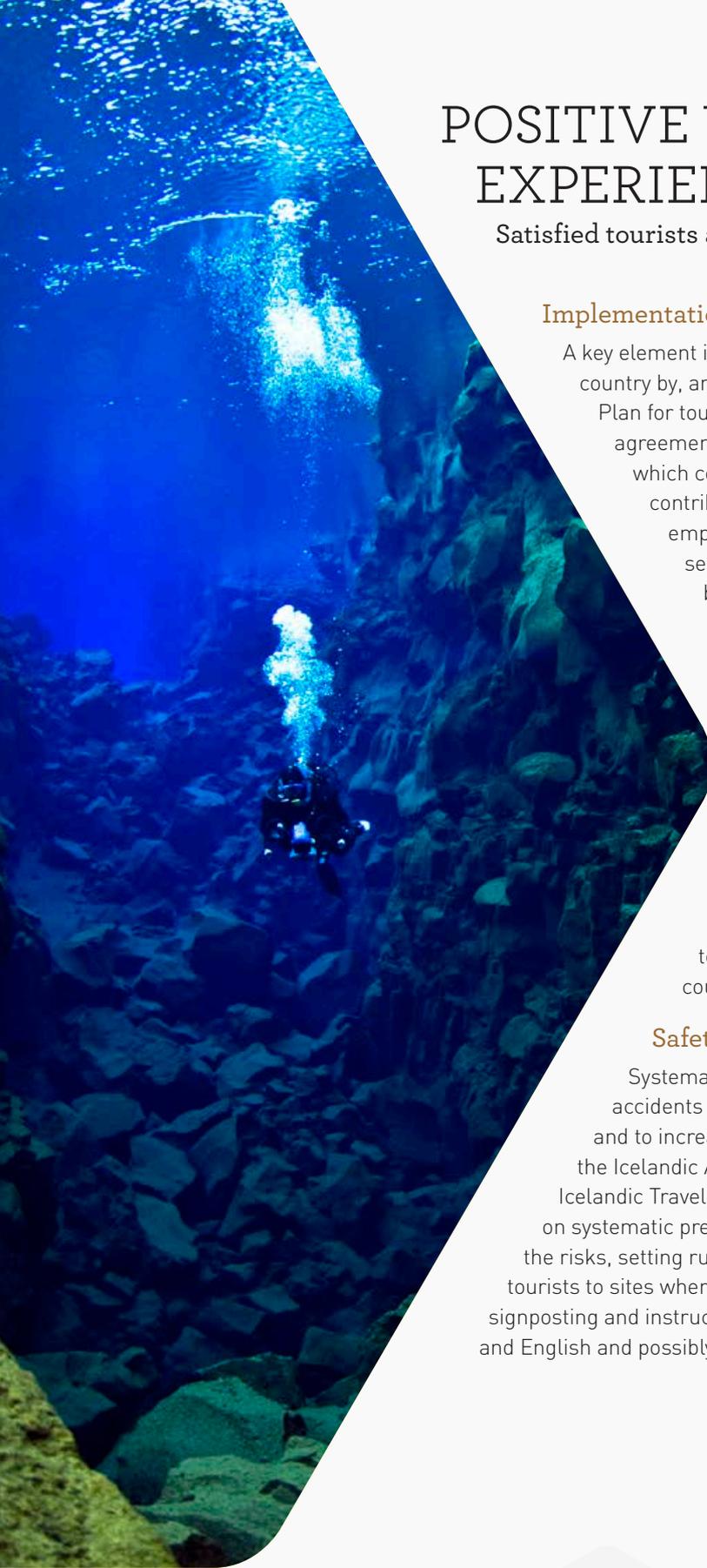
Risk management

The main risk factors in the Icelandic tourism industry are expected to be evaluated on an ongoing basis. Examples of risk factors include natural disasters, environmental risks, black economy activities, reputation, security issues, economic issues, the interaction between the sector and the government, over-investment, information issues, breaches of the law etc.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
An agreement has been signed for the creation of a Tourism Task Force which combines the forces of the government, Icelandic Association of Local Authorities and Icelandic Travel Industry Association to implement priority tasks and lay solid foundations for a successful and sustainable tourism industry.	PMO	<ul style="list-style-type: none"> The Tourism Task Force works according to an agreement which reflects the integral vision, shared responsibilities, and inter-disciplinary obligations of public entities and the sector, which is designed to achieve concrete results in the Icelandic tourism industry.
The Tourism Task Force monitors objectives and priorities.	TTF	<ul style="list-style-type: none"> The Tourism Task Force is a forum for monitoring objectives and priorities in the tourism industry, but it can also respond to important issues that can arise and which need to be addressed in this rapidly growing sector and ever-changing circumstances. A clear set of priorities and work plan for the tourism industry needs to be in place at each point in time, as well as effective collaboration between public bodies, institutions and tourism entities.
The Tourism Department in the Ministry of Industries and Innovation shall be strengthened and administration shall be boosted.	MII TTF	<ul style="list-style-type: none"> The Tourism Department in the ministry has been strengthened and its function well defined with regard to, among other things, policy-making, the legal framework, funding and the enhancement of the working environment in the sector. Efforts continue on enhancing administration by, among other things, simplifying legislation and regulations, coordinating work procedures and setting up a single portal for the issuance of licenses and support documents.
Effective risk management shall be set in place, and tax evasion and black market activities shall be monitored.	TTF	<ul style="list-style-type: none"> Risk assessment is effective in the sector and monitored through risk management. Black market activities have been substantially reduced in the tourism industry.

MII Ministry of Industries and Innovation
PMO PM Office
TTF Tourism Task Force



POSITIVE VISITOR EXPERIENCE

Satisfied tourists and a satisfied nation

Implementation of the Road Map for Tourism in all regions

A key element is to focus on the development of tourism in the whole country by, among other things, making a Destination Management Plan for tourism in each region. The Tourism Task Force shall make agreements for the implementation of the Road Map for Tourism, which companies and interested parties in each region can contribute to and agree upon. The agreement shall place an emphasis on measures which support hospitality, quality service and a positive visitor experience. Special care shall be taken to ensure the ongoing positive attitude of locals towards the sector through, among other things, active consultation.

Information and communication with tourists

Efforts will continue to identify ways of improving the provision of information to tourists throughout the country with an emphasis on electronic solutions and signposting. Systematic efforts shall be made to improve the provision of information with a special focus on finding ways to establish contact with tourists before they start their trips, when they arrive in the country and during the course of their stay.

Safety of tourists

Systematic efforts shall be made to evaluate ways of reducing accidents and mishaps among domestic and foreign tourists and to increase their safety in collaboration with the police force, the Icelandic Association for Search and Rescue (ICE-SAR) and the Icelandic Travel Industry Association. A special emphasis shall be placed on systematic prevention work, which entails, among other things, defining the risks, setting rules and safety restrictions and managing the access of tourists to sites where their safety may be considered to be at risk. Moreover, signposting and instructions shall be harmonised and shall be both in Icelandic and English and possibly other languages.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
The Tourism Task Force and interested parties in every region shall make an agreement for the implementation of the Road Map for Tourism with an emphasis on services for tourists.	TTF SAF	<ul style="list-style-type: none"> Each region shall work according to the agreement to place an emphasis on services to tourists, their positive experience and harmony between the sector and local population. The future vision of a positive visitor experience and tourist services in each region shall be clear. Tourism in Iceland is characterised by a positive visitor experience, hospitality, service-mindedness and quality.
The provision of information to tourists throughout the country shall be improved with an emphasis on electronic solutions and better signposting, harmonised throughout the country.	TTF MII	<ul style="list-style-type: none"> Tourists consider the provision of information to be good and useful to them during their travels around the country. Messages in Icelandic and English and possibly other languages reach tourists swiftly.
The safety of tourists shall be increased with systematic prevention work, harmonised signposting and controlled tourist access in collaboration with the police force, ICE-SAR and the tourism sector.	MOI TTF	<ul style="list-style-type: none"> Travel related accidents have been reduced, as have the costs of mishaps and accidents. Signposting is in line with the best international standards and experience and is easily understood.

MII Ministry of Industries and Innovation MOI Ministry of the Interior SAF Icelandic Travel Industry Association TTF Tourism Task Force



RELIABLE DATA

Data provides the basis for targeted decisions

One of the most important tasks to strengthen tourism in Iceland is to collect timely, reliable and internationally comparable data to serve as a basis for decision making and targeting in the sector. It is proposed that the measurements and data regarding Icelandic tourism be updated in good time and published centrally, in line with best international standards. One can also look to the fisheries industry and other sectors of the economy that have used data as a basis for their decision making and targeting. Tourism Satellite Accounts will continue to be compiled annually and as part of the national accounts.

Objectives

It is important that the objectives of the tourism industry be based on reliable measurements of the current situation. Key yardsticks and ways of evaluating results will be, among other things, defined in connection with the objective of providing a positive visitor experience, increasing the sector's profitability, broadening the distribution of tourists and promoting a positive attitude towards the sector. Key yardsticks that will be used to follow up on tourism objectives have been defined. As has been mentioned, no numerical values have been set in connection with these key yardsticks. The collection of reliable data has to be a priority in 2016 so that realistic numerical targets can be set and followed through.

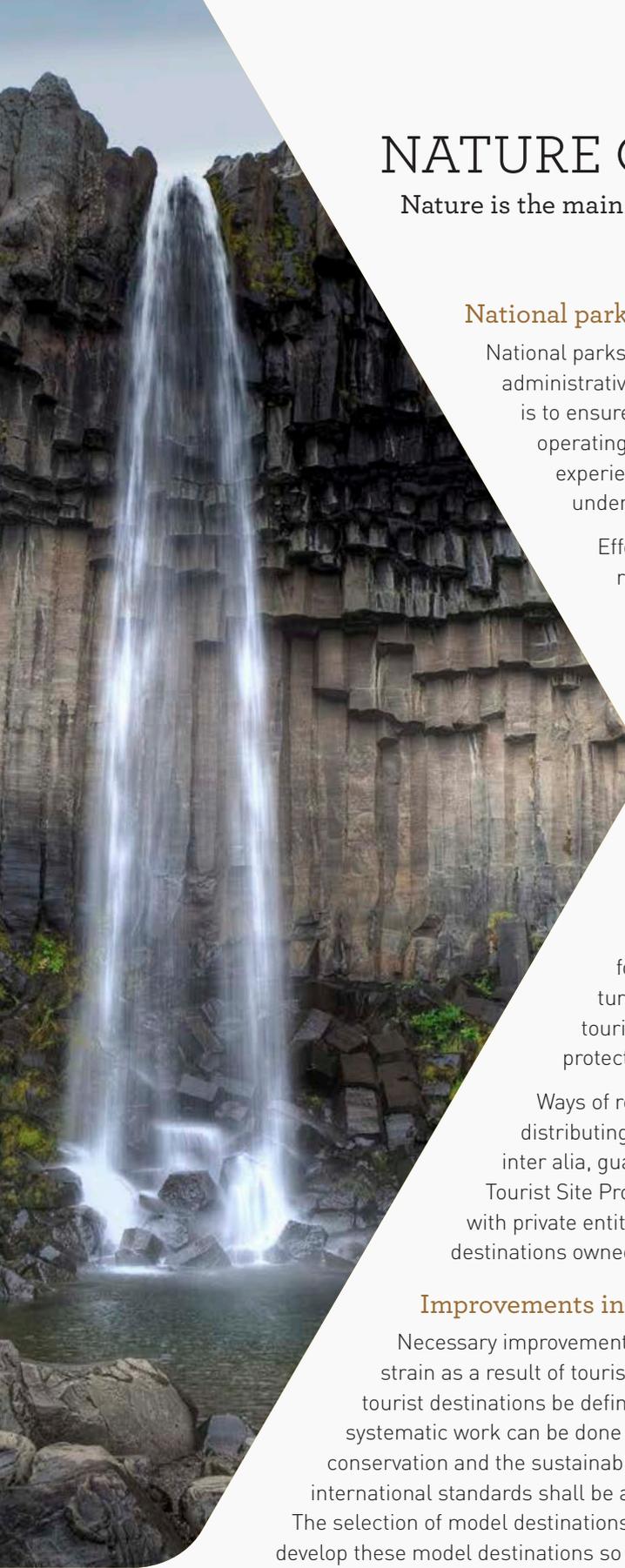
Research and innovation

Research shall be intensified and a special plan linked to research in the tourism industry shall be drafted on the basis of the needs of the sector, the exploitation of results and international criteria. Ways of strengthening innovation and product development in the sector shall also be explored.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
<p>Data that is pertinent to the tourism industry shall be regularly updated in good time, be accessible and published centrally. Tourism Satellite Accounts shall continue to be compiled annually and as part of the national accounts.</p>	<p>TTF MII</p>	<ul style="list-style-type: none"> • Decision making in the tourism industry is based on timely, reliable and internationally comparable data, taking into account the experience and knowledge of other countries that have achieved results in this field. • Tourism Satellite Accounts are compiled every year and used as a basis for decision making both in public administration and in the management of tourism companies. • Numerical data concerning the tourism industry is accessible in one place and regularly updated.
<p>Measurable objectives shall be set in the tourism industry, on the basis of reliable measurements of the current situation, and these shall be systematically followed up on.</p>	<p>TTF</p>	<ul style="list-style-type: none"> • The measurable and numerical targets that are set every year are founded on a reliable analysis of the situation in the tourism industry at each point in time. Frequent measurements also support the monitoring of the objectives being pursued at each point in time.
<p>Research shall be boosted and emphasis on innovation in the sector increased.</p>	<p>TTF</p>	<ul style="list-style-type: none"> • Dynamic research and an increased knowledge and understanding of the sector support the shaping of policy and decision making. • Increased support is given to product development and innovation in the sector.

MII Ministry of Industries and Innovation TTF Tourism Task Force



NATURE CONSERVATION

Nature is the main attraction driving the Icelandic tourism industry

National parks, nature reserves and public land all under one body

National parks, nature reserves and public land should come under a joint administrative system, supplanting the three current institutions. The objective is to ensure efficient administration, sound conservation principles, better operating conditions, and to project a unified image and enhance the visitor experience. The national shrine of Thingvellir, however, shall remain under the preservation of the Althing.

Efforts shall be made to ensure tourism entities use national resources in the spirit of the UNWTO's definition of sustainable tourism and the recommendations of the International Union for the Conservation of Nature (IUCN) regarding tourism in protected areas. The collaboration between nature conservation authorities and tourism entities shall be strengthened.

Destinations in Icelandic nature

Tourist destinations shall be defined in municipal plans. A collection of service charges is being proposed where applicable, so that payments can be received for added value services. The focus will be on nature and heritage conservation, sustainability, service, land maintenance and development in harmony with the landscape, pursuant to the bill of the minister for the Environment and Natural Resources regarding infrastructure development. If data indicates that the carrying capacity of a tourism area is being compromised, tourist traffic shall be controlled to protect nature and spread the load, also in the interest of safety.

Ways of restricting access shall also be defined where necessary, and of distributing traffic over time and defining an access policy in each area to, inter alia, guarantee access to all where applicable. Changes in the role of the Tourist Site Protection Fund are being proposed so that it will work in particular with private entities and municipalities. The funding of the development of tourist destinations owned and administered by the state also has to be ensured.

Improvements in all principal areas and model destinations defined

Necessary improvements to all the principal areas in Icelandic nature that come under strain as a result of tourism shall be implemented by 2020. It is also proposed that several tourist destinations be defined as model destinations so that they can be prioritised and systematic work can be done on developing them with regard to, inter alia, nature and heritage conservation and the sustainable development of the environment and tourism services. The best international standards shall be applied, not least so that they can be enjoyed by future generations. The selection of model destinations shall begin immediately in 2016. The goal is to systematically develop these model destinations so that they will be recognised as such, both in Iceland and world-wide. Comparable destinations have been developed in many parts of the world, such as in Tongariro and Fiordland in New Zealand, which are both UNESCO World Heritage sites. The "UNESCO World Heritage and Sustainable Tourism Programme" can also be a good source of advice in this regard.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
National parks, protected areas and public land shall be administered under one body and systematic work shall be conducted for nature conservation and development in the spirit of the definition of a sustainable destination. Moreover, collaboration between nature conservation bodies and tourism entities shall be strengthened with an emphasis on the importance of environmental considerations.	PMO MENR MII TTF	<ul style="list-style-type: none"> • Good overview, harmonisation and results are achieved in nature and heritage conservation in areas which come under the state. • The emphasis on sustainability helps to ensure that future generations will continue to enjoy these areas under public ownership in the years to come. • Principles of conservation and sustainability form the basis for developing facilities that blend in with the landscape and areas under public ownership are well maintained. Execution is based on the best models in each case and takes into account environmental considerations, the protection of natural monuments and construction policies.
The Tourist Site Protection Fund shall continue to operate and its function shall be reviewed so that the fund can be used in the development of facilities owned by municipalities and private entities. Funding for the development of tourist destinations owned and administered by the state shall also be ensured.	MII MENR TTF	<ul style="list-style-type: none"> • A land use plan is followed for the development of tourism infrastructures that protect nature and sites of cultural and historical value (cf. Bill of the Ministry for the Environment and Natural Resources) in which development is organised and projects are prioritised for the long and short term. • The resources of the Tourist Site Protection Fund are used for the protection of nature and heritage in tourist destinations and to speed up the development of necessary facilities and services in prioritised destinations owned by municipalities and private entities. • Environmental considerations and best design models in Iceland's nature shall form the basis for the development of tourist destinations throughout the country, with regard to, among other things, hygiene conditions, parking spaces and tourist facilities that blend in nicely with the landscape.
Tourist destinations shall be organised in each region according to a Destination Management Plan (DMP) with service charges collected where appropriate and where a value added service is being offered. Service charges are expected to be channelled into, among other things, nature and heritage conservation and further developing destinations.	MII MENR MSL TTF	<ul style="list-style-type: none"> • Municipalities have taken tourist destinations into account in their planning, covering among other things the protection of nature and heritage, hygiene issues, facilities and maintenance, safety issues, prevention, access and visitor management where applicable, in addition to signs and the provision of information. • Destinations where services and facilities are in place receive payments from service charges that are used for development. • Facilities and services for tourists are significantly improving every year in destinations around the country with regard to, among other things, hygiene conditions and safety protection. The protection of nature and conservation of heritage and the landscape are prioritised.
Model tourist sites shall be defined and preparations for their design and development shall follow the best foreign models.	MII MENR TTF	<ul style="list-style-type: none"> • So-called model sites that are known both in Iceland and abroad will have been systematically developed. Outstanding design and development characterises these model sites so that future generations can enjoy them in years to come.



SKILLS AND QUALITY

A sharper emphasis on education, training and quality will yield results

Quality control and the Vakinn quality label system

A common objective of public bodies, companies in tourism and the support frameworks in each region must be to achieve results in quality control. In order to do this, quality control in the tourism sector needs to be bolstered, as well as the activities of the Vakinn quality label and environmental system. Objectives shall be set for each region, specifying a minimum percentage of tourism companies in the area that shall participate in recognised quality control and/or the Vakinn quality label system. Ways to broaden company participation in Vakinn shall be explored to enhance the quality of tourist services in Iceland and the Vakinn quality label system itself possibly strengthened or changed accordingly.

Digital training and support

The Tourism Task Force shall, in collaboration with the sector, define the requirements for comprehensive improvements to boost skills, quality, professionalism and know-how in the tourism industry. In parallel, effective ways of making improvements shall be developed by, for example, giving people working in the tourism industry access to digital information, training material, standards, visual instructions, various data and tools that help to enhance skills and quality in the tourism industry. Moreover, support shall be given to regions to help enhance skills and quality in the tourism industry through, among other things, evaluations and advice.

Staffing, skills, education and on-the-job training

The tourism industry is a knowledge-based sector which is founded on people, their skills and knowledge and therefore staffing, skills and professionalism in the tourism industry have to be placed in the foreground. Skilled professionals have to be attracted to the sector and access to know-how, training and education needs to be ensured. For this purpose work needs to be done with education bodies and training entities and an emphasis needs to be placed on on-the-job training. Shorter and more practical study programmes need to be strengthened and bridges built between formal and informal learning by, among other things, increasing flexibility in curricula for the assessment and validations of individuals, based on their experience and knowledge. Companies will, moreover, be encouraged to make training plans and also, where applicable, avail of the assistance of a "borrowed training officer" or other measures to support human resource priorities. The manpower requirements for each region shall be defined in line with the increase in the number of tourists so that manpower plans are in place in each instance.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
<p>Objectives shall be set in every region within the Destination Management Plans to increase the number of tourism companies that are quality certified and/or carry a Vakinn quality label.</p>	<p>TTF SAF</p>	<ul style="list-style-type: none"> • With good follow-up in each region, a large percentage of the tourism companies in each area participate in quality control work and/or Vakinn. • Quality and a good reputation characterise the tourism industry in Iceland.
<p>An electronic portal shall be devised with information on best practices, training and teaching material, standards, visual material and more to enhance skills and support quality control work in the tourism industry. Measures cover the harmonisation of websites/portals that already exist as well as additions that focus on, among other things, training, standards and best practices. Moreover, the Tourism Task Force shall offer support to the regions which entails, among other things, evaluations and advice to enhance skills and quality standards in the tourism industry.</p>	<p>TTF</p>	<ul style="list-style-type: none"> • Tourism entities are satisfied with the information that is available through the electronic portal and use it systematically to enhance skills and quality in their work. • Evaluations and advice offered through the Tourism Task Force are put to good use in every region. • Growing satisfaction among tourists regarding the level of professionalism, quality, hospitality and service in the Icelandic tourism sector.
<p>In each region an emphasis shall be placed on evaluating manpower requirements, enhancing the skills of staff in the broadest sense and devising manpower and training plans. Skills, quality and professionalism shall be increased with systematic education and on-the-job training.</p>	<p>TTF SAF MESC</p>	<ul style="list-style-type: none"> • Manpower plans are in place in regions at each point in time, based on the projected increases in the number of tourists and systematic efforts are made to attract staff to the sector and meet their growing skill requirements through, among other things, on-the-job training. • Staff in the tourism industry are offered a number of short course options at secondary school and university level, which are evaluated as units in further education and recognised by the industry and which also validate prior learning. • Ways of evaluating informal learning have been defined for units within study programmes. • The percentage of university-educated staff in the sector has increased. • The staff turnover rate has decreased and job satisfaction increased.

MESC Ministry of Education, Science and Culture SAF Icelandic Travel Industry Association TTF Tourism Task Force



INCREASED PROFITABILITY

Ambitious and realistic targets

Increased profitability target

The objective is for tourism revenue to increase proportionally more than the rise in the number of tourists and that ambitious but realistic rates of return be set for the industry. It needs to be ensured that coordinated marketing measures and the development of tourism in general yields greater returns, productivity and value optimisation in the sector. It is important that decisions and targets are based on reliable data, and that the status of each objective is followed up on and improvements are made accordingly. Thus there will be systematic responses to the results of the measurements, and efforts made to improve results regarding revenue from tourists' overnight stays, productivity, returns on investments, foreign exchange earnings and the sector's contribution to the GDP.

Marketing

Work shall be conducted on the branding of Iceland as a tourist destination. Branding forms the basis for defining the target groups that Iceland wants to attract and that can yield greater returns to this sector. Branding and market segmentation shall be conducted in relation to increased returns requirements in the sector and used to guide marketing, product development and investments. It is important to ensure that the marketing of Iceland as a destination is also consistent with the coordinated marketing of Icelandic products and services abroad.

Investments and value creation

Tourism entities, investors and other interest groups shall be encouraged to take into account the results of the branding and market segmentation and seek ways of facilitating greater returns in tourism. At the same time, care shall be taken not to restrict start-up businesses and the activities of undertakings that want to serve other client groups or to focus on the uniqueness of specific regions.

Thus the emphases in investment and product development shall broadly speaking be in line with the branding and expectations of the target groups Iceland wants to attract, without undermining development potential within the sector.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
<p>Ambitious required rates of return shall be defined for the sector. Measurable targets shall be set in connection with increasing returns and they shall be systematically monitored. The results of the measurements regarding targets shall be published in good time so that responses and improvements can be made to ensure the best results.</p>	<p>MII TTF</p>	<ul style="list-style-type: none"> • Measurements, systematic follow-up measures and improvements yield greater returns and productivity in the sector, higher revenue from overnight stays and an increased contribution to the GDP. • The sector promotes a higher quality of life in Iceland and boosts the national economy.
<p>Branding, market segmentation and marketing shall be consistent with the increased required rates of return in the sector.</p>	<p>MII TTF</p>	<ul style="list-style-type: none"> • The marketing of Iceland as a destination places an emphasis on target groups that increase returns in the sector and that Iceland wants to attract, since measurements show that these groups visit in ever-increasing numbers.
<p>Investments and product development shall be consistent with branding and market segmentation.</p>	<p>SAF MII TTF</p>	<ul style="list-style-type: none"> • The emphases in investments and product development are based on the expectations and needs of the target groups Iceland wants to attract. • The defined target groups are satisfied with the services and products offered.

MII Ministry of Industries and Innovation SAF Icelandic Travel Industry Association TTF Tourism Task Force

DISTRIBUTION OF TOURISTS

All regions benefit from the rise in tourist numbers

Transport

There are obvious advantages if tourists travel more widely around the country – not least to spread the load. Efficient and safe transport is a prerequisite to this happening and this needs to be taken into account in transport planning. It is important to ensure that the development and maintenance of certain all-year-round roads is greatly improved. It would also be preferable if each region would define specific tourist routes to increase the attraction and lengthen tourists' stay in the area. Roads to tourist destinations have to be kept open as long as possible. Signposting and safety signs shall be improved and harmonised all over the country. This applies to, among other things, signs on the main roads, as well as in rural areas and in the highlands. It is important to have these signs in Icelandic and English and possibly other languages.

The maintenance and development of both domestic and international air travel infrastructure shall be in line with the increase in the number of tourists to the country. There shall be an evaluation of how best to increase flight gateways into the country in a sustainable manner and ensure that alternative international airports are in good order. There shall also be a special focus on powerful communications, the laying of fibre optic cables and internet connections throughout the country.

Support framework for tourism throughout the country

There shall be a Destination Management Plan for each region. The importance of the tourism industry as one of the pillars of the economy and rural development shall be confirmed with the harmonisation and strengthening of the support framework for tourism around the country and operations shall be strengthened in every region. Access control and tourist traffic shall be discussed in each region with a view to, among other things, spreading the load, protecting natural and cultural heritage and guaranteeing maximum safety. The harmonisation of entities in each region and their collaboration with the Tourism Task Force is expected to yield significant results for tourism, since an emphasis shall be placed on promoting cooperation among the stakeholders in each region in order to reach targets and results. There is a need to better define and coordinate the roles of stakeholders in local tourism support frameworks.

All year round and in all regions

In promotion and marketing campaigns, an emphasis shall be placed on increasing the percentage of domestic and foreign tourists in the off-peak season. A special emphasis shall continue to be placed on promoting the entire country, not least to attract tourists to all parts of the country in the off-peak season, and also to lighten the burden on those tourist sites that are under strain.

Measures for 2015-2020 and expected results

Measures	Resp.	Expected results
The national transport plan shall take into account the needs of the tourism industry, as well as the increase in tourist numbers and their safety.	MOI TTF	<ul style="list-style-type: none"> • Transport has greatly improved. • The number of tourists has increased in the off-peak season and throughout the country as the national transport plan takes into account tourist distribution objectives throughout the year and between regions. • Systematic work is being done on improving signposting on roads both in Icelandic and English, in line with best practices abroad.
Telecommunications shall be improved, fibre optic cables laid and internet connections set up all across the country.	MOI TTF	<ul style="list-style-type: none"> • Telecommunications are strong all around the country, fibre optics are all over the country and there are good internet connections.
The maintenance and development of air travel infrastructures are in line with growth in the sector.	MOI TTF	<ul style="list-style-type: none"> • Air travel infrastructures have been improved, alternative airports are in good condition and international flight gateways have opened in areas outside the capital region.
Destination Management Plans shall be devised, which among other things take into account the distribution and management of tourist flows in each region and local tourism support frameworks shall be strengthened.	TTF SAF	<ul style="list-style-type: none"> • There are Destination Management Plans for each region. • The tourism support frameworks in each region work efficiently with the Tourism Task Force in order to meet tourism objectives. • Visitor management takes into account, among other things, the planning of each region, tourist safety and the protection of nature and heritage. • The distribution and management of tourist flows helps nature conservation and lightens the load on the most popular sites.
An effort shall be made to promote all Icelandic regions as destinations worth visiting all year round.	TTF MII	<ul style="list-style-type: none"> • A higher percentage of tourists visit Iceland in the off-peak season. • A higher percentage of tourists travel more widely around the country.

MII Ministry of Industries and Innovation MOI Ministry of the Interior SAF Icelandic Travel Industry Association TTF Tourism Task Force

ROAD MAP

FOR TOURISM IN ICELAND

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